

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

Q2 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 Consolidated Balance Sheets of Ampire Co. and its subsidiaries as of June 30, 2024 and 2023; the Consolidated Statements of Comprehensive Income for the periods from April 1 to June 30, 2024 and 2023, as well as January 1 to June 30, 2024 and 2023; the Consolidated Statements of Changes in Equity and the Consolidated Statements of Cash Flows for the periods from January 1 to June 30, 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 for the periods ended June 30, 2024 and 2023; the consolidated financial performance for the periods between April 1 and June 30, 2024 and 2023 and the periods between January 1 and June 30, 2024 and 2023; and consolidated cash flows for the periods from January 1 to June 30, 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)

July 30, 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
Jun 30, 2024; Dec 31 and Jun 30, 2023

In NT\$K

| | | 2024.6.30 | | 2023.12.31 | | 2023.6.30 | | | | 2024.6.30 | | 2023.12.31 | | 2023.6.30 | |
|------------------------|---|---------------------|------------|-------------------|------------|------------------|------------|-------------------------------|---|---------------------|------------|-------------------|------------|------------------|------------|
| Assets | | Amount | % | Amount | % | Amount | % | Liabilities and Equity | | Amount | % | Amount | % | Amount | % |
| Current Assets: | | | | | | | | Current Liabilities: | | | | | | | |
| 1100 | Cash and cash equivalents (Note 6(1)) | \$ 540,975 | 20 | 319,152 | 13 | 563,459 | 20 | 2170 | Accounts payable | \$ 120,322 | 4 | 128,762 | 5 | 173,001 | 6 |
| 1137 | Financial assets measured at amortized cost - current (Note 6(3)) | 645,221 | 24 | 623,422 | 24 | 543,663 | 20 | 2200 | Other payables (Note 6(8)) | 458,092 | 17 | 121,566 | 5 | 509,285 | 18 |
| 1170 | Accounts receivable (Note 6(4) and (14)) | 122,054 | 5 | 147,687 | 6 | 229,374 | 8 | 2230 | Current income tax liabilities | 23,346 | 1 | 38,696 | 2 | 47,505 | 2 |
| 1200 | Other receivables | 20,800 | 1 | 8,129 | - | 21,884 | 1 | 2280 | Lease liabilities - current (Note 6(9)) | 21,965 | 1 | 21,529 | 1 | 21,096 | 1 |
| 1310 | Inventories (Note 6(5)) | 282,354 | 10 | 349,224 | 14 | 398,229 | 14 | 2300 | Other current liabilities | 14,154 | 1 | 11,136 | - | 7,379 | - |
| 1410 | Prepayments | 4,374 | - | 8,156 | - | 8,651 | - | | Total Current Liabilities | 637,879 | 24 | 321,689 | 13 | 758,266 | 27 |
| 1470 | Other current assets | 136 | - | 10 | - | 247 | - | | Non-current Liabilities: | | | | | | |
| | Total Current Assets | 1,615,914 | 60 | 1,455,780 | 57 | 1,765,507 | 63 | 2580 | Lease liabilities - non-current (Note 6(9)) | 11,410 | - | 21,659 | 1 | 32,256 | 1 |
| | Non-current Assets: | | | | | | | 2640 | Net defined benefit liabilities - non-current | 13,047 | 1 | 12,993 | - | 12,988 | - |
| 1517 | Financial assets at FVOCI - non-current (Note 6(2)) | 689,933 | 26 | 729,750 | 29 | 658,263 | 23 | | Total Non-current Liabilities | 24,457 | 1 | 34,652 | 1 | 45,244 | 1 |
| 1600 | Property, plant, and equipment (Note 6(6)) | 304,752 | 12 | 309,838 | 12 | 318,903 | 11 | | Total Liabilities | 662,336 | 25 | 356,341 | 14 | 803,510 | 28 |
| 1755 | Right-of-use assets (Note 6(7)) | 31,283 | 1 | 41,045 | 2 | 52,647 | 3 | | Equity (Note 6(12)): | | | | | | |
| 1780 | Intangible assets | 1,610 | - | 1,917 | - | 2,226 | - | 3100 | Common stock | 1,182,798 | 44 | 1,182,798 | 46 | 1,182,798 | 42 |
| 1840 | Deferred tax assets | 9,833 | - | 9,833 | - | 9,468 | - | 3200 | Capital reserve | 31,471 | 1 | 31,471 | 1 | 31,471 | 1 |
| 1990 | Other non-current assets (Note 6(4)) | 33,886 | 1 | 7,218 | - | 8,003 | - | | Retained earnings: | | | | | | |
| | Total Non-current Assets | 1,071,297 | 40 | 1,099,601 | 43 | 1,049,510 | 37 | 3310 | Legal reserve | 256,243 | 10 | 216,126 | 9 | 216,126 | 8 |
| | | | | | | | | 3350 | Undistributed earnings | 458,518 | 17 | 621,961 | 24 | 441,464 | 16 |
| | | | | | | | | | Total retained earnings | 714,761 | 27 | 838,087 | 33 | 657,590 | 24 |
| | | | | | | | | 3400 | Other equity | 95,845 | 3 | 146,684 | 6 | 139,648 | 5 |
| | | | | | | | | | Total Equity | 2,024,875 | 75 | 2,199,040 | 86 | 2,011,507 | 72 |
| Total Assets | | \$ 2,687,211 | 100 | 2,555,381 | 100 | 2,815,017 | 100 | | Total Liabilities and Equity | \$ 2,687,211 | 100 | 2,555,381 | 100 | 2,815,017 | 100 |

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

Ampire Co and its Subsidiaries
Consolidated Statements of Comprehensive Income
Apr 1-Jun 30, 2024 and 2023; Jan 1-Jun 30, 2024 and 2023

