

Ampire Co., Ltd. and its Subsidiaries
Consolidated Financial Statements &
Independent Auditor's Review Report
Q1 2023 and 2022

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Table of Contents

Items	Page
1. Cover	1
2. Table of Contents	2
3. Independent Auditor's Review Report	3
4. Consolidated Balance Sheet	4
5. Consolidated Statement of Comprehensive Income	5
6. Consolidated Statement of Changes in Equity	6
7. Consolidated Statement of Cash Flows	7
8. Notes to Consolidated Financial Statements	
1) History of the Company	8
2) Approval date and procedures of the consolidated financial statements	8
3) Application of newly published and amended standards & interpretations	8-9
4) Consolidated explanation of material accounting policies	9-10
5) Main sources of uncertainty in significant accounting judgments, estimates and assumptions	10
6) Explanation of material accounting items	11-29
7) Related party transactions	29
8) Pledged assets	30
9) Significant contingent liabilities and unrecognized contractual commitments	30
10) Losses due to major disaster	30
11) Significant events after the reporting period	30
12) Others	30
13) Note disclosures	
1. Information on significant transactions	30-32
2. Information on investees	32
3. Information on investment in Mainland China	32-33
4. Information on major shareholders	33
14) Segment information	33-34

Independent Auditor's Review Report

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

Foreword

We have reviewed the accompanying Consolidated Balance Sheet of Ampire Co. and its subsidiaries as of March 31, 2023 and 2022, and the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the periods from January 1 to March 31, 2023 and 2022, and the accompanying notes to the consolidated financial statements, which include a summary of significant accounting policies. It is the responsibility of management to prepare fairly presented consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard (IAS) No. 34, "Interim Financial Reporting," as endorsed and issued into effect by the Financial Supervisory Commission (FSC), while it is our responsibility to express a conclusion on these consolidated financial statements based on our review.

Scope

We conducted our review pursuant to International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." The procedures applied in reviewing the consolidated financial statements include making inquiries (primarily of persons responsible for financial and accounting matters), conducting analytical procedures and other review procedures. A review is substantially less in scope than an audit and consequently we may not be able to discern all significant matters that might be identified by an audit and therefore cannot express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements of Ampire Co. referred to above 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 into effect by the FSC, and accordingly do not present fairly the consolidated financial position of Ampire Co. and its subsidiaries for the years ended March 31, 2023 and 2022, and the consolidated financial performance and consolidated cash flows for the periods from January 1 to March 31, 2023 and 2022.

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

KPMG

Taipei, Taiwan (Republic of China)

May 5, 2023

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.

