

Ampire Co., Ltd. and its Subsidiaries
Consolidated Financial Statements &
Independent Auditor's Review Report

Q1 2024 and 2023

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Independent Auditor's Review Report

To the Board of Directors of Ampire Co., Ltd.,

Foreword

We have reviewed the accompanying Consolidated Balance Sheets of Ampire Co. and its subsidiaries as of March 31, 2024, and 2023, and the related Consolidated Statements of Comprehensive Income, Changes in Equity, and Cash Flows for the three-month periods ended March 31, 2024, and 2023, along with the Notes to the Consolidated Financial Statements, which include a summary of significant accounting policies. It is the duty of management to prepare these consolidated financial statements that are fairly presented in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard (IAS) 34, "Interim Financial Reporting," as endorsed and issued by the Financial Supervisory Commission (FSC). Our responsibility is to express a conclusion on these consolidated financial statements based on our review.

Scope

We conducted our review in accordance with the Taiwan Standards on Review Engagements (TWSRE) No.2410 "Review of Financial Information Performed by the Independent Auditor of the Entity." Our procedures included inquiries, primarily of individuals responsible for financial and accounting matters, and the application of analytical and other review procedures. A review is substantially less comprehensive than an audit, and as such, we may not identify all significant matters that an audit might uncover. Therefore, we do not express an audit opinion.

Conclusion

Upon our review, we have not identified any matters that lead us to believe that the accompanying consolidated financial statements of Ampire Co. and its subsidiaries have not been prepared, in all material respects, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS No. 34, "Interim Financial Reporting," as endorsed and issued by the FSC. Therefore, we believe that these statements present fairly the consolidated financial position of Ampire Co. and its subsidiaries as of March 31, 2024, and 2023, as well as their consolidated financial performance and consolidated cash flows for the periods from January 1 to March 31, 2024, and 2023.

The engagement partners on the audit resulting in this independent auditors' report are KUO HSIN YI and KO HUI CHIH.

KPMG

Taipei, Taiwan (Republic of China)

April 29, 2024

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

Ampire Co and its Subsidiaries

Consolidated Balance Sheet

Mar 31, 2024, Dec 31 and Mar 31, 2023

In NT\$K

Assets		2024.3.31		2023.12.31		2023.3.31		Liabilities and Equity		2024.3.31		2023.12.31		2023.3.31									
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%								
Current Assets:								Current Liabilities:															
1100	Cash and cash equivalents (Note 6(1))	\$	459,144	18	319,152	13	547,466	20	2170	Accounts payable	\$	93,228	4	128,762	5	204,609	8						
1137	Financial assets measured at amortized cost - current (Note 6(3))		604,716	23	623,422	24	361,103	13	2200	Other payables (Note 6(8))		111,095	4	121,566	5	119,759	4						
									2230	Current income tax liabilities		50,156	2	38,696	2	83,749	3						
1170	Net accounts receivable (Note 6(4) and (14))		119,259	5	147,687	6	234,056	9	2280	Lease liabilities - current (Note 6(9))		22,035	1	21,529	1	18,076	1						
1200	Other receivables		10,740	-	8,129	-	15,264	-	2300	Other current liabilities		11,651	-	11,136	-	2,886	-						
1310	Inventories (Note 6(5))		264,610	10	349,224	14	467,114	17	Total Current Liabilities									288,165	11	321,689	13	429,079	16
1410	Prepayments		7,662	-	8,156	-	17,562	1	Non-current Liabilities:														
1470	Other current assets		193	-	10	-	342	-	2580	Lease liabilities - non-current (Note 6(9))		16,712	1	21,659	1	26,609	1						
Total Current Assets			1,466,324	56	1,455,780	57	1,642,907	60	2640	Net defined benefit liabilities - non-current		13,020	-	12,993	-	12,885	-						
Non-current Assets:								Total Non-current Liabilities															
1517	Financial assets at FVOCI - non-current (Note 6(2))		771,150	30	729,750	29	705,459	26	Total Liabilities			317,897	12	356,341	14	468,573	17						
1600	Property, plant, and equipment (Note 6(6))		307,398	12	309,838	12	322,050	12	Equity (Note 6(12)):														
1755	Right-of-use assets (Note 6(7))		36,400	1	41,045	2	42,758	2	3100	Common stock		1,182,798	46	1,182,798	46	1,182,798	44						
1780	Intangible assets		1,762	-	1,917	-	2,380	-	3200	Capital reserve		31,471	1	31,471	1	31,471	1						
1840	Deferred tax assets		9,833	-	9,833	-	9,468	-	Retained earnings:														
1990	Other non-current assets (Note 6(4))		15,846	1	7,218	-	7,202	-	3310	Legal reserve		216,126	8	216,126	9	170,334	6						
Total Non-current Assets			1,142,389	44	1,099,601	43	1,089,317	40	3350	Undistributed earnings		680,672	26	621,961	24	714,040	26						
										Total retained earnings			896,798	34	838,087	33	884,374	32					
										3400	Other equity		179,749	7	146,684	6	165,008	6					
										Total Equity			2,290,816	88	2,199,040	86	2,263,651	83					
Total Assets		\$	2,608,713	100	2,555,381	100	2,732,224	100	Total Liabilities and Equity		\$	2,608,713	100	2,555,381	100	2,732,224	100						

(Please refer to the accompanying notes to the Consolidated Financial Statements for details)

Ampire Co and its Subsidiaries
Consolidated Statement of Comprehensive Income
Jan 1-Mar 31, 2024 and 2023

In NT\$K

		Jan-Mar 2024		Jan-Mar 2023	
		Amount	%	Amount	%
4000	Operating Revenue (Note 6(14))	\$ 360,753	100	599,646	100
5000	Operating Costs (Note 6(5), (6) (7), (9), (10), and (15))	(266,186)	(74)	(433,967)	(72)
	Gross Profit	94,567	26	165,679	28
	Operating Expenses (Note 6(6) (7), (9), (10), and (15)):				
6100	Selling expenses	(12,321)	(3)	(13,788)	(2)
6200	Administrative expenses	(17,618)	(5)	(24,577)	(4)
6300	R&D expenses	(9,075)	(3)	(9,262)	(3)
	Total Operating Expenses	(39,014)	(11)	(47,627)	(9)
	Operating Income	55,553	15	118,052	19
	Non-operating Income and Expenses (Note 6(9) and (16)):				
7100	Interest income	6,912	2	5,764	1
7010	Other income	2,515	1	2,056	-
7020	Other gains and losses	9,705	3	(8,069)	(1)
7050	Financial costs	(274)	-	(300)	-
	Total Non-operating Income and Expenses	18,858	6	(549)	-
7900	Profit Before Tax	74,411	21	117,503	19
7950	Income Tax Expense (Note 6(11))	(15,700)	(5)	(24,889)	(4)
	Net Profit for the Period	58,711	16	92,614	15
8300	Other Comprehensive Income (Note 6(12)):				
8310	Items Not Reclassified to Profit or Loss				
8316	Unrealized valuation gains and losses from equity instrument investments measured at FVOCI	17,971	5	84,031	14
8349	Income taxes related to items not reclassified	-	-	-	-
	Total Items Not Reclassified to Profit or Loss	17,971	5	84,031	14
8360	Items that May be Reclassified Subsequently to Profit or Loss				
8361	Exchange differences on translation of financial statements of foreign operating entities	15,094	4	(2,760)	-
8399	Income tax relating to items that may be reclassified	-	-	-	-
	Total Items that May be Reclassified Subsequently to Profit or Loss	15,094	4	(2,760)	-
8300	Other Comprehensive Income for the Period	33,065	9	81,271	14
8500	Total Comprehensive Income for the Period	\$ 91,776	25	173,885	29
	Earnings Per Share (in NT\$) (Note 6(13))				
9750	Basic Earnings Per Share	\$ 0.50		0.78	
9850	Diluted Earnings Per Share	\$ 0.49		0.77	

(Please refer to the accompanying notes to the Consolidated Financial Statements for details)

Ampire Co and its Subsidiaries
Consolidated Statement of Changes in Equity
Jan 1-Mar 31, 2024 and 2023