In NT\$K

| | | Apr-Jun 2024 | | Apr-Jun 2023 | | Jan-Jun 2024 | | Jan-Jun 2023 | |
|------|--|---------------------|-----------|---------------------|-----------|---------------------|-----------|---------------------|-----------|
| | | Amount | % | Amount | % | Amount | % | Amount | % |
| 4000 | Operating Revenue (Note 6(14)) | \$ 279,621 | 100 | 549,379 | 100 | 640,374 | 100 | 1,149,025 | 100 |
| 5000 | Operating Costs (Note 6(5), (6), (7), (9), (10), and (15)) | (194,905) | (70) | (372,758) | (68) | (461,091) | (72) | (806,725) | (70) |
| | Gross Profit | 84,716 | 30 | 176,621 | 32 | 179,283 | 28 | 342,300 | 30 |
| | Operating Expenses (Note 6(6), (7), (9), (10), and (15)): | | | | | | | | |
| 6100 | Selling expenses | (16,350) | (6) | (15,753) | (3) | (28,671) | (4) | (29,541) | (3) |
| 6200 | Administrative expenses | (31,650) | (11) | (33,501) | (6) | (49,268) | (8) | (58,078) | (5) |
| 6300 | R&D expenses | (10,004) | (4) | (10,715) | (2) | (19,079) | (3) | (19,977) | (2) |
| | Total Operating Expenses | (58,004) | (21) | (59,969) | (11) | (97,018) | (15) | (107,596) | (10) |
| | Operating Income | 26,712 | 9 | 116,652 | 21 | 82,265 | 13 | 234,704 | 20 |
| | Non-operating Income and Expenses (Note 6(9) and (16)): | | | | | | | | |
| 7100 | Interest income | 7,491 | 3 | 7,145 | 1 | 14,403 | 2 | 12,909 | 1 |
| 7010 | Other income | 111,686 | 40 | 33,275 | 6 | 114,201 | 18 | 35,331 | 3 |
| 7020 | Other gains and losses | 3,582 | 1 | (1,514) | - | 13,287 | 2 | (9,583) | (1) |
| 7050 | Financial costs | (242) | - | (274) | - | (516) | - | (574) | - |
| | Total Non-operating Income and Expenses | 122,517 | 44 | 38,632 | 7 | 141,375 | 22 | 38,083 | 3 |
| 7900 | Profit Before Tax | 149,229 | 53 | 155,284 | 28 | 223,640 | 35 | 272,787 | 23 |
| 7950 | Income Tax Expense (Note 6(11)) | (11,911) | (4) | (27,229) | (5) | (27,611) | (4) | (52,118) | (4) |
| | Net Profit for the Period | 137,318 | 49 | 128,055 | 23 | 196,029 | 31 | 220,669 | 19 |
| 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 | (89,068) | (32) | (32,835) | (6) | (71,097) | (11) | 51,196 | 4 |
| 8349 | Income taxes related to items not reclassified | - | - | - | - | - | - | - | - |
| | Total Items Not Reclassified to Profit or Loss | (89,068) | (32) | (32,835) | (6) | (71,097) | (11) | 51,196 | 4 |
| 8360 | Items that May be Reclassified Subsequently to Profit or Loss | | | | | | | | |
| 8361 | Exchange differences on translation of financial statements of foreign operating entities | 5,164 | 2 | 7,475 | 1 | 20,258 | 3 | 4,715 | 1 |
| 8399 | Income tax relating to items that may be reclassified | - | - | - | - | - | - | - | - |
| | Total Items that May be Reclassified Subsequently to Profit or Loss | 5,164 | 2 | 7,475 | 1 | 20,258 | 3 | 4,715 | 1 |
| 8300 | Other Comprehensive Income for the Period | (83,904) | (30) | (25,360) | (5) | (50,839) | (8) | 55,911 | 5 |
| 8500 | Total Comprehensive Income for the Period | <u>\$ 53,414</u> | <u>19</u> | <u>102,695</u> | <u>18</u> | <u>145,190</u> | <u>23</u> | <u>276,580</u> | <u>24</u> |
| | Earnings Per Share (in NT\$) (Note 6(13)) | | | | | | | | |
| 9750 | Basic Earnings Per Share | <u>\$ 1.16</u> | | <u>1.08</u> | | <u>1.66</u> | | <u>1.87</u> | |
| 9850 | Diluted Earnings Per Share | <u>\$ 1.16</u> | | <u>1.08</u> | | <u>1.64</u> | | <u>1.84</u> | |

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

Ampire Co and its Subsidiaries
Consolidated Statements of Changes in Equity
Jan 1-Jun 30, 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 | - | - | - | 220,669 | 220,669 | - | - | - | - | 220,669 |
| Other comprehensive income for the period | - | - | - | - | - | 4,715 | 51,196 | - | 55,911 | 55,911 |
| Total comprehensive income for the period | - | - | - | 220,669 | 220,669 | 4,715 | 51,196 | - | 55,911 | 276,580 |
| Appropriation and distribution of earnings: | | | | | | | | | | |
| Provision for legal reserve | - | - | 45,792 | (45,792) | - | - | - | - | - | - |
| Cash dividends on common shares | - | - | - | (354,839) | (354,839) | - | - | - | - | (354,839) |
| Balance at Jun 30, 2023 | \$ 1,182,798 | 31,471 | 216,126 | 441,464 | 657,590 | 8,339 | 139,100 | (7,791) | 139,648 | 2,011,507 |
| 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 | - | - | - | 196,029 | 196,029 | - | - | - | - | 196,029 |
| Other comprehensive income for the period | - | - | - | - | - | 20,258 | (71,097) | - | (50,839) | (50,839) |
| Total comprehensive income for the period | - | - | - | 196,029 | 196,029 | 20,258 | (71,097) | - | (50,839) | 145,190 |
| Appropriation and distribution of earnings: | | | | | | | | | | |
| Provision for legal reserve | - | - | 40,117 | (40,117) | - | - | - | - | - | - |
| Cash dividends on common shares | - | - | - | (319,355) | (319,355) | - | - | - | - | (319,355) |
| Balance at Jun 30, 2024 | \$ 1,182,798 | 31,471 | 256,243 | 458,518 | 714,761 | 23,294 | 80,140 | (7,589) | 95,845 | 2,024,875 |

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

Ampire Co and its Subsidiaries
Consolidated Statements of Cash Flows
Jan 1-Jun 30, 2024 and 2023

In NT\$K

| | Jan-Jun 2024 | Jan-Jun 2023 |
|---|-------------------|------------------|
| Cash Flows from Operating Activities: | | |
| Profit Before Tax for the Period | \$ 223,640 | 272,787 |
| Adjustments: | | |
| Revenue and expense items | | |
| Depreciation expenses | 20,749 | 21,079 |
| Amortization expenses | 307 | 354 |
| Interest expenses | 516 | 574 |
| Interest income | (14,403) | (12,909) |
| Dividend income | (103,653) | (32,241) |
| Loss on disposal and scrapping of property, plant, and equipment | 6 | 4,213 |
| Unrealized foreign exchange losses | 2,404 | 4,904 |
| Total revenue and expense items | (94,074) | (14,026) |
| Changes in assets and liabilities related to operating activities: | | |
| Net changes in assets related to operating activities: | | |
| Accounts receivable | 26,258 | 136,987 |
| Other receivables | (984) | 1,709 |
| Inventories | 66,374 | 165,760 |
| Prepayments | 3,782 | 1,208 |
| Other current assets | (126) | (82) |
| Total net changes in assets related to operating activities | 95,304 | 305,582 |
| Net changes in liabilities related to operating activities: | | |
| Accounts payable | (9,304) | (50,350) |
| Other payables | 17,171 | 24,662 |
| Other current liabilities | 3,018 | (4,976) |
| Net defined benefit liabilities | 54 | 206 |
| Total net changes in liabilities related to operating activities | 10,939 | (30,458) |
| Total net changes in assets and liabilities related to operating activities | 106,243 | 275,124 |
| Total adjustments | 12,169 | 261,098 |
| Cash inflow from operations | 235,809 | 533,885 |
| Interest received | 11,341 | 10,364 |
| Interest paid | (516) | (574) |
| Income tax paid | (42,961) | (68,224) |
| Net Cash Inflow from Operating Activities | 203,673 | 475,451 |
| Cash Flows from Investing Activities: | | |
| Proceeds from capital reduction of financial assets at FVOCI | 2,318 | 32,695 |
| Acquisition of financial assets at amortized cost | (21,833) | (280,622) |
| Acquisition of financial assets at FVOCI | (33,598) | (18,334) |
| Acquisition of property, plant, and equipment | (3,672) | (5,307) |
| Proceeds from disposal of property, plant and equipment | - | 17 |
| Increase in other non-current assets | (27,237) | (979) |
| Dividends received | 95,028 | 22,140 |
| Net Cash Inflow (Outflow) from Investing Activities | 11,006 | (250,390) |
| Cash Flows from Financing Activities: | | |
| Principal repayments on leases | (10,940) | (10,335) |
| Net Cash Outflow from Financing Activities | (10,940) | (10,335) |
| Effect of exchange rate changes | 18,084 | (9,592) |
| Increase in cash and cash equivalents for the period | 221,823 | 205,134 |
| Balance of cash and cash equivalents at beginning of period | 319,152 | 358,325 |
| Balance of cash and cash equivalents at end of period | \$ 540,975 | 563,459 |

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

Ampire Co and its Subsidiaries
Notes to Consolidated Financial Statements
Q2 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 July 30, 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 The effects of not yet adopting IFRS endorsed by the FSC

The Consolidated Company assesses that the application of the following newly amended IFRS, effective January 1, 2025, will not have a material impact on the consolidated financial statements.