Reviewed only as at March 31, 2023 and 2022, not audited under GAAS

Ampire Co and its Subsidiaries

Consolidated Balance Sheet

Mar 31, 2023, Dec 31 and Mar 31, 2022

In NT\$ K

Assets		2023.3.31		2022.12.31		2022.3.31		Liabilities and Equity		2023.3.31		2022.12.31		2022.3.31	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (Note 6(1))	\$ 547,466	20	358,325	14	401,450	16	2170	Accounts payable	\$ 204,609	8	220,997	9	196,417	8
1110	Financial assets at FVPL - current (Note 6(2))	-	-	-	-	45,092	2	2200	Other payables	119,759	4	129,784	5	104,158	4
1137	Financial assets at amortized cost - current (Note 6(4))	361,103	13	268,434	11	294,609	12	2230	Current tax liabilities	83,749	3	63,611	2	58,576	2
1170	Accounts receivable (Note 6(5), (14))	234,056	9	363,587	14	225,436	9	2280	Lease liabilities - current (Note 6(9))	18,076	1	18,434	1	20,738	1
1200	Other receivables	15,264	-	10,947	-	19,350	1	2300	Other current liabilities	2,886	-	12,355	-	12,897	-
1310	Inventories (Note 6(6))	467,114	17	549,896	22	543,114	22		Total current liabilities	429,079	16	445,181	17	392,786	15
1410	Prepayments	17,562	1	12,136	-	16,069	-		Non-current liabilities:						
1470	Other current assets	342	-	165	-	496	-	2580	Lease liabilities - non-current (Note 6(9))	26,609	1	30,784	1	44,944	2
	Total current assets	1,642,907	60	1,563,490	61	1,545,616	62	2640	Net defined benefit liabilities - non-current	12,885	-	12,782	1	17,045	1
Non-current assets:									Total non-current liabilities	39,494	1	43,566	2	61,989	3
1517	Financial assets at FVOCI - non-current (Note 6(3))	705,459	26	621,428	24	538,910	22		Total liabilities	468,573	17	488,747	19	454,775	18
1600	Property, plant and equipment (Note 6(7))	322,050	12	325,953	13	300,960	12		Equity (Note 6(12)):						
1755	Right-of-use assets (Note 6(8))	42,758	2	48,570	2	64,025	3	3100	Ordinary share capital	1,182,798	44	1,182,798	46	1,182,798	48
1780	Intangible assets	2,380	-	2,580	-	250	-	3200	Capital reserve	31,471	1	31,471	1	31,471	1
1840	Deferred tax assets	9,468	-	9,468	-	8,833	-		Retained earnings:						
1990	Other non-current assets (Note 6(5))	7,202	-	7,024	-	20,515	1	3310	Legal reserve	170,334	6	170,334	7	139,426	6
	Total non-current assets	1,089,317	40	1,015,023	39	933,493	38	3350	Undistributed earnings	714,040	26	621,426	24	514,888	21
									Total retained earnings	884,374	32	791,760	31	654,314	27
Total assets		\$ 2,732,224	100	2,578,513	100	2,479,109	100	3400	Other equity	165,008	6	83,737	3	155,751	6
									Total equity	2,263,651	83	2,089,766	81	2,024,334	82
									Total liabilities and equity	\$ 2,732,224	100	2,578,513	100	2,479,109	100

(Please refer to the Notes to Consolidated Financial Statements attached for further details)

Reviewed only, not audited under GAAS

**Ampire Co and its Subsidiaries
Consolidated Statement of Comprehensive Income
Jan 1-Mar 31, 2023 and 2022**

In NT\$ K

		<u>Jan-Mar 2023</u>		<u>Jan-Mar 2022</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Operating revenue (Note 6(14))	\$ 599,646	100	484,655	100
5000	Operating costs (Note 6(6), (7), (8), (9), (10), (15))	(433,967)	(72)	(377,522)	(78)
	Gross profit from operations	<u>165,679</u>	<u>28</u>	<u>107,133</u>	<u>22</u>
	Operating expenses (Note 6(7), (8), (9), (10), (15)):				
6100	Selling expenses	(13,788)	(2)	(11,306)	(2)
6200	Administration expenses	(24,577)	(4)	(24,171)	(5)
6300	R&D expenses	(9,262)	(3)	(8,315)	(2)
	Total operating expenses	<u>(47,627)</u>	<u>(9)</u>	<u>(43,792)</u>	<u>(9)</u>
	Net operating profit	<u>118,052</u>	<u>19</u>	<u>63,341</u>	<u>13</u>
	Non-operating income and expenses (Note 6 (9), (16)):				
7100	Interest income	5,764	1	2,003	-
7010	Other income	2,056	-	4,179	1
7020	Other gains and losses	(8,069)	(1)	20,207	5
7050	Finance costs	(300)	-	(428)	-
	Total non-operating income and expenses	<u>(549)</u>	<u>-</u>	<u>25,961</u>	<u>6</u>
7900	Net profit before tax	<u>117,503</u>	<u>19</u>	<u>89,302</u>	<u>19</u>
7950	Tax expense (Note 6(11))	<u>(24,889)</u>	<u>(4)</u>	<u>(17,212)</u>	<u>(4)</u>
	Net profit for the period	<u>92,614</u>	<u>15</u>	<u>72,090</u>	<u>15</u>
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 at FVOCI	84,031	14	(55,964)	(12)
8349	Income tax relating to items that will not be reclassified	-	-	-	-
	Total items not reclassified to profit or loss	<u>84,031</u>	<u>14</u>	<u>(55,964)</u>	<u>(12)</u>
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of financial statements of foreign operating entities	(2,760)	-	8,630	2
8399	Income tax relating to items that may be reclassified	-	-	-	-
	Total items that may be reclassified subsequently to profit or loss	<u>(2,760)</u>	<u>-</u>	<u>8,630</u>	<u>2</u>
8300	Other comprehensive income for the period	<u>81,271</u>	<u>14</u>	<u>(47,334)</u>	<u>(10)</u>
8500	Total amount of comprehensive income for the period	<u>\$ 173,885</u>	<u>29</u>	<u>24,756</u>	<u>5</u>
	Earnings per share (NT\$) (Note 6(13))				
9750	Basic earnings per share	<u>\$</u>	<u>0.78</u>	<u>\$</u>	<u>0.61</u>
9850	Diluted earnings per share	<u>\$</u>	<u>0.77</u>	<u>\$</u>	<u>0.60</u>