In NT\$K

	Common Stock	Capital Reserve	Retained Earnings		Total	Exchange Difference on Translation of Foreign Financial Statement	Other Equity Items		Total	Total Equity
			Legal Reserve	Undistributed Earnings			Unrealized Gains / Losses on Financial Assets at FVOCI	Gains/Losses on Remeasureme nts of Defined Benefit		
Balance at Jan 1, 2023	\$ 1,182,798	31,471	170,334	621,426	791,760	3,624	87,904	(7,791)	83,737	2,089,766
Net profit for the period	-	-	-	92,614	92,614	-	-	-	-	92,614
Other comprehensive income for the period	-	-	-	-	-	(2,760)	84,031	-	81,271	81,271
Total comprehensive income for the period	-	-	-	92,614	92,614	(2,760)	84,031	-	81,271	173,885
Balance at Mar 31, 2023	\$ 1,182,798	31,471	170,334	714,040	884,374	864	171,935	(7,791)	165,008	2,263,651
Balance at Jan 1, 2024	\$ 1,182,798	31,471	216,126	621,961	838,087	3,036	151,237	(7,589)	146,684	2,199,040
Net profit for the period	-	-	-	58,711	58,711	-	-	-	-	58,711
Other comprehensive income for the period	-	-	-	-	-	15,094	17,971	-	33,065	33,065
Total comprehensive income for the period	-	-	-	58,711	58,711	15,094	17,971	-	33,065	91,776
Balance at Mar 31, 2024	\$ 1,182,798	31,471	216,126	680,672	896,798	18,130	169,208	(7,589)	179,749	2,290,816

(Please refer to the accompanying notes to the Consolidated Financial Statements for details)

Ampire Co., Ltd. and its Subsidiaries
Consolidated Statement of Cash Flows
Jan 1-Mar 31, 2024 and 2023

In NT\$K

	Jan-Mar 2024	Jan-Mar, 2023
Cash Flows from Operating Activities:		
Profit Before Tax for the Period	\$ 74,411	117,503
Adjustments:		
Revenue and expense items		
Depreciation expenses	10,406	10,505
Amortization expenses	155	200
Interest expenses	274	300
Interest income	(6,912)	(5,764)
Loss on disposal and scrapping of property, plant, and equipment	-	56
Unrealized foreign exchange losses	3,280	8,525
Total revenue and expense items	7,203	13,822
Changes in assets and liabilities related to operating activities:		
Net changes in assets related to operating activities:		
Accounts receivable	30,252	126,370
Other receivables	(1,264)	(3,080)
Inventories	84,258	86,535
Prepayments	494	(5,426)
Other current assets	(183)	(177)
Total net changes in assets related to operating activities	113,557	204,222
Net changes in liabilities related to operating activities:		
Accounts payable	(38,234)	(13,722)
Other payables	(10,471)	(10,025)
Other current liabilities	515	(9,469)
Net defined benefit liabilities	27	103
Total net changes in liabilities related to operating activities	(48,163)	(33,113)
Total net changes in assets and liabilities related to operating activities	65,394	171,109
Total adjustments	72,597	184,931
Cash inflow from operations	147,008	302,434
Interest received	5,565	4,527
Interest paid	(274)	(300)
Income tax paid	(4,240)	(4,751)
Net Cash Inflow from Operating Activities	148,059	301,910
Cash Flows from Investing Activities:		
Financial assets at amortized cost	18,706	(100,603)
Acquisition of financial assets at FVOCI	(23,429)	-
Acquisition of property, plant, and equipment	(1,673)	(1,586)
Increase in other non-current assets	(9,027)	(178)
Net Cash Outflow from Investing Activities	(15,423)	(102,367)
Cash Flows from Financing Activities:		
Principal repayments on leases	(5,413)	(5,194)
Net Cash Outflow from Financing Activities	(5,413)	(5,194)
Effect of exchange rate changes	12,769	(5,208)
Increase in cash and cash equivalents for the period	139,992	189,141
Balance of cash and cash equivalents at beginning of period	319,152	358,325
Balance of cash and cash equivalents at end of period	\$ 459,144	547,466

(Please refer to the accompanying notes to the Consolidated Financial Statements for details)

Ampire Co., Ltd. and its Subsidiaries
Notes to the Consolidated Financial Statements
Q1 2024 and 2023

(All amounts expressed in NT\$K unless otherwise stated)

1. Corporate History

Ampire Co., Ltd. (hereinafter "the Company") was established on March 17, 1998, with the approval of the Ministry of Economic Affairs and its registered address is 4F., No.116, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City. The principal lines of business of the Company and its subsidiaries (hereinafter collectively "Consolidated Company") include (1) manufacturing of data storage and processing equipment; (2) manufacturing of electronic components; (3) manufacturing of other electrical and electronic machinery and equipment; (4) retailing of clerical machinery equipment; and (5) retailing of other mechanical appliances such as LCD monitors, LCD modules, and touch screens.

2. Approval Date and Procedures of the Consolidated Financial Statements

These consolidated financial statements were approved for issuance by the Board of Directors on April 29, 2024.

3. Application of Newly Published and Amended Standards & Interpretations

3.1 The effects of adopting newly issued and amended standards and interpretations endorsed by the Financial Supervisory Commission (FSC)

The Consolidated Company has started to apply the following newly amended International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) from January 1, 2024, with no material impact on the consolidated financial statements.

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-Current"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"
- Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

3.2 New and amended standards and interpretations not yet endorsed by the FSC

Standards and interpretations issued and amended by the International Accounting Standards Board (IASB) but not yet endorsed by the FSC that may be relevant to the Consolidated Company are as follows:

New or Amended Standard	Key Amendments	Effective Date by IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	<p>The new standard introduces three revenue and expense categories, two subtotals on the income statement, and a single note regarding management performance measures. These amendments, along with enhancements, provide guidance on how information should be segmented in financial statements, laying the groundwork for better and more consistent information for users, and will impact all companies.</p> <ul style="list-style-type: none"> • More Structured Income Statement: Under the current standard, companies use various formats to present their operating results, making it challenging for investors to compare financial performance across entities. The new standard introduces a more structured income statement, including a subtotal for "Operating Profit" based on new definitions. It requires that all revenue and expenses be classified into three distinct categories according to the company's principal operating activities. 	Jan 1, 2027

Ampire Co and its Subsidiaries
Notes to Consolidated Financial Statements (continued)

New or Amended Standard	Key Amendments	Effective Date by IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	<ul style="list-style-type: none"> • Management Performance Measures (MPM): The new standard introduces the definition of Management Performance Measures and requires companies to explain in a single note to the financial statements the usefulness of each performance measure, how it is calculated, and how the measure is reconciled with amounts recognized under IFRS and IAS. • More Disaggregated Information: The new standard provides guidance on how companies can augment the disaggregation of information in their financial statements. This encompasses direction on whether information should be presented in the primary financial statements or further disaggregated in the accompanying notes. 	Jan 1, 2027

The Consolidated Company is continuously assessing the impact of the aforementioned standards and interpretations on its financial position and operational results. The findings will be disclosed upon completion of this evaluation.

The Consolidated Company does not anticipate that the following newly issued and amended standards, which are yet to be endorsed, will have a material impact on its consolidated financial statements.

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"
- IFRS 17 "Insurance Contracts" and amendments to IFRS 17
- Amendments to IFRS 17 "Comparative Information on Initial Application of IFRS 17 and IFRS 9"
- Amendments to IAS 21 "Lack of Exchangeability"

4. Summary Explanation of Significant Accounting Policies

4.1 Compliance Statement

The consolidated financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter the "Preparation Regulations") and IAS 34 "Interim Financial Reporting" endorsed and issued by the FSC. However, it should be noted that these consolidated financial statements do not encompass all the information necessary for disclosure in an annual consolidated financial report prepared under IFRS, IAS, and Interpretations developed by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee (SIC) (collectively the "FSC-endorsed IFRS and IAS"), as endorsed and issued by the FSC.

Except as described below, the significant accounting policies adopted in these consolidated financial statements are consistent with those used in the consolidated financial statements for fiscal 2023. For related information, see Note 4 in the 2023 consolidated financial statements.

Ampire Co and its Subsidiaries

Notes to Consolidated Financial Statements (continued)

4.2 Basis of Consolidation

1. The subsidiaries included in the consolidated financial statements comprise:

Investing Company	Subsidiary	Line of Business	% of Ownership Interest		
			2024.3.31	2023.12.31	2023.3.31
Ampire Co., Ltd.	Asia Ampire (H.K.) Co., Ltd.	Sale of LCD modules	100%	100%	100%
Ampire Co., Ltd.	American Ampire, Inc.	Sale of LCD modules	100%	100%	100%
Ampire Co., Ltd.	Ampire Co., Ltd. (B.V.I.)	Investment holding	100%	100%	100%
Ampire Co., Ltd. (B.V.I.)	Sino Advance Inc.	Sale of LCD modules	100%	100%	100%
Sino Advance Inc.	Tangyu (Dongguan) Electronics Co., Ltd.	Manufacture and sale of LCD modules	100%	100%	100%

2. Subsidiaries not included in the consolidated financial statements: None.

4.3 Employee Benefits

Pensions for the defined benefit plan during the interim period are computed using actuarially determined pension cost rates as of the reporting date of the preceding year, extrapolated from the beginning to the end of the current period. These rates are adjusted for significant market fluctuations, as well as for any substantial curtailments, liquidations, or other significant one-off events occurring after the period's end date.