- Amendments to IAS 21 "Lack of Exchangeability"

3.3 Newly issued 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" | 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. | 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"> • 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. • Management Performance Measures (MPM): The new standard introduces the definition of MPM 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
- IFRS 19 "Subsidiaries without Public Accountability: Disclosures"
- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"
- Annual Improvements to IFRS and IAS

Ampire Co and its Subsidiaries

Notes to Consolidated Financial Statements (continued)

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.

4.2 Basis of Consolidation

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

| Investing Company | Subsidiary | Line of Business | % of Ownership Interest | | |
|---------------------------|---|-------------------------------------|-------------------------|------------|-----------|
| | | | 2024.6.30 | 2023.12.31 | 2023.6.30 |
| 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 reporting 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 average 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.

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

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

When preparing these consolidated financial statements in accordance with the Preparation Regulations and IAS 34 "Interim Financial Reporting" endorsed by the FSC, management must make judgments, estimates, and assumptions that affect 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.

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 for fiscal 2023. For further details, please consult Note 6 of the consolidated financial statements for fiscal 2023.

6.1 Cash and Cash Equivalents

| | 2024.6.30 | 2023.12.31 | 2023.6.30 |
|-----------------|--------------------------|-----------------------|-----------------------|
| Cash | \$ 255 | 117 | 109 |
| Demand deposits | 155,799 | 48,166 | 84,169 |
| Time deposits | 384,921 | 270,869 | 479,181 |
| | <u>\$ 540,975</u> | <u>319,152</u> | <u>563,459</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

| | 2024.6.30 | 2023.12.31 | 2023.6.30 |
|---|--------------------------|-----------------------|-----------------------|
| Equity instruments measured at FVOCI: | | | |
| Domestic OTC-listed stocks | \$ 304,845 | 282,135 | 225,200 |
| Domestic non-Exchange/OTC-listed stocks | 385,088 | 447,615 | 433,063 |
| | <u>\$ 689,933</u> | <u>729,750</u> | <u>658,263</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 recognized dividend income of NT\$103,653K and NT\$32,241K for the periods from January 1 to June 30, 2024 and 2023, respectively, and received the proceeds of NT\$2,318K and NT\$32,695K from capital reduction in proportion to shareholding for the periods from January 1 to June 30, 2024 and 2023, respectively, for the equity instrument investments designated above as measured at FVOCI.

The Consolidated Company did not dispose of any strategic investments from January 1 to June 30, 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.

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

6.3 Financial Assets Measured at Amortized Cost - Current

| | 2024.6.30 | 2023.12.31 | 2023.6.30 |
|---|-------------------|-------------------|------------------|
| Domestic and foreign certificates of deposit | <u>\$ 645,221</u> | <u>623,422</u> | <u>543,663</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.

The Consolidated Company holds domestic and foreign certificates of deposit with weighted average interest rates of 1.571%, 2.244%, and 1.992% per annum as at June 30, 2024, December 31 and June 30, 2023, respectively. These certificates mature from July 2024 to May 2025, from February to September 2024, and from July 2023 to May 2024, respectively.

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

6.4 Accounts Receivable and Collections

| | 2024.6.30 | 2023.12.31 | 2023.6.30 |
|---|-------------------|-------------------|------------------|
| Accounts receivable - measured at amortized cost | \$ 122,054 | 147,687 | 229,374 |
| Collections | 20,146 | 20,146 | 20,146 |
| Less: Loss allowances | (20,146) | (20,146) | (20,146) |
| | <u>\$ 122,054</u> | <u>147,687</u> | <u>229,374</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:

| 2024.6.30 | | | |
|--------------------------|-----------------------------------|--|---|
| | Carrying amount of receivables | Weighted-average expected credit loss rate | Allowance for expected credit losses over lifetime |
| Not overdue | \$ 97,332 | - | - |
| 90 days or below overdue | 24,722 | - | - |
| | <u>\$ 122,054</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> |

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

| | 2023.6.30 | | |
|--------------------------|-----------------------------------|--|---|
| | Carrying amount of receivables | Weighted-average expected credit loss rate | Allowance for expected credit losses over lifetime |
| Not overdue | \$ 200,551 | - | - |
| 90 days or below overdue | <u>28,823</u> | - | <u>-</u> |
| | <u>\$ 229,374</u> | | <u>-</u> |

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

| | 2024.6.30 | | |
|--------------------------|-----------------------------------|--|---|
| | 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> |

| | 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 | <u>\$ 20,146</u> | 100% | <u>20,146</u> |

| | 2023.6.30 | | |
|--------------------------|-----------------------------------|--|---|
| | 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> |

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

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

6.5 Inventories

| | 2024.6.30 | 2023.12.31 | 2023.6.30 |
|-------------------|--------------------------|-----------------------|-----------------------|
| Finished products | \$ 39,955 | 48,128 | 55,250 |
| Work in process | 73,499 | 91,137 | 102,627 |
| Raw materials | <u>168,900</u> | <u>209,959</u> | <u>240,352</u> |
| | <u>\$ 282,354</u> | <u>349,224</u> | <u>398,229</u> |

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

The cost of goods sold is broken down as follows:

| | 2024 | 2023 | 2024 | 2023 |
|--|-------------------|----------------|----------------|----------------|
| | Apr-Jun | Apr-Jun | Jan-Jun | Jan-Jun |
| Inventory sales transfer | \$ 184,337 | 368,486 | 438,026 | 795,369 |
| Unallocated fixed manufacturing overheads and direct labor | 11,963 | 8,362 | 22,597 | 15,201 |
| Inventory valuation losses (gain from price recovery of inventory) | (1,408) | (4,100) | 455 | (3,855) |
| Loss on physical inventory | 13 | 10 | 13 | 10 |
| | \$ 194,905 | 372,758 | 461,091 | 806,725 |

From April 1 to June 30, 2024 and 2023, the Company recognized a gain from price recovery of inventory of NT\$1,408K and NT\$4,100K, respectively, as a result of the increase in selling price of inventories.

For the period from January 1, 2024 to June 30, inventory valuation losses of NT\$455K were recognized as inventory was written down to its net realizable value. From January 1 2023 to June 30, a gain from price recovery of inventory of NT\$3,855K was recognized on account of the rise in selling price of inventories.

As of June 30, 2024, and December 31 and June 30, 2023, the Consolidated Company's inventory was not pledged as collateral.