(Please refer to the Notes to Consolidated Financial Statements attached for further details)

Reviewed only, not audited under GAAS
Ampire Co and its Subsidiaries
Consolidated Statement of Changes in Equity
Jan 1-Mar 31, 2023 and 2022

In NT\$ K

	Ordinary share capital	Capital reserve	Retained earnings		Total	Other equity items			Total	Total equity
			Legal reserve	Undistributed earnings		Exchange difference on translation of foreign financial statement	Unrealized gains (losses) on financial assets at FVOCI	Gains (losses) on remeasurements of defined benefit		
Balance at Jan 1, 2022	\$ 1,182,798	31,471	139,426	442,798	582,224	(25,067)	234,145	(5,993)	203,085	1,999,578
Net profit for the period	-	-	-	72,090	72,090	-	-	-	-	72,090
Other comprehensive income for the period	-	-	-	-	-	8,630	(55,964)	-	(47,334)	(47,334)
Total comprehensive income for the period	-	-	-	72,090	72,090	8,630	(55,964)	-	(47,334)	24,756
Balance at Mar 31, 2022	\$ 1,182,798	31,471	139,426	514,888	654,314	(16,437)	178,181	(5,993)	155,751	2,024,334
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

(Please refer to the Notes to Consolidated Financial Statements attached for further details)

Reviewed only, not audited under GAAS
Ampire Co., Ltd. and its Subsidiaries
Consolidated Statement of Cash Flows
Jan 1-Mar 31, 2023 and 2022

In NT\$ K

	Jan-Mar 2023	Jan-Mar 2022
Cash flow from operating activities:		
Net profit before tax for the period	\$ 117,503	89,302
Adjustments:		
Revenue and expense items		
Depreciation expense	10,505	10,686
Amortization expense	200	53
Interest expense	300	428
Interest income	(5,764)	(2,003)
Loss on disposal and scrapping of property, plant and equipment	56	356
Unrealized foreign currency exchange loss (gain)	8,525	(2,311)
Total revenue and expense items	13,822	7,209
Changes in assets and liabilities related to operating activities:		
Net change in assets related to operating activities:		
Accounts receivable	126,370	14,232
Other receivables	(3,080)	(4,728)
Inventories	86,535	(16,022)
Prepayments	(5,426)	4,990
Other current assets	(177)	(221)
Total net changes in assets related to operating activities	204,222	(1,749)
Net changes in liabilities related to operating activities:		
Accounts payable	(13,722)	(35,124)
Other payables	(10,025)	2,728
Other current liabilities	(9,469)	4,774
Net defined benefit liabilities	103	(90)
Total net changes in liabilities related to operating activities	(33,113)	(27,712)
Total net changes in assets and liabilities related to operating activities	171,109	(29,461)
Total adjustments	184,931	(22,252)
Cash inflow from operations	302,434	67,050
Interest received	4,527	1,542
Interest paid	(300)	(428)
Income tax paid	(4,751)	(116)
Net cash inflows from operating activities	301,910	68,048
Cash flows from investing activities:		
Disposal of financial assets at amortized cost	-	9,839
Financial assets at amortized cost	(100,603)	-
Acquisition of property, plant and equipment	(1,586)	(2,110)
Increase in other non-current assets	(178)	(6,088)
Net cash inflow (outflow) from investing activities	(102,367)	1,641
Cash flows from financing activities:		
Principal repayments on leases	(5,194)	(5,379)
Net cash outflow from financing activities	(5,194)	(5,379)
Effect of exchange rate changes	(5,208)	8,887
Increase in cash and cash equivalents for the period	189,141	73,197
Balance of cash and cash equivalents at beginning of period	358,325	328,253
Balance of cash and cash equivalents at end of period	\$ 547,466	401,450