4.4 Income Taxes

The Consolidated Company measures and discloses its income tax expense for the interim periods in compliance with paragraph B12 of IAS 34 "Interim Financial Reporting."

The income tax expense is determined by multiplying the profit before tax for the interim reporting period by management's best estimate of the anticipated effective tax rate for the entire fiscal year. This expense is then apportioned between current income tax expense and deferred income tax expense based on the proportion of the estimated full-year current income tax expense and deferred income tax expense.

5. Main Sources of Uncertainty in Significant Accounting Judgments, Estimates and Assumptions

The preparation of these consolidated financial statements, in accordance with the Preparation Regulations and IAS 34 "Interim Financial Reporting" endorsed by the FSC, requires management to make judgments, estimates, and assumptions. These factors may impact the application of accounting policies and the reporting of asset, liability, revenue, and expense amounts. Actual outcomes may vary from these estimates.

In preparing these consolidated financial statements, the main sources of uncertainty in significant judgments and estimates made by management when applying the Consolidated Company's accounting policies are in alignment with Note 5 to the consolidated financial statements for fiscal 2023.

Ampire Co and its Subsidiaries

Notes to Consolidated Financial Statements (continued)

6. Explanation of Significant Accounting Items

Except as noted below, there are no material variances in the description of significant accounting items between these consolidated financial statements and those of fiscal 2023. For further details, please consult Note 6 of the consolidated financial statements for fiscal 2023.

6.1 Cash and Cash Equivalents

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Cash	\$ 118	117	117
Demand deposits	136,285	48,166	65,911
Time deposits	322,741	270,869	481,438
	<u>\$ 459,144</u>	<u>319,152</u>	<u>547,466</u>

The Consolidated Company classifies time deposits maturing within three months from the deposit date as cash equivalents. Time deposits with a maturity exceeding three months are classified as financial assets measured at amortized cost. For more detailed information, please refer to Note 6(3).

For disclosure on sensitivity analysis of the Consolidated Company's financial assets, please refer to Note 6(17).

6.2 Financial Assets Measured at FVOCI - Non-current

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Equity instruments measured at FVOCI:			
Domestic OTC-listed stocks	\$ 312,580	282,135	214,116
Domestic non-Exchange/OTC-listed stocks	458,570	447,615	491,343
	<u>\$ 771,150</u>	<u>729,750</u>	<u>705,459</u>

1. Investments in equity instruments measured at FVOCI

The Consolidated Company holds these equity instruments as long-term strategic investments, not for trading purposes, and thus designates them as measured at FVOCI.

The Consolidated Company did not dispose of any strategic investments between January 1 and March 31 in 2024 and 2023, and there were no transfers of accumulated gains and losses in equity during this period.

2. Please refer to Note 6(17) for credit risk and market risk information.

6.3 Financial Assets Measured at Amortized Cost - Current

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Domestic and foreign certificates of deposit	<u>\$ 604,716</u>	<u>623,422</u>	<u>361,103</u>

The Consolidated Company assesses that these assets are held until maturity to collect contractual cash flows. The cash flows from these financial assets comprise only payments of principal and interest on the outstanding principal amount. Consequently, they are classified as financial assets measured at amortized cost.

As of March 31, 2024, and December 31 and March 31, 2023, the Consolidated Company holds domestic and foreign certificates of deposit with weighted average interest rates of 1.635%, 2.244%, and 1.742% per annum, respectively. These certificates mature from April to September 2024, from February to September 2024, and from April to October 2023, respectively.

Please consult Note 6(17) for credit risk information.

Ampire Co and its Subsidiaries
Notes to Consolidated Financial Statements (continued)

6.4 Accounts Receivable and Collections

	2024.3.31	2023.12.31	2023.3.31
Accounts receivable - measured at amortized cost	\$ 119,259	147,687	234,056
Collections	20,146	20,146	20,146
Less: Loss allowances	<u>(20,146)</u>	<u>(20,146)</u>	<u>(20,146)</u>
	<u>\$ 119,259</u>	<u>147,687</u>	<u>234,056</u>

The Consolidated Company employs a simplified approach to estimate expected credit losses for all accounts receivable, encompassing the measurement of expected credit losses over the lifespan of these accounts. This involves categorizing these accounts receivable based on common credit risk characteristics that indicate the customer's ability to pay all amounts due under contractual terms. Additionally, forward-looking data, including macroeconomic indicators and relevant industry insights, are incorporated into the assessment process.

The expected credit losses on the Consolidated Company's accounts receivable are analyzed as follows:

2024.3.31			
	Carrying amount of receivables	Weighted-average expected credit loss rate	Allowance for expected credit losses over lifetime
Not overdue	\$ 104,335	-	-
90 days or below overdue	14,924	-	-
	<u>\$ 119,259</u>		<u>-</u>
2023.12.31			
	Carrying amount of receivables	Weighted-average expected credit loss rate	Allowance for expected credit losses over lifetime
Not overdue	\$ 129,506	-	-
90 days or below overdue	18,179	-	-
91-180 days overdue	2	-	-
	<u>\$ 147,687</u>		<u>-</u>
2023.3.31			
	Carrying amount of receivables	Weighted-average expected credit loss rate	Allowance for expected credit losses over lifetime
Not overdue	\$ 219,592	-	-
90 days or below overdue	14,464	-	-
	<u>\$ 234,056</u>		<u>-</u>

The expected credit losses on the Consolidated Company's collections are analyzed as follows:

2024.3.31			
	Carrying amount of collections	Weighted-average expected credit loss rate	Allowance for expected credit losses over lifetime
365 days or more overdue	<u>\$ 20,146</u>	100%	<u>20,146</u>

Ampire Co and its Subsidiaries
Notes to Consolidated Financial Statements (continued)

2023.12.31			
	Carrying amount of collections	Weighted-average expected credit loss rate	Allowance for expected credit losses over lifetime
365 days or more overdue	\$ 20,146	100%	20,146
2023.3.31			
	Carrying amount of collections	Weighted-average expected credit loss rate	Allowance for expected credit losses over lifetime
365 days or more overdue	\$ 20,146	100%	20,146

The changes in the loss allowances for accounts receivable and collections of the Consolidated Company are as follows:

	2024 Jan-Mar	2023 Jan-Mar
Opening balance (i.e. closing balance)	<u>\$ 20,146</u>	<u>20,146</u>

6.5 Inventories

	2024.3.31	2023.12.31	2023.3.31
Finished products	\$ 30,089	48,128	47,550
Work in process	74,038	91,137	134,799
Raw materials	<u>160,483</u>	<u>209,959</u>	<u>284,765</u>
	<u>\$ 264,610</u>	<u>349,224</u>	<u>467,114</u>

The cost of goods sold is broken down as follows:

	2024 Jan-Mar	2023 Jan-Mar
Inventory sales transfer	\$ 253,689	426,883
Unallocated fixed manufacturing overheads and direct labor	10,634	6,839
Inventory valuation losses	<u>1,863</u>	<u>245</u>
	<u>\$ 266,186</u>	<u>433,967</u>

Inventory valuation losses of NT\$1,863K and NT\$245K were recognized from January 1 to March 31, 2024, and 2023, respectively, as inventory was written down to its net realizable value.

As of March 31, 2024, and December 31 and March 31, 2023, the Consolidated Company's inventory was not pledged as collateral.

Ampire Co and its Subsidiaries
Notes to Consolidated Financial Statements (continued)

6.6 Property, Plant, and Equipment

	Land	Buildings & Structures	Machinery & Equipment	Office Equipment	Total
Cost:					
Balance at Jan 1, 2024	\$ 95,330	188,137	511,580	228,560	1,023,607
Additions	-	-	364	1,309	1,673
Reclassification	-	-	-	399	399
Effect of changes in FX	-	-	16,020	2,623	18,643
rates					
Balance at Mar 31, 2024	<u>\$ 95,330</u>	<u>188,137</u>	<u>527,964</u>	<u>232,891</u>	<u>1,044,322</u>
Balance at Jan 1, 2023	\$ 95,330	188,137	592,352	232,786	1,108,605
Additions	-	-	173	1,413	1,586
Disposal	-	-	(1,739)	(12,340)	(14,079)
Effect of changes in FX	-	-	(5,116)	(828)	(5,944)
rates					
Balance at Mar 31, 2023	<u>\$ 95,330</u>	<u>188,137</u>	<u>585,670</u>	<u>221,031</u>	<u>1,090,168</u>
Accumulated depreciation & impairment losses:					
Balance at Jan 1, 2024	\$ -	33,139	501,610	179,020	713,769
Depreciation for the period	-	922	1,010	3,231	5,163
Effect of changes in FX	-	-	15,648	2,344	17,992
rates					
Balance at Mar 31, 2024	<u>\$ -</u>	<u>34,061</u>	<u>518,268</u>	<u>184,595</u>	<u>736,924</u>
Balance at Jan 1, 2023	\$ -	29,450	591,648	161,554	782,652
Depreciation for the period	-	922	1,165	3,155	5,242
Disposal	-	-	(1,739)	(12,284)	(14,023)
Effect of changes in FX	-	-	(4,847)	(906)	(5,753)
rates					
Balance at Mar 31, 2023	<u>\$ -</u>	<u>30,372</u>	<u>586,227</u>	<u>151,519</u>	<u>768,118</u>
Carrying value:					
Mar 31, 2024	<u>\$ 95,330</u>	<u>154,076</u>	<u>9,696</u>	<u>48,296</u>	<u>307,398</u>
Dec 31, 2023	<u>\$ 95,330</u>	<u>154,998</u>	<u>9,970</u>	<u>49,540</u>	<u>309,838</u>
Mar 31, 2023	<u>\$ 95,330</u>	<u>157,765</u>	<u>(557)</u>	<u>69,512</u>	<u>322,050</u>