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 | - | - | 370 | 3,302 | 3,672 |
| Disposal | - | - | - | (1,486) | (1,486) |
| Reclassification | - | - | 99 | 470 | 569 |
| Effect of changes in FX rates | - | - | 21,550 | 3,550 | 25,100 |
| Balance at June 30, 2024 | \$ 95,330 | 188,137 | 533,599 | 234,396 | 1,051,462 |
| Balance at Jan 1, 2023 | \$ 95,330 | 188,137 | 592,352 | 232,786 | 1,108,605 |
| Additions | - | - | 959 | 4,348 | 5,307 |
| Disposal | - | - | (48,917) | (12,577) | (61,494) |
| Reclassification | - | - | - | 2,277 | 2,277 |
| Effect of changes in FX rates | - | - | 5,463 | 693 | 6,156 |
| Balance at June 30, 2023 | \$ 95,330 | 188,137 | 549,857 | 227,527 | 1,060,851 |

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

| | <u>Land</u> | <u>Buildings & Structures</u> | <u>Machinery & Equipment</u> | <u>Office Equipment</u> | <u>Total</u> |
|--|------------------|---------------------------------------|--------------------------------------|-----------------------------|----------------|
| Accumulated depreciation & impairment losses: | | | | | |
| Balance at Jan 1, 2024 | \$ - | 33,139 | 501,610 | 179,020 | 713,769 |
| Depreciation for the period | - | 1,844 | 1,924 | 6,421 | 10,189 |
| Disposal | - | - | - | (1,480) | (1,480) |
| Effect of changes in FX | - | - | 20,955 | 3,277 | 24,232 |
| rates | | | | | |
| Balance at June 30, 2024 | <u>\$ -</u> | <u>34,983</u> | <u>524,489</u> | <u>187,238</u> | <u>746,710</u> |
| Balance at Jan 1, 2023 | \$ - | 29,450 | 583,105 | 170,097 | 782,652 |
| Depreciation for the period | - | 1,844 | 2,323 | 6,464 | 10,631 |
| Disposal | - | - | (44,743) | (12,521) | (57,264) |
| Effect of changes in FX | - | - | 1,403 | 4,526 | 5,929 |
| rates | | | | | |
| Balance at June 30, 2023 | <u>\$ -</u> | <u>31,294</u> | <u>542,088</u> | <u>168,566</u> | <u>741,948</u> |
| Carrying value: | | | | | |
| June 30, 2024 | <u>\$ 95,330</u> | <u>153,154</u> | <u>9,110</u> | <u>47,158</u> | <u>304,752</u> |
| Dec 31, 2023 | <u>\$ 95,330</u> | <u>154,998</u> | <u>9,970</u> | <u>49,540</u> | <u>309,838</u> |
| June 30, 2023 | <u>\$ 95,330</u> | <u>156,843</u> | <u>7,769</u> | <u>58,961</u> | <u>318,903</u> |

6.7 Right-of-Use Assets

| | <u>Buildings & Structures</u> | <u>Transport Equipment</u> | <u>Total</u> |
|-------------------------------|---------------------------------------|--------------------------------|----------------|
| Cost of right-of-use assets: | | | |
| Balance at Jan 1, 2024 | \$ 94,822 | 12,763 | 107,585 |
| Effect of changes in FX rates | 2,503 | - | 2,503 |
| Balance at June 30, 2024 | <u>\$ 97,325</u> | <u>12,763</u> | <u>110,088</u> |
| Balance at Jan 1, 2023 | \$ 85,497 | 12,235 | 97,732 |
| Additions | 12,914 | 2,762 | 15,676 |
| Decrease | - | (2,234) | (2,234) |
| Effect of changes in FX rates | (1,076) | - | (1,076) |
| Balance at June 30, 2023 | <u>\$ 97,335</u> | <u>12,763</u> | <u>110,098</u> |
| Accumulated depreciation: | | | |
| Balance at Jan 1, 2024 | \$ 58,617 | 7,923 | 66,540 |
| Provision for depreciation | 9,223 | 1,337 | 10,560 |
| Effect of changes in FX rates | 1,705 | - | 1,705 |
| Balance at June 30, 2024 | <u>\$ 69,545</u> | <u>9,260</u> | <u>78,805</u> |

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

| | Buildings & Structures | Transport Equipment | Total |
|-------------------------------|---------------------------|------------------------|---------------|
| Balance at Jan 1, 2023 | \$ 42,056 | 7,106 | 49,162 |
| Provision for depreciation | 9,141 | 1,307 | 10,448 |
| Decrease | - | (1,828) | (1,828) |
| Effect of changes in FX rates | (331) | - | (331) |
| Balance at June 30, 2023 | <u>\$ 50,866</u> | <u>6,585</u> | <u>57,451</u> |
| Carrying value: | | | |
| June 30, 2024 | <u>\$ 27,780</u> | <u>3,503</u> | <u>31,283</u> |
| Dec 31, 2023 | <u>\$ 36,205</u> | <u>4,840</u> | <u>41,045</u> |
| June 30, 2023 | <u>\$ 46,469</u> | <u>6,178</u> | <u>52,647</u> |

6.8 Other Payables

| | 2024.6.30 | 2023.12.31 | 2023.6.30 |
|--|-------------------|----------------|----------------|
| Bonuses payable to employees and directors and supervisors | \$ 98,228 | 65,280 | 112,900 |
| Dividends payable | 319,355 | - | 354,839 |
| Provision for liabilities-Paid leave liabilities | 6,956 | 7,619 | 6,679 |
| Others | 33,553 | 48,667 | 34,867 |
| | <u>\$ 458,092</u> | <u>121,566</u> | <u>509,285</u> |

6.9 Lease Liabilities

| | 2024.6.30 | 2023.12.31 | 2023.6.30 |
|-------------|------------------|---------------|---------------|
| Current | <u>\$ 21,965</u> | <u>21,529</u> | <u>21,096</u> |
| Non-current | <u>\$ 11,410</u> | <u>21,659</u> | <u>32,256</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 Apr-Jun | 2023 Apr-Jun | 2024 Jan-Jun | 2023 Jan-Jun |
|---------------------------------------|-----------------|-----------------|-----------------|-----------------|
| Interest expense on lease liabilities | <u>\$ 242</u> | <u>274</u> | <u>516</u> | <u>574</u> |
| Expenses for low-value leased assets | <u>\$ 64</u> | <u>57</u> | <u>129</u> | <u>122</u> |

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

| | 2024 Jan-Jun | 2023 Jan-Jun |
|--------------------------------|------------------|-----------------|
| Total cash outflow from leases | <u>\$ 11,585</u> | <u>11,031</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.

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

6.9.2 Other lease arrangements

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

Additionally, the Consolidated Company leases office equipment on five-year terms and parking spaces on an ongoing basis without fixed durations. These leases are classified as low-value assets. Consequently, the Consolidated Company has elected to apply the recognition exemption, choosing not to record the corresponding right-of-use assets and lease liabilities for these items.

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 | 2024 | 2023 |
|-------------------------|----------------|----------------|----------------|----------------|
| | Apr-Jun | Apr-Jun | Jan-Jun | Jan-Jun |
| Selling expenses | \$ 10 | 12 | 21 | 23 |
| Administrative expenses | 17 | 91 | 33 | 183 |
| | \$ 27 | 103 | 54 | 206 |

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 | 2024 | 2023 |
|-------------------------|-----------------|----------------|----------------|----------------|
| | Apr-Jun | Apr-Jun | Jan-Jun | Jan-Jun |
| Operating costs | \$ 572 | 629 | 1,109 | 1,259 |
| Selling expenses | 138 | 135 | 271 | 265 |
| Administrative expenses | 257 | 226 | 497 | 448 |
| R&D expenses | 184 | 163 | 342 | 320 |
| | \$ 1,151 | 1,153 | 2,219 | 2,292 |

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 | 2024 | 2023 |
|-------------------------|----------------|----------------|----------------|----------------|
| | Apr-Jun | Apr-Jun | Jan-Jun | Jan-Jun |
| Operating costs | \$ 768 | 807 | 1,525 | 1,602 |
| Selling expenses | 27 | 23 | 52 | 46 |
| Administrative expenses | 110 | 134 | 210 | 280 |
| | \$ 905 | 964 | 1,787 | 1,928 |

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

6.11 Income Tax

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

| | 2024 | 2023 | 2024 | 2023 |
|--------------------|------------------|----------------|----------------|----------------|
| | Apr-Jun | Apr-Jun | Jan-Jun | Jan-Jun |
| Current income tax | | | | |
| expense | \$ 11,911 | 27,229 | 27,611 | 52,118 |

6.11.2 Income tax approval status

The Company's profit-seeking enterprise income tax filings 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 June 30 in 2024 and 2023. Please refer to Note 6(12) of the consolidated financial statements for fiscal 2023 for related information.