(Please refer to the Notes to Consolidated Financial Statements attached for further details)

Reviewed only, not audited under GAAS
Ampire Co and its Subsidiaries
Notes to Consolidated Financial Statements
Q1 2023 and 2022

(All amounts expressed in NTD K unless otherwise stated)

1. History of the Company

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") are (1) data storage media units manufacturing; (2) electronic parts and components manufacturing; (3) other electrical engineering and electronic machinery equipment manufacturing; (4) retail sale of office machinery and equipment; and (5) retail sale of other machinery and equipment (LCD monitors, LCD modules and touch screens).

2. Approval date and procedures of the consolidated financial statements

These consolidated financial statements were approved and released on May 5, 2023 by the Board of Directors.

3. Application of newly published and amended standards & interpretations

1) The effects of adopting new and amended standards and interpretations endorsed by the Financial Supervisory Commission (FSC)

The Consolidated Company started to apply the following newly amended International Financial Reporting Standards (IFRS) from January 1, 2023, with no material impact on the consolidated financial statements.

- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendment to IAS 12 "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction"

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:

<u>New or amended standards</u>	<u>Key amendments</u>	<u>Effective date by IASB</u>
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	Current IAS 1 requires a liability to be classified as current if an enterprise does not have an unconditional right to defer settlement for at least 12 months after the reporting period. The amendment removes the requirement that the right should be unconditional and instead requires that the right must exist at the end of the reporting period and must be material. The amendments clarify how an enterprise should classify liabilities that are settled by the issuance of its own equity instruments (e.g. convertible bonds).	Jan 1, 2024

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

New or amended standards	Key amendments	Effective date by IASB
Amendments to IAS 1 “Non-current Liabilities with Covenants”	After reconsidering certain aspects of the IAS 1 amendments in 2020, the new amendments clarify that only contract terms followed on or before the reporting date will affect the classification of a liability as current or non-current. The contract terms (i.e. future terms) to which an enterprise is subject after the reporting date do not affect the classification of the liability at that date. However, where non-current liabilities are subject to future covenants, the enterprise is required to disclose information to help users of the financial statements understand the risk that these liabilities may be settled within 12 months of the reporting date.	Jan 1, 2024

The Consolidated Company is continuously evaluating the impact of the above standards and interpretations on the Consolidated Company's financial position and results of operations, which will be disclosed upon completion of the evaluation.

The Consolidated Company does not expect the following other newly issued and amended standards, which have not yet been endorsed, to have a material impact on the 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 IFRS 16 “Lease Liability in a Sale and Leaseback”

4. Consolidated explanation of material accounting policies

1) Statement of compliance

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" as endorsed and issued into effect by the FSC. The consolidated financial statements do not include all of the information that would be required to be disclosed in an annual consolidated financial report prepared under International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), and Interpretations developed by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee (SIC) (hereinafter the “International Financial Reporting Standards endorsed by the FSC”), as endorsed and issued into effect by the FSC.

Except as described below, the significant accounting policies adopted in these consolidated financial statements are the same as those used in the consolidated financial statements for fiscal 2022. See Note 4 to the consolidated financial statements for fiscal 2022 for related information.