Ampire Co and its Subsidiaries
Notes to Consolidated Financial Statements (continued)

6.7 Right-of-Use Assets

	Buildings & Structures	Transport Equipment	Total
Cost of right-of-use assets:			
Balance at Jan 1, 2024	\$ 94,822	12,763	107,585
Effect of changes in exchange rates	<u>1,797</u>	<u>-</u>	<u>1,797</u>
Balance at Mar 31, 2024	<u>\$ 96,619</u>	<u>12,763</u>	<u>109,382</u>
Balance at Jan 1, 2023	\$ 85,497	12,235	97,732
Additions	-	456	456
Decrease	-	(1,779)	(1,779)
Effect of changes in exchange rates	<u>(1,763)</u>	<u>-</u>	<u>(1,763)</u>
Balance at Mar 31, 2023	<u>\$ 83,734</u>	<u>10,912</u>	<u>94,646</u>
Accumulated depreciation:			
Balance at Jan 1, 2024	\$ 58,617	7,923	66,540
Provision for depreciation	4,574	669	5,243
Effect of changes in exchange rates	<u>1,199</u>	<u>-</u>	<u>1,199</u>
Balance at Mar 31, 2024	<u>\$ 64,390</u>	<u>8,592</u>	<u>72,982</u>
Balance at Jan 1, 2023	\$ 42,056	7,106	49,162
Provision for depreciation	4,598	665	5,263
Decrease	-	(1,779)	(1,779)
Effect of changes in exchange rates	<u>(758)</u>	<u>-</u>	<u>(758)</u>
Balance at Mar 31, 2023	<u>\$ 45,896</u>	<u>5,992</u>	<u>51,888</u>
Carrying value:			
Mar 31, 2024	<u>\$ 32,229</u>	<u>4,171</u>	<u>36,400</u>
Dec 31, 2023	<u>\$ 36,205</u>	<u>4,840</u>	<u>41,045</u>
Mar 31, 2023	<u>\$ 37,838</u>	<u>4,920</u>	<u>42,758</u>

6.8 Other Payables

	2024.3.31	2023.12.31	2023.3.31
Bonuses payable to employees and directors and supervisors	\$ 75,975	65,280	90,301
Provision for liabilities-Paid leave liabilities	6,708	7,619	6,252
Others	<u>28,412</u>	<u>48,667</u>	<u>23,206</u>
	<u>\$ 111,095</u>	<u>121,566</u>	<u>119,759</u>

Ampire Co and its Subsidiaries
Notes to Consolidated Financial Statements (continued)

6.9 Lease Liabilities

	2024.3.31	2023.12.31	2023.3.31
Current	<u>\$ 22,035</u>	<u>21,529</u>	<u>18,076</u>
Non-current	<u>\$ 16,712</u>	<u>21,659</u>	<u>26,609</u>

For maturity analysis, please refer to Note 6(17) of financial instruments.

The amounts recognized in profit or loss for leases are as follows:

	2024	2023
	Jan-Mar	Jan-Mar
Interest expense on lease liabilities	<u>\$ 274</u>	<u>300</u>
Expenses for low-value leased assets	<u>\$ 65</u>	<u>65</u>

The amount of leases recognized in the cash flow statement is as follows:

	2024	2023
	Jan-Mar	Jan-Mar
Total cash outflow from leases	<u>\$ 5,752</u>	<u>5,559</u>

6.9.1 Building and structure leases

The Consolidated Company leases buildings and structures, including land use rights, for office and factory premises. These leases typically last from three to five years, with certain contracts offering an option to extend for the same duration as the original term upon expiration.

6.9.2 Other lease arrangements

The Consolidated Company leases transport equipment for periods spanning four to five years.

Furthermore, office equipment is leased for an average term of five years. Additionally, parking spaces are leased on a one-time basis without a fixed term. These leases are considered low-value, and the Consolidated Company has opted not to recognize the associated right-of-use assets and lease liabilities by applying the exemption from recognition.

6.10 Employee Benefits

6.10.1 Defined benefit plans

The Consolidated Company employed the actuarially determined pension cost as of December 31, 2023 and 2022 to measure and disclose pension costs for the interim periods as there were no significant market fluctuations and no substantial curtailments, liquidations, or other significant one-time events after the reporting date in the prior year.

The breakdown of expenses reported by the Consolidated Company is as follows:

	2024	2023
	Jan-Mar	Jan-Mar
Selling expenses	\$ 11	11
Administration expenses	16	92
	<u>\$ 27</u>	<u>103</u>

Ampire Co and its Subsidiaries
Notes to Consolidated Financial Statements (continued)

6.10.2 Defined contribution plan

The pension expense under the defined contribution pension plan of the Consolidated Company's domestic entities is as follows, and contributions have been made to the Bureau of Labor Insurance:

	2024	2023
	Jan-Mar	Jan-Mar
Operating costs	\$ 537	630
Selling expenses	133	130
Administration expenses	240	222
R&D expenses	158	157
	<u>\$ 1,068</u>	<u>1,139</u>

The pension expense recognized by the Consolidated Company's foreign subsidiaries, in compliance with local government regulations, is as follows, and contributions have been made to a government-designated account:

	2024	2023
	Jan-Mar	Jan-Mar
Operating costs	\$ 757	795
Selling expenses	25	23
Administration expenses	100	146
	<u>\$ 882</u>	<u>964</u>

6.11 Income Tax

6.11.1 The income tax expense of the Consolidated Company is as follows:

	2024	2023
	Jan-Mar	Jan-Mar
Current income tax expense	\$ 15,700	24,889
Income tax expense incurred in the period	<u>\$ 15,700</u>	<u>24,889</u>

6.11.2 Income tax approval status

The Company's profit-seeking enterprise income tax returns have been audited and approved by the tax authorities up to the 2022 fiscal year.

6.12 Capital and Other Equity

Except as described below, there were no substantial changes in the Consolidated Company's capital and other equity between January 1 and March 31 in 2024 and 2023. Please refer to Note 6(12) of the consolidated financial statements for fiscal 2023 for related information.

Ampire Co and its Subsidiaries
Notes to Consolidated Financial Statements (continued)

6.12.1 Retained earnings

In accordance with the Company's Articles of Incorporation, dividends shall be disbursed at a maximum rate of 10% per annum. However, if the Company has made no earnings, no dividends shall be distributed from this fund.

Upon generating profits in the annual financial statements, the Company will prioritize settling taxes and offsetting any accumulated deficits. Subsequently, it will allocate funds to a legal reserve, unless the reserve reaches the Company's paid-in capital, and establish a special reserve as required by operational needs and legal regulations. Any remaining profits will be subject to a proposal for distribution prepared by the Board of Directors, contingent upon operational requirements, and submitted for approval at the shareholders' meeting.

The Company's dividend policy emphasizes a stable and equitable distribution, considering not only shareholder returns but also capital accumulation and operational implications. The cash dividend portion shall not fall below 10% of the total dividends.

(1) Legal reserve

When the Company is not in deficit, it may, upon resolution of the shareholders' meeting, distribute new shares or cash from the legal reserve. However, such distribution is limited to the portion of the reserve exceeding 25% of the paid-in capital.

(2) Special reserve

As required by the FSC, the Company establishes a special reserve from the current period's income and previous periods' undistributed earnings to cover other net deductions from shareholders' equity recorded during the year. The special reserve, formed from undistributed earnings from previous periods related to other deductions from shareholders' equity accumulated in those periods, shall not be distributed. However, any subsequent reversals of such deductions may be distributed.