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 has reached the Company's paid-in capital, and establish a special reserve as required by the Company's operational needs and legal regulations. Any remaining profits will be proposed for distribution by the Board of Directors based on operational requirements and will be implemented upon approval by 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.

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

(3) Distribution of earnings

The Company's proposals for the distribution of earnings for fiscal years 2023 and 2022 were approved at the annual shareholders' meetings held on May 29, 2024, and May 30, 2023, respectively. The amounts of dividends distributed to shareholders are 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> |

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 | 20,258 | - | - | 20,258 |
| Unrealized losses on financial assets measured at FVOCI | - | (71,097) | - | (71,097) |
| Balance at Jun 30, 2024 | <u>\$ 23,294</u> | <u>80,140</u> | <u>(7,589)</u> | <u>95,845</u> |
| 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 | 4,715 | - | - | 4,715 |
| Unrealized gains on financial assets measured at FVOCI | - | 51,196 | - | 51,196 |
| Balance at Jun 30, 2023 | <u>\$ 8,339</u> | <u>139,100</u> | <u>(7,791)</u> | <u>139,648</u> |

6.13 Earnings Per Share (EPS)

| | 2024 Apr-Jun | 2023 Apr-Jun | 2024 Jan-Jun | 2023 Jan-Jun |
|---|-----------------|-----------------|-----------------|-----------------|
| Basic EPS: | | | | |
| Net profit for the period attributable to the Company | \$ 137,318 | 128,055 | 196,029 | 220,669 |
| Weighted average number of common shares outstanding (K shares) | 118,280 | 118,280 | 118,280 | 118,280 |
| Basic EPS (NT\$) | <u>\$ 1.16</u> | <u>1.08</u> | <u>1.66</u> | <u>1.87</u> |
| Diluted EPS: | | | | |
| Net profit for the period attributable to the Company | \$ 137,318 | 128,055 | 196,029 | 220,669 |
| Weighted average number of common shares outstanding (K shares) | 118,280 | 118,280 | 118,280 | 118,280 |
| Effect of employee stock bonuses (K shares) | 441 | 445 | 1,047 | 1,704 |
| Weighted average number of common shares outstanding (K shares) (diluted) | 118,721 | 118,725 | 119,327 | 119,984 |
| Diluted EPS (NT\$) | <u>\$ 1.16</u> | <u>1.08</u> | <u>1.64</u> | <u>1.84</u> |

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

6.14 Revenue from Customer Contracts

6.14.1 Breakdown of revenue

| | 2024 | 2023 | 2024 | 2023 |
|-----------------------------|-------------------|----------------|----------------|------------------|
| | Apr-Jun | Apr-Jun | Jan-Jun | Jan-Jun |
| Major Regional Markets: | | | | |
| Oceania | \$ 395 | - | 529 | 4 |
| Taiwan | 17,585 | 21,970 | 32,616 | 37,682 |
| Asia | 29,942 | 46,401 | 80,188 | 109,080 |
| Africa | - | - | 804 | 761 |
| Americas | 71,460 | 93,085 | 135,278 | 186,393 |
| Europe | 160,239 | 387,923 | 390,959 | 815,105 |
| | \$ 279,621 | 549,379 | 640,374 | 1,149,025 |
| Main Product/Service Lines: | | | | |
| TFT | \$ 221,547 | 500,387 | 528,142 | 1,048,211 |
| TN.STN.FSTN | 56,705 | 41,057 | 108,856 | 89,226 |
| Other | 1,369 | 7,935 | 3,376 | 11,588 |
| | \$ 279,621 | 549,379 | 640,374 | 1,149,025 |

6.14.2 Contract balance

| | 2024.6.30 | 2023.12.31 | 2023.6.30 |
|---------------------|-------------------|-------------------|------------------|
| Accounts receivable | \$ 122,054 | 147,687 | 229,374 |

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\$17,117K, NT\$17,385K, NT\$25,344K, and NT\$30,477K were set aside for employee bonuses, and NT\$5,135K, NT\$5,215K, NT\$7,603K, and NT\$9,143K for directors, from April 1 to June 30, 2024 and 2023, and from January 1 to June 30, 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 estimated and actual amounts distributed in the subsequent year is treated as a change in accounting estimate and recognized in profit or loss in that 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 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.

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Notes to Consolidated Financial Statements (continued)

6.16 Non-operating Income and Expenses

6.16.1 Interest income

| | 2024 | 2023 | 2024 | 2023 |
|--|------------------------|---------------------|----------------------|----------------------|
| | Apr-Jun | Apr-Jun | Jan-Jun | Jan-Jun |
| Interest on bank deposits | \$ 4,744 | 4,446 | 8,329 | 8,430 |
| Interest income on financial assets measured at amortized cost | 2,747 | 2,699 | 6,066 | 4,472 |
| Other interest income | - | - | 8 | 7 |
| | <u>\$ 7,491</u> | <u>7,145</u> | <u>14,403</u> | <u>12,909</u> |

6.16.2 Other income

| | 2024 | 2023 | 2024 | 2023 |
|------------------------------------|--------------------------|----------------------|-----------------------|----------------------|
| | Apr-Jun | Apr-Jun | Jan-Jun | Jan-Jun |
| Dividend income | \$ 103,653 | 32,241 | 103,653 | 32,241 |
| Income from Default Penalties | 5,997 | - | 6,516 | - |
| Income from molds, jigs and rework | 1,295 | 619 | 3,045 | 1,657 |
| Other income | 741 | 415 | 987 | 1,433 |
| | <u>\$ 111,686</u> | <u>33,275</u> | <u>114,201</u> | <u>35,331</u> |

6.16.3 Other gains and losses

| | 2024 | 2023 | 2024 | 2023 |
|--|------------------------|-----------------------|----------------------|-----------------------|
| | Apr-Jun | Apr-Jun | Jan-Jun | Jan-Jun |
| Foreign currency exchange gain/loss | \$ 3,742 | 2,908 | 13,462 | (4,911) |
| Loss on disposal and scrapping of property, plant, and equipment | (6) | (4,157) | (6) | (4,213) |
| Other | (154) | (265) | (169) | (459) |
| | <u>\$ 3,582</u> | <u>(1,514)</u> | <u>13,287</u> | <u>(9,583)</u> |

6.16.4 Financial costs

| | 2024 | 2023 | 2024 | 2023 |
|---|----------------------|-------------------|-------------------|-------------------|
| | Apr-Jun | Apr-Jun | Jan-Jun | Jan-Jun |
| Amortization of interest on lease liabilities | <u>\$ 242</u> | <u>274</u> | <u>516</u> | <u>574</u> |

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 2023.

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

6.17.1 Credit risk

(1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount of credit risk exposure.