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

2) Basis of consolidation

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

Investing company	Subsidiary	Nature of business	Percentage of shareholding		
			2023.3.31	2022.12.31	2022.3.31
Ampire Co	Asia Ampire (H.K.) Co., Ltd.	Sale of LCD modules	100%	100%	100%
Ampire Co	American Ampire, Inc.	Sale of LCD modules	100%	100%	100%
Ampire Co	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 Electronics (Dongguan) Co	Manufacture and sale of LCD modules	100%	100%	100%

2. Subsidiaries not included in the consolidated financial statements: Nil.

3) Employee benefits

Defined benefit plan pensions for the interim period are calculated using actuarially determined pension cost rates as at the reporting date of the previous year, based on the beginning to end of the current period, adjusted for significant market fluctuations and significant curtailments, liquidations or other significant one-off events after that end date.

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."

Income tax expense is measured by multiplying net income before tax for the interim reporting period by management's best estimate of the estimated effective tax rate for the full year, and is allocated to current income tax expense and deferred income tax expense in proportion to the estimated current income tax expense and deferred income tax expense for the full year.

5. Main sources of uncertainty in significant accounting judgments, estimates and assumptions

The preparation of these consolidated financial statements in conformity with the Preparation Regulations and IAS 34 "Interim Financial Reporting" as endorsed by the FSC, requires management to make judgments, estimates and assumptions that might affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ 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 2022.

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

6. Explanation of material accounting Items

Except as noted below, there are no material differences between the description of significant accounting items in these consolidated financial statements and the consolidated financial statements for fiscal 2022, as described in Note 6 to the consolidated financial statements for fiscal 2022.

1) Cash and cash equivalents

	<u>2023.3.31</u>	<u>2022.12.31</u>	<u>2022.3.31</u>
Cash	\$ 117	116	152
Demand deposits	65,911	61,575	24,948
Time deposits	481,438	296,634	376,350
	<u>\$ 547,466</u>	<u>358,325</u>	<u>401,450</u>

2) Financial assets measured at FVPL

Financial assets designated as at FVPL:

	<u>2023.3.31</u>	<u>2022.12.31</u>	<u>2022.3.31</u>
Structured deposits	\$ -	-	45,092

3) Financial assets measured at FVOCI - non-current

	<u>2023.3.31</u>	<u>2022.12.31</u>	<u>2022.3.31</u>
Equity instruments measured at FVOCI:			
Domestic OTC-listed stocks	\$ 214,116	185,103	106,120
Domestic non-Exchange/OTC-listed stocks	491,343	436,325	432,790
	<u>\$ 705,459</u>	<u>621,428</u>	<u>538,910</u>

1. Investments in equity instruments measured at FVOCI

The Consolidated Company holds these investments in equity instruments as long-term strategic investments that are not held for trading purposes and therefore have been designated as measured at FVOCI.

The Consolidated Company has not disposed of any strategic investments from January 1 to March 31 in 2023 and 2022 and no transfer of accumulated benefits and losses in equity has been made during this period.

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

4) Financial assets measured at amortized cost - current

	<u>2023.3.31</u>	<u>2022.12.31</u>	<u>2022.3.31</u>
Domestic and foreign certificates of deposit	\$ 361,103	268,434	294,609

The Consolidated Company evaluates that these assets are held until maturity to collect the contractual cash flows and that the cash flows from these financial assets are solely for the payment of principal and interest on the principal amount outstanding and are therefore reported as financial assets measured at amortized cost.

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

The Consolidated Company holds domestic and foreign certificates of deposit with a weighted average interest rate of 1.742%, 1.960% and 1.267% per annum as at March 31, 2023, December 31 and March 31, 2022, respectively, maturing from April to October 2023 and from January to September 2023 and April 2022 to March 2023, respectively.

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

5) Accounts receivable and collections

	2023.3.31	2022.12.31	2022.3.31
Accounts receivable - measured at amortized cost	\$ 234,056	363,587	225,436
Collections	20,146	20,146	20,146
Less: Loss allowances	(20,146)	(20,146)	(20,146)
	\$ 234,056	363,587	225,436

The Consolidated Company uses a simplified approach to estimate expected credit losses for all accounts receivable, which is a measure of expected credit losses over the life of the accounts receivable. For this purpose, these accounts receivable are grouped by common credit risk characteristics that represent the customer's ability to pay all amounts due under contractual terms and incorporate forward-looking information, including macroeconomic and related industry information.