(3) Appropriation of earnings

On February 29, 2024, the Board of Directors proposed the distribution of earnings for fiscal year 2023. Subsequently, on May 30, 2023, the annual shareholders' meeting approved the distribution of earnings for fiscal year 2022. The dividends were distributed to shareholders as follows:

	2023		2022	
	Dividend Payout Ratio (NT\$)	Amount	Dividend Payout Ratio (NT\$)	Amount
Dividends distributed to common shareholders:				
Cash	\$ 2.70	<u>319,355</u>	3.00	<u>354,839</u>

6.12.2 Other equity (net of tax)

	Exchange difference on translation of foreign financial statements	Unrealized gains(losses) on financial assets at FVOCI	Gains(losses) on remeasurements of defined benefit plans	Total
Balance at Jan 1, 2024	\$ 3,036	151,237	(7,589)	146,684
Exchange differences arising on translation of net assets of foreign operating entities	15,094	-	-	15,094
Unrealized gains on financial assets measured at FVOCI	-	17,971	-	17,971
Balance at Mar 31, 2024	<u>\$ 18,130</u>	<u>169,208</u>	<u>(7,589)</u>	<u>179,749</u>

Ampire Co and its Subsidiaries
Notes to Consolidated Financial Statements (continued)

	Exchange difference on translation of foreign financial statements	Unrealized gains(losses) on financial assets at FVOCI	Gains(losses) on remeasurements of defined benefit plans	Total
Balance at Jan 1, 2023	\$ 3,624	87,904	(7,791)	83,737
Exchange differences arising on translation of net assets of foreign operating entities	(2,760)	-	-	(2,760)
Unrealized losses on financial assets measured at FVOCI	-	84,031	-	84,031
Balance at Mar 31, 2023	<u>\$ 864</u>	<u>171,935</u>	<u>(7,791)</u>	<u>165,008</u>

6.13 Earnings Per Share (EPS)

	2024 Jan-Mar	2023 Jan-Mar
Basic EPS:		
Net profit for the period attributable to the Company	\$ 58,711	92,614
Weighted average number of common shares outstanding (K shares)	118,280	118,280
Basic EPS (NT\$)	<u>\$ 0.50</u>	<u>0.78</u>
Diluted EPS:		
Net profit for the period attributable to the Company	\$ 58,711	92,614
Weighted average number of common shares outstanding (K shares)	118,280	118,280
Effect of employee stock bonuses (K shares)	985	1,255
Weighted average number of common shares outstanding (K shares) (diluted)	119,265	119,535
Diluted EPS (NT\$)	<u>\$ 0.49</u>	<u>0.77</u>

6.14 Revenue from Customer Contracts

6.14.1 Breakdown of revenue

	2024 Jan-Mar	2023 Jan-Mar
Major Regional Markets:		
Oceania	\$ 134	4
Taiwan	15,031	15,712
Asia	50,246	62,679
Africa	804	761
Americas	63,818	93,308
Europe	230,720	427,182
	<u>\$ 360,753</u>	<u>599,646</u>
Main Product/Service Lines:		
TFT	\$ 306,595	547,824
TN.STN.FSTN	52,151	48,169
Other	2,007	3,653
	<u>\$ 360,753</u>	<u>599,646</u>

Ampire Co and its Subsidiaries
Notes to Consolidated Financial Statements (continued)

6.14.2 Contract balance

	2024.3.31	2023.12.31	2023.3.31
Accounts receivable	<u>\$ 119,259</u>	<u>147,687</u>	<u>234,056</u>

Please refer to Note 6(4) for the disclosure of accounts receivable and the impairment thereof.

6.15 Bonuses of Employees and Directors

Pursuant to the Company's Articles of Incorporation, in any fiscal year with profits, the Company shall deduct any accumulated losses from its pre-tax profit for that year before considering bonuses for employees and directors. Following the deduction of accumulated losses, it shall allocate a maximum of 5% to 12% of the remaining balance for employee bonuses and 3% for director bonuses.

The amounts of NT\$8,227K and NT\$13,092K were set aside for employee bonuses, and NT\$2,468K and NT\$3,928K for directors, from January 1 to March 31, 2024 and 2023, respectively. These figures were estimated based on the Company's pre-tax profit for the period, before deducting bonuses for employees and directors, multiplied by the distribution percentages specified in the Company's Articles of Incorporation. They were reported as operating costs or expenses for the period. Any variance between the estimated and actual amounts distributed in the subsequent year is treated as a change in accounting estimate and recognized as profit or loss in the following year.

The amounts set aside for employee bonuses in fiscal years 2023 and 2022 were NT\$48,781K and NT\$54,791K, respectively. Similarly, the amounts allocated for bonuses to directors and supervisors were NT\$16,499K and NT\$18,490K, respectively. These amounts remained consistent with the actual distributions. Further details are accessible via the Market Observation Post System.

6.16 Non-operating Income and Expenses

6.16.1 Interest income

	2024 Jan-Mar	2023 Jan-Mar
Interest on bank deposits	\$ 3,585	3,984
Interest income on financial assets measured at amortized cost	3,319	1,773
Other interest income	8	7
	<u>\$ 6,912</u>	<u>5,764</u>

6.16.2 Other income

	2024 Jan-Mar	2023 Jan-Mar
Income from molds, jigs and rework	\$ 1,750	1,038
Other income	765	1,018
	<u>\$ 2,515</u>	<u>2,056</u>

Ampire Co and its Subsidiaries
Notes to Consolidated Financial Statements (continued)

6.16.3 Other gains and losses

	2024	2023
	Jan-Mar	Jan-Mar
Foreign currency exchange gain/loss	\$ 9,720	(7,819)
Loss on disposal and scrapping of property, plant, and equipment	-	(56)
Other	(15)	(194)
	\$ 9,705	(8,069)

6.16.4 Financial costs

	2024	2023
	Jan-Mar	Jan-Mar
Amortization of interest on lease liabilities	\$ 274	300

6.17 Financial Instruments

Except as described below, there were no notable changes in the fair value of the Consolidated Company's financial instruments or its exposure to credit risk, liquidity risk, and market risk attributable to financial instruments. For relevant information, please refer to Note 6(17) of the consolidated financial statements for fiscal year 2023.

6.17.1 Credit risk

(1) Credit risk on receivables

For detailed information regarding credit risk exposures on receivables, please consult Note 6(4). Other financial assets measured at amortized cost encompass other receivables and certificates of deposit.

All aforementioned financial assets entail low credit risk, and thus, loss allowances for the period are measured at the expected credit loss amount over a 12-month period. Time deposits and other receivables held by the Consolidated Company are deemed to pose low credit risk as counterparties and contractual parties are creditworthy or are financial institutions with an investment grade rating or higher.

As of March 31, 2024, and December 31 and March 31, 2023, the Consolidated Company did not create any provisions for losses related to expected credit losses over a 12-month period for other financial assets measured at amortized cost.

6.17.2 Liquidity risk

The following table shows the contractual maturities of financial liabilities, including the effect of estimated interest.

	Carrying amount	Contractual cash flow	Within 12 months	1-2 years	2-5 years	over 5 years
Mar 31, 2024						
Non-derivative financial liabilities						
Accounts payable	\$ 93,228	93,228	93,228	-	-	-
Other payables	111,095	111,095	111,095	-	-	-
Lease liabilities (incl. those due within one year)	38,747	39,745	22,783	14,796	2,166	-
	\$ 243,070	244,068	227,106	14,796	2,166	-

Ampire Co and its Subsidiaries
Notes to Consolidated Financial Statements (continued)

	<u>Carrying amount</u>	<u>Contractual cash flow</u>	<u>Within 12 months</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>Over 5 years</u>
Dec 31, 2023						
Non-derivative financial liabilities						
Accounts payable	\$ 128,762	128,762	128,762	-	-	-
Other payables	121,566	121,566	121,566	-	-	-
Lease liabilities (incl. those due within one year)	43,188	44,440	22,405	18,617	3,418	-
	<u>\$ 293,516</u>	<u>294,768</u>	<u>272,733</u>	<u>18,617</u>	<u>3,418</u>	<u>-</u>
Mar 31, 2023						
Non-derivative financial liabilities						
Accounts payable	\$ 204,609	204,609	204,609	-	-	-
Other payables	119,759	119,759	119,759	-	-	-
Lease liabilities (incl. those due within one year)	44,685	46,089	18,970	17,495	9,624	-
	<u>\$ 369,053</u>	<u>370,457</u>	<u>343,338</u>	<u>17,495</u>	<u>9,624</u>	<u>-</u>

The Consolidated Company does not anticipate significant advancement in the timing of cash flows or significant deviations in actual amounts concerning maturity date analysis.