(2) Concentration of credit risk

The Consolidated Company's concentration of credit risk with its largest customer, Company A, did not exceed 14.07%, 31.04%, and 21.56% of total receivables as of June 30, 2024, December 31 and June 30, 2023, respectively; the concentration of credit risk with its top four customers did not surpass 47.17%, 30.89%, and 46.77% of total receivables, respectively.

(3) 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 June 30, 2024, December 31 and June 30, 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 |
|---|--------------------|--------------------------|---------------------|---------------|---------------|--------------|
| June 30, 2024 | | | | | | |
| Non-derivative financial liabilities | | | | | | |
| Accounts payable | \$ 120,322 | 120,322 | 120,322 | - | - | - |
| Other payables | 458,092 | 458,092 | 458,092 | - | - | - |
| Lease liabilities (incl. those due within one year) | 33,375 | 34,134 | 22,570 | 10,651 | 913 | - |
| | \$ 611,789 | 612,548 | 600,984 | 10,651 | 913 | - |
| 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 | - |
| | \$ 293,516 | 294,768 | 272,733 | 18,617 | 3,418 | - |
| June 30, 2023 | | | | | | |
| Non-derivative financial liabilities | | | | | | |
| Accounts payable | \$ 173,001 | 173,001 | 173,001 | - | - | - |
| Other payables | 509,285 | 509,285 | 509,285 | - | - | - |
| Lease liabilities (incl. those due within one year) | 53,352 | 55,251 | 22,254 | 21,717 | 11,280 | - |
| | \$ 735,638 | 737,537 | 704,540 | 21,717 | 11,280 | - |

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

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:

| 2024.6.30 | | | |
|------------------------------|-----------------------------|--------------------------|------------------|
| | Foreign Currency | Exchange Rate | NT Dollar |
| <u>Financial Assets</u> | | | |
| <u>Monetary Items</u> | | | |
| USD (U.S. Dollar) | \$ | 9,265 | 32.440 |
| HKD (Hong Kong Dollar) | | 182 | 4.1550 |
| CNY (Chinese Yuan) | | 45,310 | 4.4450 |
| <u>Financial Liabilities</u> | | | |
| <u>Monetary Items</u> | | | |
| USD | | 1,528 | 32.440 |
| HKD | | 360 | 4.1550 |
| CNY | | 3,823 | 4.4450 |
| 2023.12.31 | | | |
| | Foreign Currency | Exchange Rate | NT Dollar |
| <u>Financial Assets</u> | | | |
| <u>Monetary Items</u> | | | |
| USD | \$ | 11,046 | 30.725 |
| HKD | | 183 | 3.9330 |
| CNY | | 46,077 | 4.3300 |
| <u>Financial Liabilities</u> | | | |
| <u>Monetary Items</u> | | | |
| USD | | 1,168 | 30.725 |
| HKD | | 230 | 3.9330 |
| CNY | | 4,917 | 4.3300 |

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

| | | 2023.6.30 | |
|------------------------------|-----------------------------|--------------------------|------------------|
| | Foreign Currency | Exchange Rate | NT Dollar |
| <u>Financial Assets</u> | | | |
| <u>Monetary Items</u> | | | |
| USD | \$ | 19,923 | 31.140 |
| HKD | | 185 | 3.9750 |
| CNY | | 62,866 | 4.2830 |
| <u>Financial Liabilities</u> | | | |
| <u>Monetary Items</u> | | | |
| USD | | 2,649 | 31.140 |
| HKD | | 346 | 3.9750 |
| CNY | | 4,012 | 4.2830 |

(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. Under the assumption that the New Taiwan dollar either appreciates or depreciates by 1% relative to the U.S. dollar, Hong Kong dollar, and Chinese Yuan as of June 30, 2024 and 2023, with all other factors held constant, the post-tax profit for the periods from January 1 to June 30, 2024 and 2023, would increase by NT\$3,477K and NT\$6,315K, respectively. The analysis for both periods is based on the same assumptions.

(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\$13,462K and (NT\$4,911 K) for the periods from January 1 to June 30, 2024 and 2023, respectively.

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 Jan-Jun | 2023 Jan-Jun |
|--|---|---|
| <u>Securities Prices on Reporting Date</u> | <u>Other Comprehensive Income After Tax</u> | <u>Other Comprehensive Income After Tax</u> |
| Up 1% | \$ 6,899 | 6,583 |
| Down 1% | \$ (6,899) | (6,583) |

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

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 their respective fair value hierarchy classifications. This disclosure 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.

| 2024.6.30 | | | | | |
|---|------------------------|-------------------|----------------|----------------|----------------|
| | Carrying Amount | Fair Value | | | |
| | | Level 1 | Level 2 | Level 3 | Total |
| Financial assets at FVOCI | | | | | |
| Domestic OTC-listed stocks | \$ 304,845 | 304,845 | - | - | 304,845 |
| Domestic non-Exchange / OTC-listed stocks | 385,088 | - | - | 385,088 | 385,088 |
| Total | \$ 689,933 | 304,845 | - | 385,088 | 689,933 |
| Financial assets at amortized cost | | | | | |
| Cash and cash equivalents | \$ 540,975 | - | - | - | - |
| Accounts receivable | 122,054 | - | - | - | - |
| Other receivables | 20,800 | - | - | - | - |
| Certificates of deposit | 645,221 | - | - | - | - |
| Refundable deposits | 6,932 | - | - | - | - |
| Total | \$ 1,335,982 | - | - | - | - |
| Financial liabilities at amortized cost | | | | | |
| Accounts payable | \$ 120,322 | - | - | - | - |
| Other payables | 458,092 | - | - | - | - |
| Lease liabilities (incl. those due within one year) | 33,375 | - | - | - | - |
| Total | \$ 611,789 | - | - | - | - |
| 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 |

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

| 2023.12.31 | | | | | |
|---|----------------------------|-------------------|----------------|----------------|----------------|
| | Carrying Amount | Fair Value | | | |
| | | Level 1 | Level 2 | Level 3 | Total |
| 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 | - | - | - | - |
| 2023.6.30 | | | | | |
| | Carrying Amount | Fair Value | | | |
| | | Level 1 | Level 2 | Level 3 | Total |
| Financial assets at FVOCI | | | | | |
| Domestic OTC-listed stocks | \$ 225,200 | 225,200 | - | - | 225,200 |
| Domestic non-Exchange / OTC-listed stocks | 433,063 | - | - | 433,063 | 433,063 |
| Total | \$ 658,263 | 225,200 | - | 433,063 | 658,263 |
| Financial assets at amortized cost | | | | | |
| Cash and cash equivalents | \$ 563,459 | - | - | - | - |
| Accounts receivable | 229,374 | - | - | - | - |
| Other receivables | 21,884 | - | - | - | - |
| Certificates of deposit | 543,663 | - | - | - | - |
| Refundable deposits | 6,710 | - | - | - | - |
| Total | \$ 1,365,090 | - | - | - | - |
| Financial liabilities at amortized cost | | | | | |
| Accounts payable | \$ 173,001 | - | - | - | - |
| Other payables | 509,285 | - | - | - | - |
| Lease liabilities (incl. those due within one year) | 53,352 | - | - | - | - |
| Total | \$ 735,638 | - | - | - | - |

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

(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.

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 June 30, 2024 and 2023.