6.17.3 Market risk

(1) Exchange rate risk

The Consolidated Company's financial assets and liabilities that are exposed to significant foreign currency exchange rate risk are as follows:

	2024.3.31		
	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>NT Dollar</u>
<u>Financial Assets</u>			
<u>Monetary Items</u>			
USD	\$	11,708	32.000
HKD		182	4.0890
Chinese Yuan		48,362	4.4090
<u>Financial Liabilities</u>			
<u>Monetary Items</u>			
USD		1,199	32.000
HKD		452	4.0890
Chinese Yuan		3,507	4.4090

Ampire Co and its Subsidiaries
Notes to Consolidated Financial Statements (continued)

		2023.12.31		
		Foreign Currency	Exchange Rate	NT Dollar
<u>Financial Assets</u>				
<u>Monetary Items</u>				
USD	\$	11,046	30.725	339,388
HKD		183	3.9330	720
Chinese Yuan		46,077	4.3300	199,513
<u>Financial Liabilities</u>				
<u>Monetary Items</u>				
USD		1,168	30.725	35,887
HKD		230	3.9330	905
Chinese Yuan		4,917	4.3300	21,291

		2023.3.31		
		Foreign Currency	Exchange Rate	NT Dollar
<u>Financial Assets</u>				
<u>Monetary Items</u>				
USD	\$	21,280	30.450	647,976
HKD		184	3.8780	714
Chinese Yuan		47,543	4.4320	210,711
<u>Financial Liabilities</u>				
<u>Monetary Items</u>				
USD		2,795	30.450	85,108
HKD		328	3.8780	1,272
Chinese Yuan		4,841	4.4320	21,455

(2) Sensitivity analysis

The Consolidated Company is exposed to exchange rate risk primarily stemming from foreign currency-denominated cash and cash equivalents, financial assets carried at amortized cost, accounts receivable, and other receivables, as well as accounts payable and other payables. These exposures can lead to foreign currency exchange gains and losses upon translation. As of March 31, 2024, and 2023, a 1% depreciation or appreciation of the New Taiwan dollar against the U.S. dollar, Hong Kong dollar, and Chinese yuan, with all other factors held constant, would lead to a post-tax profit increase of NT\$4,264K and NT\$6,013K for the periods from January 1 to March 31, 2024 and 2023, respectively. The same analytical methodology was applied for both periods.

(3) Exchange gains and losses on monetary items

Given the diverse functional currencies within the Consolidated Company, information regarding exchange gains and losses on monetary items is presented on a consolidated basis. Foreign currency exchange gains (losses), (both realized and unrealized), totaled NT\$9,720K and NT\$(7,819)K for the periods from January 1 to March 31, 2024 and 2023, respectively.

Ampire Co and its Subsidiaries
Notes to Consolidated Financial Statements (continued)

6.17.4 Other price risk

Should there have been a change in the price of equity securities at the Reporting Date (applying consistent analytical criteria for both periods and assuming other variables remain constant), the impact on the comprehensive income item would be as follows:

	2024	2023
	Jan-Mar	Jan-Mar
<u>Securities Prices on Reporting Date</u>	Other	Other
	Comprehensive	Comprehensive
	Income After	Income After
	Tax	Tax
Up 1%	\$ 7,712	7,055
Down 1%	\$ (7,712)	(7,055)

6.17.5 Fair value information

(1) Categories and fair values of financial instruments

The Consolidated Company's financial assets at FVPL and FVOCI are measured at fair value on a recurring basis. The carrying amounts and fair values of each class of financial assets and financial liabilities are outlined below, including information on the fair value hierarchy. This excludes financial instruments not carried at fair value, where the carrying amounts closely approximate fair value, and lease liabilities, for which fair value disclosure is not required.

	2024.3.31				
	Carrying	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets at FVOCI					
Domestic OTC-listed stocks	\$ 312,580	312,580	-	-	312,580
Domestic non-Exchange / OTC-listed stocks	458,570	-	-	458,570	458,570
Total	\$ 771,150	312,580	-	458,570	771,150
Financial assets at amortized cost					
Cash and cash equivalents	\$ 459,144	-	-	-	-
Accounts receivable	119,259	-	-	-	-
Other receivables	10,740	-	-	-	-
Certificates of deposit	604,716	-	-	-	-
Refundable deposits	6,889	-	-	-	-
Total	\$ 1,200,748	-	-	-	-

Ampire Co and its Subsidiaries
Notes to Consolidated Financial Statements (continued)

		2024.3.31				
		Carrying Amount	Fair Value			
			Level 1	Level 2	Level 3	Total
Financial liabilities at amortized cost						
Accounts payable	\$	93,228	-	-	-	-
Other payables		111,095	-	-	-	-
Lease liabilities (incl. those due within one year)		38,747	-	-	-	-
Total	\$	243,070	-	-	-	-
		2023.12.31				
		Carrying Amount	Fair Value			
			Level 1	Level 2	Level 3	Total
Financial assets at FVOCI						
Domestic OTC-listed stocks	\$	282,135	282,135	-	-	282,135
Domestic non-Exchange / OTC-listed stocks		447,615	-	-	447,615	447,615
Total	\$	729,750	282,135	-	447,615	729,750
Financial assets at amortized cost						
Cash and cash equivalents	\$	319,152	-	-	-	-
Accounts receivable		147,687	-	-	-	-
Other receivables		8,129	-	-	-	-
Certificates of deposit		623,422	-	-	-	-
Refundable deposits		6,735	-	-	-	-
Total	\$	1,105,125	-	-	-	-
Financial liabilities at amortized cost						
Accounts payable	\$	128,762	-	-	-	-
Other payables		121,566	-	-	-	-
Lease liabilities (incl. those due within one year)		43,188	-	-	-	-
Total	\$	293,516	-	-	-	-

Ampire Co and its Subsidiaries
Notes to Consolidated Financial Statements (continued)

		2023.3.31				
		Carrying Amount	Fair Value			
			Level 1	Level 2	Level 3	Total
Financial assets at FVOCI						
Domestic OTC-listed stocks	\$	214,116	214,116	-	-	214,116
Domestic non-Exchange/OTC-l isted stocks		491,343	-	-	491,343	491,343
Total	\$	705,459	214,116	-	491,343	705,459
Financial assets at amortized cost						
Cash and cash equivalents	\$	547,466	-	-	-	-
Accounts receivable		234,056	-	-	-	-
Other receivables		15,264	-	-	-	-
Certificates of deposit		361,103	-	-	-	-
Refundable deposits		6,836	-	-	-	-
Total	\$	1,164,725	-	-	-	-
Financial liabilities at amortized cost						
Accounts payable	\$	204,609	-	-	-	-
Other payables		119,759	-	-	-	-
Lease liabilities (incl. those due within one year)		44,685	-	-	-	-
Total	\$	369,053	-	-	-	-

(2) Fair value measurement techniques for financial instruments measured at fair value

When non-derivative financial instruments are traded in active markets with publicly quoted prices, their fair value is determined based on these quotations. Market prices, both from major exchanges and the over-the-counter trading center for central government bonds considered as on-the-run securities, form the foundation for determining the fair value of Exchange/OTC-listed equity instruments and debt instruments with publicly quoted prices.

If publicly quoted prices for financial instruments are readily available from exchanges, brokers, underwriters, industry associations, pricing service providers, or regulatory authorities in a timely and consistent manner, and these prices represent genuine and frequent arm's length market transactions, then such financial instruments are classified as having publicly quoted prices in an active market. Conversely, if these criteria are not met, the market is deemed inactive. Indicators of market inactivity typically include a wide bid-ask spread, significant widening of the bid-ask spread, or low trading volume.

The fair values of financial instruments held by the Consolidated Company that have an active market are shown below by category and attribute:

The fair value of OTC-listed stocks, which are financial assets with standard terms and conditions and traded in an active market, is determined by reference to quoted market prices.

Ampire Co and its Subsidiaries
Notes to Consolidated Financial Statements (continued)

The fair values of financial instruments held by the Consolidated Company that lack an active market are shown below by category and attribute:

- Non-quoted equity instruments: Fair values are estimated using the market comparable company method. This approach relies on key assumptions such as estimated earnings per share, net worth per share, market value to revenue ratio, and quoted market prices of both the investees and comparable Exchange/OTC-listed companies. Adjustments are applied to accommodate the impact of the lack of marketability discount on the equity securities.
- Non-quoted structured deposits: Fair value is estimated using a discounted cash flow model. This model factors in expected future cash flows discounted at a rate of return that reflects both the time value of money and investment risk.

(3) Transfers between Level 1 and Level 2

There were no transfers between January 1 and March 31, 2024 and 2023.

(4) Statement of changes in Level 3

	<u>Measured at FVOCI</u> <u>Non-Exchange/</u> <u>OTC-listed Stocks</u>
Jan 1, 2024	\$ 447,615
Total gain - recognized in other comprehensive income	<u>10,955</u>
March 31, 2024	<u>\$ 458,570</u>
Jan 1, 2023	\$ 436,325
Total loss - recognized in other comprehensive income	<u>55,018</u>
March 31, 2023	<u>\$ 491,343</u>

The total gains above are categorized as "Unrealized valuation gains on financial assets measured at FVOCI." Among these figures, the following pertains to assets still held as of March 31, 2024 and 2023:

	<u>2024</u> <u>Jan-Mar</u>	<u>2023</u> <u>Jan-Mar</u>
Total gains or losses		
Recognized in other comprehensive income (reported \$ as "Unrealized valuation gains/losses on financial assets measured at FVOCI")	10,955	55,018

(5) Quantitative information on fair value measurements using significant unobservable inputs (Level 3)

The fair value measurements of the Consolidated Company classified as Level 3 pertain to investments in financial assets, specifically equity securities, measured at FVOCI.

The Consolidated Company's investments in equity instruments lacking an active market involve multiple significant unobservable inputs. These inputs operate independently and are not correlated with each other.

Ampire Co and its Subsidiaries
Notes to Consolidated Financial Statements (continued)

A list of quantitative information for significant unobservable inputs is shown below:

Item	Valuation Techniques	Significant Unobservable Inputs	Significant Unobservable Inputs to Fair Value Relationship
Financial assets at FVOCI - Domestic non-Exchange / OTC-listed stocks	Market approach	<ul style="list-style-type: none"> Lack of marketability discount (30% as of 2024.3.31, 2023.12.31, and 2023.3.31) Price-to-sales ratio multiplier (1.4-68.82, 1.63-68.82, and 1.27-15.38 as of 2024.3.31, 2023.12.31, and 2023.3.31 respectively) Price to book ratio multiplier (1.41-10.54, 1.41-14.50, and 1.12-8.93 as of 2024.3.31, 2023.12.31, and 2023.3.31 respectively) Price-earnings ratio multiplier (18.155-41.84, 18.155-58.01, and 2.24-36.28 as of 2024.3.31, 2023.12.31, and 2023.3.31 respectively) 	<ul style="list-style-type: none"> The higher the discount for lack of marketability, the lower the fair value The higher the multiplier, the higher the fair value
	Asset approach	<ul style="list-style-type: none"> Net asset value Acquisition price 	N/A

(6) Sensitivity analysis of fair value to reasonably possible alternative assumptions for Level 3 fair value measurements

While the Consolidated Company's fair value assessment of financial instruments is considered reasonable, employing different valuation models or parameters could yield varied results. For instruments classified as Level 3, alterations to valuation parameters may impact other comprehensive income as outlined below:

			Fair Value Changes Reflected in Other Comprehensive Income	
	Input	Up or Down	Favorable Changes	Unfavorable Changes
Mar 31, 2024				
Financial assets at FVOCI - Domestic non-Exchange/OTC-listed stocks	Liquidity discount	5%	4,687	(4,687)
	Market multiplier	5%	4,783	(4,669)
Dec 31, 2023				
Financial assets at FVOCI - Domestic non-Exchange/OTC-listed stocks	Liquidity discount	5%	3,836	(3,836)
	Market multiplier	5%	3,824	(3,858)
Mar 31, 2023				
Financial assets at FVOCI - Domestic non-Exchange/OTC-listed stocks	Liquidity discount	5%	6,784	(6,784)
	Market multiplier	5%	6,867	(6,729)

Ampire Co and its Subsidiaries
Notes to Consolidated Financial Statements (continued)

Favorable and unfavorable changes in the Consolidated Company are ascribed to fluctuations in fair value, which is determined through valuation techniques using varying degrees of unobservable input parameters. In cases where the fair value of financial instruments is influenced by multiple inputs, the table above solely reflects the impact of alterations in individual input values, without accounting for correlation and variability among them.

6.18 Financial Risk Management

The financial risk management objectives and policies of the Consolidated Company have remained largely unchanged from those disclosed in Note 6(18) of the consolidated financial statements for fiscal year 2023.

6.19 Capital Management

The capital management objectives, policies, and procedures of the Consolidated Company align with those detailed in the consolidated financial statements for fiscal year 2023. There have been no significant alterations to the aggregated quantitative data for items managed as capital as compared to the disclosures made in the consolidated financial statements for the same fiscal period. For further details, please refer to Note 6(19) of the consolidated financial statements for fiscal year 2023.

6.20 Non-cash Investing and Financing Activities

1. Non-cash investing and financing activities of the Consolidated Company from January 1 to March 31, 2024 and 2023 are as follows:

	2024	2023
	Jan-Mar	Jan-Mar
Change in fair value of financial assets measured at FVOCI for the year	\$ 17,971	84,031
Transfer of prepayments for equipment to property, plant, and equipment	\$ 399	-

2. Please refer to Note 6(8) for the acquisition of right-of-use assets through leasing arrangements.

3. A reconciliation of the liabilities arising from financing activities is shown in the table below:

Non-cash Change						
	2024.1.1	Cash Flow	Increase	FX Rate Change	Changes in Lease Payments	2024.3.31
Lease liabilities	\$ 43,188	(5,413)	-	972	-	38,747

Non-cash Change						
	2023.1.1	Cash Flow	Increase	FX Rate Change	Changes in Lease Payments	2023.3.31
Lease liabilities	\$ 49,218	(5,194)	456	205	-	44,685

7. Related Party Transactions

7.1 Key Management Transactions

Key management remuneration includes:

	2024	2023
	Jan-Mar	Jan-Mar
Short-term employee benefits	\$ 9,704	11,619

Ampire Co and its Subsidiaries
Notes to Consolidated Financial Statements (continued)

8. Pledged Assets: None.

9. Significant Contingent Liabilities and Unrecognized Contractual Commitments

Significant unrecognized contractual commitments

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Guaranteed notes issued regarding purchase guarantee	<u>\$ 15,000</u>	<u>15,000</u>	<u>15,000</u>

10. Significant Disaster Losses: None.

11. Significant Subsequent Events: None.

12. Others

12.1 The functional breakdown of employee benefits, depreciation, and amortization expenses is summarized as follows:

Function Nature	Jan-Mar 2024			Jan-Mar 2023		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefit expense						
Salaries expense	21,888	16,631	38,519	24,183	21,314	45,497
Labor and health insurance expense	1,036	1,107	2,143	1,852	1,515	3,367
Pension expense	1,294	683	1,977	1,425	781	2,206
Directors' compensation	-	4,629	4,629	-	5,804	5,804
Other employee benefit expense	2,081	991	3,072	2,297	782	3,079
Depreciation expense	7,744	2,662	10,406	7,843	2,662	10,505
Amortization expense	5	150	155	35	165	200

12.2 Seasonality of operations:

The Consolidated Company's operations are not affected by seasonal or cyclical factors.

13. Disclosures in Notes

13.1 Information on Significant Transactions

For the period from January 1 to March 31, 2024, the Consolidated Company is required to disclose the following information regarding significant transactions, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers:

A. Lending of funds to others: None.

B. Endorsements/guarantees for others: None.

Ampire Co and its Subsidiaries
Notes to Consolidated Financial Statements (continued)

C. Securities held at the end of the period (excluding investments in subsidiaries, associates and joint venture interests):

In K shares

Holding Company	Type and Name of Securities	Relation with Securities Issuer	Accounting Items	End of Period				Remarks
				No. of Shares	Carrying Amount	Shareholding Ratio	Fair Value	
Ampire Co	Integrated Digital Technologies, Inc	-	Financial assets at FVPL-non-current	936	-	3.27 %	-	-
Ampire Co	Top Taiwan VIII Venture Capital Co	Ampire Co is a director of the company	Financial assets at FVOCI-non-current	580	9,466	3.33 %	9,466	-
Ampire Co	Top Taiwan IX Venture Capital Co	Ampire Co is a director of the company	Financial assets at FVOCI-non-current	5,250	146,752	12.50 %	146,752	-
Ampire Co	Top Taiwan XI Venture Capital Co	Ampire Co is a director of the company	Financial assets at FVOCI-non-current	3,413	67,828	6.25 %	67,828	-
Ampire Co	Top Taiwan XII Venture Capital Co	Ampire Co is a director of the company	Financial assets at FVOCI-non-current	10,000	124,200	7.41 %	124,200	-
Ampire Co	Top Taiwan XIV Venture Capital Co	Ampire Co is a director of the company	Financial assets at FVOCI-non-current	10,000	99,525	4.59 %	99,525	-
Ampire Co	Racer Tech Co	-	Financial assets at FVOCI-non-current	1,140	10,799	8.99 %	10,799	-
Ampire Co	Amicom Electronics Corp	-	Financial assets at FVOCI-non-current	2,800	96,180	5.07 %	96,180	-
Ampire Co	IBASE Technology Inc	-	Financial assets at FVOCI-non-current	1,451	121,884	0.70 %	121,884	-
Ampire Co	STL Technology Co., Ltd.	-	Financial assets at FVOCI-non-current	2,886	94,516	4.39 %	94,516	-

D. Cumulative purchases or sales of the same securities amounting to at least NT\$300 million or 20% of the paid-in capital: None.