(4) Statement of changes in Level 3

| | Measured at FVOCI |
|---|--|
| | Non-Exchange/ OTC-listed Stocks |
| Jan 1, 2024 | \$ 447,615 |
| Total loss - recognized in other comprehensive income | (60,209) |
| Proceeds from capital reduction | (2,318) |
| June 30, 2024 | \$ 385,088 |
| Jan 1, 2023 | \$ 436,325 |
| Total gain - recognized in other comprehensive income | 29,433 |
| Proceeds from capital reduction | (32,695) |
| June 30, 2023 | \$ 433,063 |

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

The total gains or losses above are categorized as "Unrealized valuation gains or losses on financial assets measured at FVOCI." Among these figures, the following pertains to assets still held as of June 30, 2024 and 2023:

| | 2024 | 2023 | 2024 | 2023 |
|--|----------------|----------------|----------------|----------------|
| | Apr-Jun | Apr-Jun | Jan-Jun | Jan-Jun |
| Total gains or losses | | | | |
| Recognized in other comprehensive income (reported as "Unrealized valuation gains/losses on financial assets measured at FVOCI") | \$ (71,164) | (25,585) | (60,209) | 29,433 |

(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.

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

| Item | Valuation Techniques | Significant Unobservable Inputs | Significant Unobservable Inputs and Fair Value |
|---|----------------------|---|---|
| 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 2024.6.30, 2023.12.31, and 2023.6.30) Price-to-sales ratio multiplier (1.38-82.59, 1.63-68.82, and 1.77-16.57 as of 2024.6.30, 2023.12.31, and 2023.6.30, respectively) Price to book ratio multiplier (1.37-19.00, 1.41-14.50, and 1.20-9.13 as of 2024.6.30, 2023.12.31, and 2023.6.30, respectively) Price-earnings ratio multiplier (22.90-45.14, 18.155-58.01, and 2.58-44.49 as of 2024.6.30, 2023.12.31, and 2023.6.30, 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 |

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

(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:

| | Input | Up or Down | Fair Value Changes Reflected in Other Comprehensive Income | |
|---|--------------------|------------|--|---------------------|
| | | | Favorable Changes | Unfavorable Changes |
| June 30, 2024 | | | | |
| Financial assets at FVOCI - Domestic non-Exchange/OTC-listed stocks | Liquidity discount | 5% | 5,053 | (5,053) |
| | Market multiplier | 5% | 5,569 | (4,632) |
| 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) |
| June 30, 2023 | | | | |
| Financial assets at FVOCI - Domestic non-Exchange/OTC-listed stocks | Liquidity discount | 5% | 6,158 | (6,158) |
| | Market multiplier | 5% | 6,426 | (5,886) |

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 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 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 fiscal 2023. For further details, please refer to Note 6(19) of the consolidated financial statements for fiscal 2023.

6.20 Non-cash Investing and Financing Activities

6.20.1 Non-cash investing and financing activities of the Consolidated Company from January 1 to June 30, 2024 and 2023 are as follows:

| | 2024 Apr-Jun | 2023 Apr-Jun | 2024 Jan-Jun | 2023 Jan-Jun |
|---|-----------------|-----------------|-----------------|-----------------|
| Change in fair value of financial assets measured at FVOCI for the year | \$ (89,068) | (32,835) | (71,097) | 51,196 |

6.20.2 Please refer to Note 6(7) for the acquisition of right-of-use assets through leasing arrangements.

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

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

| | 2024.1.1 | Cash Flow | Non-cash Change | | | 2024.6.30 |
|-------------------|-----------|-----------|-----------------|----------------|---------------------------|-----------|
| | | | Increase | FX Rate Change | Changes in Lease Payments | |
| Lease liabilities | \$ 43,188 | (10,940) | - | 1,127 | - | 33,375 |

| | 2023.1.1 | Cash Flow | Non-cash Change | | | 2023.6.30 |
|-------------------|-----------|-----------|-----------------|----------------|---------------------------|-----------|
| | | | Increase | FX Rate Change | Changes in Lease Payments | |
| Lease liabilities | \$ 49,218 | (10,335) | 15,676 | (801) | (406) | 53,352 |

7. Related Party Transactions

7.1 Key Management Transactions

Key management remuneration includes:

| | 2024 Apr-Jun | 2023 Apr-Jun | 2024 Jan-Jun | 2023 Jan-Jun |
|------------------------------|-----------------|-----------------|-----------------|-----------------|
| Short-term employee benefits | \$ 10,898 | 11,094 | 20,602 | 22,713 |

8. Pledged Assets: None.

9. Significant Contingent Liabilities and Unrecognized Contractual Commitments

Significant unrecognized contractual commitments

| | 2024.6.30 | 2023.12.31 | 2023.6.30 |
|--|-----------|------------|-----------|
| Guaranteed notes issued regarding purchase guarantee | \$ 15,000 | 15,000 | 15,000 |

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 | Apr-Jun 2024 | | | Apr-Jun 2023 | | |
|------------------------------------|-----------------|--------------------|--------|-----------------|--------------------|--------|
| | Operating Costs | Operating Expenses | Total | Operating Costs | Operating Expenses | Total |
| Employee benefit expense | | | | | | |
| Salaries expense | 20,898 | 26,652 | 47,550 | 30,499 | 26,256 | 56,755 |
| Labor and health insurance expense | 2,260 | 1,579 | 3,839 | 1,924 | 1,130 | 3,054 |
| Pension expense | 1,340 | 743 | 2,083 | 1,436 | 784 | 2,220 |
| Directors' compensation | - | 6,403 | 6,403 | - | 6,281 | 6,281 |
| Other employee benefit expense | 587 | 808 | 1,395 | 2,236 | 795 | 3,031 |
| Depreciation expense | 7,730 | 2,613 | 10,343 | 7,774 | 2,800 | 10,574 |
| Amortization expense | 4 | 148 | 152 | 5 | 149 | 154 |

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

| Function Nature | Jan-Jun 2024 | | | Jan-Jun 2023 | | |
|------------------------------------|-----------------|--------------------|--------|-----------------|--------------------|---------|
| | Operating Costs | Operating Expenses | Total | Operating Costs | Operating Expenses | Total |
| Employee benefit expense | | | | | | |
| Salaries expense | 42,786 | 43,283 | 86,069 | 54,682 | 47,570 | 102,252 |
| Labor and health insurance expense | 3,296 | 2,686 | 5,982 | 3,776 | 2,645 | 6,421 |
| Pension expense | 2,634 | 1,426 | 4,060 | 2,861 | 1,565 | 4,426 |
| Directors' compensation | - | 11,032 | 11,032 | - | 12,085 | 12,085 |
| Other employee benefit expense | 2,668 | 1,799 | 4,467 | 4,533 | 1,577 | 6,110 |
| Depreciation expense | 15,474 | 5,275 | 20,749 | 15,617 | 5,462 | 21,079 |
| Amortization expense | 9 | 298 | 307 | 40 | 314 | 354 |

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 June 30, 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: N/A.

B. Endorsements/guarantees for others: N/A.

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 | 348 | 3,111 | 3.33 % | 3,111 | - |
| Ampire Co | Top Taiwan IX Venture Capital Co | Ampire Co is a director of the company | Financial assets at FVOCI-non-current | 5,250 | 115,201 | 12.50 % | 115,201 | - |
| Ampire Co | Top Taiwan XI Venture Capital Co | Ampire Co is a director of the company | Financial assets at FVOCI-non-current | 3,413 | 45,541 | 6.25 % | 45,541 | - |
| Ampire Co | Top Taiwan XII Venture Capital Co | Ampire Co is a director of the company | Financial assets at FVOCI-non-current | 10,000 | 113,421 | 7.41 % | 113,421 | - |
| Ampire Co | Top Taiwan XIV Venture Capital Co | Ampire Co is a director of the company | Financial assets at FVOCI-non-current | 10,000 | 96,130 | 4.59 % | 96,130 | - |
| Ampire Co | Racer Tech Co | - | Financial assets at FVOCI-non-current | 1,140 | 11,684 | 8.99 % | 11,684 | - |
| Ampire Co | Amicom Electronics Corp | - | Financial assets at FVOCI-non-current | 2,800 | 87,500 | 5.07 % | 87,500 | - |
| Ampire Co | IBASE Technology Inc | - | Financial assets at FVOCI-non-current | 1,451 | 122,465 | 0.70 % | 122,465 | - |
| Ampire Co | STL Technology Co., Ltd. | - | Financial assets at FVOCI-non-current | 3,200 | 94,880 | 4.87 % | 94,880 | - |

Ampire Co and its Subsidiaries

Notes to Consolidated Financial Statements (continued)

- D. Cumulative purchases or sales of the same securities amounting to at least NT\$300 million or 20% of the paid-in capital: N/A.
- E. Acquisition of real property amounting to at least NT\$300 million or 20% of the paid-in capital: N/A.
- F. Disposal of real property amounting to at least NT\$300 million or 20% of the paid-in capital: N/A.
- 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 | |
| Sino Advance Inc. | Tangyu Electronics Co | Parent-subsubsidiary | Sales | (110,500) | (32.66)% | - | - | - | 27,266 | 18.60% | Note |
| Tangyu Electronics Co | Sino Advance Inc. | Parent-subsubsidiary | Purchases | 110,500 | 80.69% | - | - | - | (27,266) | (72.56)% | Note |
| Sino Advance Inc. | Ampire Co | Parent-subsubsidiary | Sales | (148,399) | (43.86)% | - | - | - | 165,053 | 85.82% | Note |
| Ampire Co | Sino Advance Inc. | Parent-subsubsidiary | Purchases | 148,399 | 39.17% | - | - | - | (165,053) | (65.74)% | Note |
| Tangyu Electronics Co | Sino Advance Inc. | Parent-subsubsidiary | Sales | (222,619) | (100.00)% | - | - | - | 51,245 | 100.00% | Note |
| Sino Advance Inc. | Tangyu Electronics Co | Parent-subsubsidiary | Purchases | 222,619 | 68.50% | - | - | - | (51,245) | (81.51)% | 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 Recorded | 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-subsubsidiary | 165,053 | 1.58 | - | | 22,708 | - |

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

- I. Engaged in derivative transactions: N/A.

- 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 | 110,500 | Per general conditions | | 17.26% |
| 1 | Sino Advance Inc. | Tangyu Electronics Co | 1 | Accounts receivable | 27,266 | Per general conditions | | 1.01% |
| 1 | Sino Advance Inc. | Ampire Co | 2 | Sales | 148,399 | Outsourced processing with discretionary prepayment terms | | 23.17% |
| 1 | Sino Advance Inc. | Ampire Co | 2 | Accounts receivable | 165,053 | Per general conditions | | 6.14% |
| 2 | Tangyu Electronics Co | Sino Advance Inc. | 2 | Sales | 222,619 | Per general conditions | | 34.76% |
| 2 | Tangyu Electronics Co | Sino Advance Inc. | 2 | Accounts receivable | 51,245 | Per general conditions | | 1.91% |

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.

Ampire Co and its Subsidiaries

Notes to Consolidated Financial Statements (continued)

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

The information regarding the Consolidated Company's equity investments from January 1 to June 30, 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% | 129 | 1 | 1 | 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% | 388,225 | 7,668 | 7,511 | Note |
| Ampire Co., Ltd. (B.V.I.) | Sino Advance Inc. | Samoa | Sale of LCD modules | 753,387 (USD23,224) | 753,387 (USD23,224) | 23,224 | 100.00% | 388,242 (USD11,968) | 7,656 (USD240) | 7,656 (USD240) | 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 | 688,961 (USD21,238) | (2) | 682,278 (USD21,032) | - | - | 682,278 (USD21,032) | 7,146 (USD224) | 100.00% | 7,146 (USD224) | 304,968 (USD9,401) | - |

Note 1: The information is based on financial statements for the same period reviewed 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.

13.3.2 Investment quota for China:

| Total investment amount remitted from Taiwan to China at period-end | Investment amount approved by MOEA Investment Commission | Investment quota for China set by MOEA Investment Commission |
|---|--|--|
| 682,278 (US\$21,032K) | 765,584 (US\$23,600K) | 1,214,925 Note 2 |

Note 1: The exchange rate between NTD and USD as of June 30, 2024, stood at USD 1: NTD 32.44. The average exchange rate for the period from January 1 to June 30, 2024, was USD 1: NTD 31.9015.

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 June 30, 2024 were offset in the preparation of the consolidated financial statements, as outlined in the "Information on Significant Transactions."

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

13.4 Information on Major Shareholders:

| Major Shareholder | Shares | Number of Shares Held | Shareholding Ratio |
|-------------------------|--------|--------------------------|-----------------------|
| Amicom 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:

| | Domestic | Asia | Adjustments & Eliminations | Total |
|-----------------------------------|-------------------|---------------|----------------------------------|----------------|
| Apr-Jun 2024 | | | | |
| Revenue: | | | | |
| Revenue from external customers | \$ 279,621 | - | - | 279,621 |
| Inter-segment revenue | - | 92,609 | (92,609) | - |
| Total revenue | <u>\$ 279,621</u> | <u>92,609</u> | <u>(92,609)</u> | <u>279,621</u> |
| Reportable segment profit or loss | <u>\$ 148,913</u> | <u>595</u> | <u>(279)</u> | <u>149,229</u> |

| | Domestic | Asia | Adjustments & Eliminations | Total |
|-----------------------------------|-------------------|----------------|----------------------------------|----------------|
| Apr-Jun 2023 | | | | |
| Revenue: | | | | |
| Revenue from external customers | \$ 549,379 | - | - | 549,379 |
| Inter-segment revenue | - | 194,094 | (194,094) | - |
| Total revenue | <u>\$ 549,379</u> | <u>194,094</u> | <u>(194,094)</u> | <u>549,379</u> |
| Reportable segment profit or loss | <u>\$ 152,170</u> | <u>16,707</u> | <u>(13,593)</u> | <u>155,284</u> |

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

| Jan-Jun 2024 | Domestic | Asia | Adjustments & Eliminations | Total |
|--|--------------------------|-----------------------|---|-----------------------|
| Revenue: | | | | |
| Revenue from external customers | \$ 640,374 | - | - | 640,374 |
| Inter-segment revenue | - | 228,738 | (228,738) | - |
| Total revenue | <u>\$ 640,374</u> | <u>228,738</u> | <u>(228,738)</u> | <u>640,374</u> |
| Reportable segment profit or loss | <u>\$ 220,491</u> | <u>10,816</u> | <u>(7,667)</u> | <u>223,640</u> |

| Jan-Jun 2023 | Domestic | Asia | Adjustments & Eliminations | Total |
|--|----------------------------|-----------------------|---|-------------------------|
| Revenue: | | | | |
| Revenue from external customers | \$ 1,149,025 | - | - | 1,149,025 |
| Inter-segment revenue | - | 415,148 | (415,148) | - |
| Total revenue | <u>\$ 1,149,025</u> | <u>415,148</u> | <u>(415,148)</u> | <u>1,149,025</u> |
| Reportable segment profit or loss | <u>\$ 266,071</u> | <u>27,793</u> | <u>(21,077)</u> | <u>272,787</u> |