E. Acquisition of real property amounting to at least NT\$300 million or 20% of the paid-in capital: None.

F. Disposal of real property amounting to at least NT\$300 million or 20% of the paid-in capital: None.

G. Purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital:

Purchase/Sales Company	Counterparty	Relation	Transaction				Conditions and Reasons for Differences from Regular Transactions		Notes and Accounts Receivable/Payable		Remarks
			Purchases /Sales	Amount	% of Total Purchases/Sales	Credit Period	Unit Price	Credit Period	Balance	% of Total Notes & Accounts Receivable/Payable	
Tangyu Electronics Co	Sino Advance Inc.	Parent-sub subsidiary	Sales	(132,743)	(100.00) %	-	-	-	79,895	100.00%	Note
Sino Advance Inc.	Tangyu Electronics Co	Parent-sub subsidiary	Purchases	132,743	71.10%	-	-	-	(79,895)	(86.22) %	Note

Note: The transaction has been offset in the preparation of the consolidated financial statements.

H. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital:

Company with Accounts Receivable	Counterparty	Relation	Balance of Receivables from Related Parties	Turnover	Overdue Receivables from Related Parties		Subsequent Recoveries of Receivables from Related Parties	Provision for Loss Allowances
					Amount	Treatment		
Sino Advance Inc.	Ampire Co	Parent-sub subsidiary	200,484	1.86	-		32,000	-

Note: The transaction has been offset in the preparation of the consolidated financial statements.

I. Engaged in derivative transactions: None.

Ampire Co and its Subsidiaries

Notes to Consolidated Financial Statements (continued)

J. Business relationships and significant transactions between parent and subsidiary:

No.	Trader	Counterparty	Relation with trader	Transaction			% of Consolidated Total Operating Revenue or Total Assets
				Item	Amount	Trading Conditions	
1	Sino Advance Inc.	Tangyu Electronics Co	1	Sales	60,014	Per general conditions	16.64%
1	Sino Advance Inc.	Tangyu Electronics Co	1	Accounts receivable	39,225	Per general conditions	1.50%
1	Sino Advance Inc.	Ampire Co	2	Sales	90,428	Outsourced processing with discretionary prepayment terms	25.07%
1	Sino Advance Inc.	Ampire Co	2	Accounts receivable	200,484	Per general conditions	7.69%
2	Tangyu Electronics Co	Sino Advance Inc.	2	Sales	132,743	Per general conditions	36.80%
2	Tangyu Electronics Co	Sino Advance Inc.	2	Accounts receivable	79,895	Per general conditions	3.06%

Note 1: Numbering Conventions:

1. 0 refers to the parent company.

2. Subsidiaries are numbered sequentially, starting with "1."

Note 2: Relationship Types with Traders:

1. Parent vs. Subsidiary.

2. Subsidiary vs. Parent.

3. Subsidiary vs. Subsidiary.

Note 3: Disclosure of business relationships and significant transactions between the parent and subsidiary companies only includes information on sales and accounts receivable. Details regarding corresponding purchases and accounts payable are not reiterated.

Note 4: The transactions mentioned above have been offset in the preparation of the consolidated financial statements.

13.2 Information on Equity Investments (excluding Chinese investee companies):

The information regarding the Consolidated Company's equity investments from January 1 to March 31, 2024 is as follows:

In NT\$K / US\$K / K shares

Investing Company	Investee Company	Location	Business	Initial Investment Amount		Holdings at End of Period			Investee Profit/Loss for the Period	Profit/Loss on Investments Recognized in the Period	Remarks
				End of Period	End of Last Year	Number of Shares	Ratio	Carrying Amount			
Ampire Co	Asia Ampire (H.K.) Co., Ltd	HK	Sale of LCD modules	3,000	3,000	674	100.00%	127	-	-	Note
Ampire Co	American Ampire , Inc.	US	Sale of LCD modules	452	452	14	100.00%	-	-	-	Note
Ampire Co	Ampire Co., Ltd. (B.V.I.)	BVI	Investment holding	734,415	734,415	23,259	100.00%	382,791	7,388	7,239	Note
Ampire Co., Ltd. (B.V.I.)	Sino Advance Inc.	Samoa	Sale of LCD modules	743,168 (USD23,224)	743,168 (USD23,224)	23,224	100.00%	382,784 (USD11,962)	7,390 (USD235)	7,390 (USD235)	Note

Note: The transaction has been offset in the preparation of the consolidated financial statements.

13.3 Information on Investments in Mainland China:

13.3.1 Information on equity investments in China:

In NT\$K / US\$K

Chinese Investee	Business	Paid-in Capital	Investment approach	Cumulative Investment Remitted from Taiwan at Beginning of Period	Investment Remitted or Repatriated During the Period		Cumulative Investment Remitted from Taiwan at End of Period	Investee's Profit/Loss for the Period	% of Company's Direct or Indirect Equity Ownership	Investment Gains / Losses Recognized for the Period (Note 1)	End-of-Period Carrying Value of Investments	Cumulative Repatriated Investment Income up to the Period
					Remitted	Repatriated						
Tangyu (Dongguan) Electronics Co	Design, manufacture and processing of LCD modules	679,616 (USD21,238)	(2)	673,024 (USD21,032)	-	-	673,024 (USD21,032)	7,044 (USD224)	100.00%	7,044 (USD224)	300,416 (USD9,388)	-

Note 1: Based on the reviewed financial statements for the same period by independent auditors.

Note 2: Equity investments were made through Sino Advance Inc. and Ampire Co., Ltd. (B.V.I.).

Note 3: The transactions mentioned above have been offset in the preparation of the consolidated financial statements.

Ampire Co and its Subsidiaries
Notes to Consolidated Financial Statements (continued)

13.3.2 Investment quota for China:

Total investment remitted from Taiwan to China at period-end	Investment approved by MOEA Investment Commission	Investment quota for China set by MOEA Investment Commission
673,024 (US\$21,032K)	755,200 (US\$23,600K)	1,374,490 Note 2

Note 1: The exchange rate between NTD and USD as of March 31, 2024, stood at USD 1: NTD 32. The average exchange rate for the period from January 1 to March 31, 2024, was USD 1: NTD 31.4486.

Note 2: Net worth 60%.

13.3.3 Significant transactions:

Significant direct or indirect transactions between the Consolidated Company and its Chinese investees from January 1 to March 31, 2024 were offset in the preparation of the consolidated financial statements, as outlined in the "Information on Significant Transactions."

13.4 Information on Major Shareholders:

Major Shareholder	Shares	Number of Shares Held	Shareholding Ratio
Amiccom Electronics Corp		6,492,000	5.48%

Notes:

- (1) The information regarding major shareholders in this table is compiled by the Taiwan Depository & Clearing Corporation as of the last business day of each quarter. It pertains to shareholders holding 5% or more of the Company's common shares and preferred shares that have been dematerialized (including treasury shares). Discrepancies may arise between the share capital recorded in the Company's financial statements and the actual dematerialized shares, contingent upon the methodologies employed for preparation and computation.
- (2) In cases where the aforementioned information involves the transfer of shareholdings into a trust, such transactions are disclosed within the individual segregated accounts established by the trustees for the trustors. Shareholders required to report holdings exceeding 10% as insiders under the Securities and Exchange Act must include both their own shares and any shares placed in a trust, provided they have discretionary control over the trust assets. For detailed insider ownership disclosures, please refer to the Market Observation Post System.

14. Segment Information

The information and reconciliation of the operating segments of the Consolidated Company are as follows:

Jan-Mar 2024	Domestic	Asia	Adjustments & Eliminations	Total
Revenue:				
Revenue from external customers	\$ 360,753	-	-	360,753
Inter-segment revenue	-	136,129	(136,129)	-
Total revenue	<u>\$ 360,753</u>	<u>136,129</u>	<u>(136,129)</u>	<u>360,753</u>
Reportable segment profit or loss	<u>\$ 71,578</u>	<u>10,221</u>	<u>(7,388)</u>	<u>74,411</u>

Ampire Co and its Subsidiaries
Notes to Consolidated Financial Statements (continued)

Jan-Mar 2023	<u>Domestic</u>	<u>Asia</u>	<u>Adjustments & Eliminations</u>	<u>Total</u>
Revenue:				
Revenue from external customers	\$ 599,646	-	-	599,646
Inter-segment revenue	-	221,054	(221,054)	-
Total revenue	<u>\$ 599,646</u>	<u>221,054</u>	<u>(221,054)</u>	<u>599,646</u>
Reportable segment profit or loss	<u>\$ 113,901</u>	<u>11,086</u>	<u>(7,484)</u>	<u>117,503</u>