An analysis of the expected credit losses on the Consolidated Company's accounts receivable is as follows:

	2023.3.31		
	Carrying amount of receivables	Weighted-average expected credit loss rate	Allowance for expected credit losses over the lifetime
Not overdue	\$ 219,592	-	-
Below 90 days overdue	14,464	-	-
	\$ 234,056		-
	2022.12.31		
	Carrying amount of receivables	Weighted-average expected credit loss rate	Allowance for expected credit losses over the lifetime
Not overdue	\$ 294,644	-	-
Below 90 days overdue	68,939	-	-
91-180 days overdue	4	-	-
	\$ 363,587		-

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

	2022.3.31		
	Carrying amount of receivables	Weighted-averag e expected credit loss rate	Allowance for expected credit losses over the lifetime
Not overdue	\$ 199,864	-	-
Below 90 days overdue	25,507	-	-
91-180 days overdue	1	-	-
181-270 days overdue	19	-	-
271-365 days overdue	21	-	-
Over 366 days overdue	24	-	-
	\$ 225,436		-

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

	2023.3.31		
	Carrying amount of collections	Weighted-averag e expected credit loss rate	Allowance for expected credit losses over the lifetime
Over 365 days overdue	\$ 20,146	100%	20,146

	2022.12.31		
	Carrying amount of collections	Weighted-averag e expected credit loss rate	Allowance for expected credit losses over the lifetime
Over 365 days overdue	\$ 20,146	100%	20,146

	2022.3.31		
	Carrying amount of collections	Weighted-averag e expected credit loss rate	Allowance for expected credit losses over the lifetime
Over 365 days overdue	\$ 20,146	100%	20,146

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

	2023 Jan-Mar	2022 Jan-Mar
Opening balance (i.e. closing balance)	\$ 20,146	20,146

6) Inventories

	2023.3.31	2022.12.31	2022.3.31
Finished products	\$ 47,550	75,641	45,646
Work in process	134,799	164,587	163,769
Raw materials	284,765	309,668	333,699
	\$ 467,114	549,896	543,114

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

The cost of goods sold is broken down as follows:

	2023	2022
	Jan-Mar	Jan-Mar
Inventory sales transfer	\$ 426,883	365,942
Unallocated fixed manufacturing overheads and direct labor	6,839	6,205
Inventory valuation losses	245	5,375
	\$ 433,967	377,522

7) Property, plant and equipment

	Land	Buildings & structures	Machinery & equipment	Office equipment	Total
Cost:					
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 exchange rates	-	-	(5,116)	(828)	(5,944)
Balance at Mar 31, 2023	\$ 95,330	188,137	585,670	221,031	1,090,168
Balance at Jan 1, 2022	\$ 95,330	188,137	555,444	202,151	1,041,062
Additions	-	-	175	1,935	2,110
Disposal	-	-	-	(9,755)	(9,755)
Effect of changes in exchange rates	-	-	14,718	2,041	16,759
Balance at Mar 31, 2022	\$ 95,330	188,137	570,337	196,372	1,050,176
Accumulated depreciation & impairment losses:					
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 exchange rates	-	-	(4,847)	(906)	(5,753)
Balance at Mar 31, 2023	\$ -	30,372	586,227	151,519	768,118
Balance at Jan 1, 2022	\$ -	25,761	550,741	160,585	737,087
Depreciation for the period	-	922	1,949	2,580	5,451
Disposal	-	-	-	(9,399)	(9,399)
Effect of changes in exchange rates	-	-	14,534	1,543	16,077
Balance at Mar 31, 2022	\$ -	26,683	567,224	155,309	749,216
Carrying value:					
Mar 31, 2023	\$ 95,330	157,765	(557)	69,512	322,050
Dec 31, 2022	\$ 95,330	158,687	704	71,232	325,953
Mar 31, 2022	\$ 95,330	161,454	3,113	41,063	300,960

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

8) Right-of-use assets

	Buildings & structures	Transport facility	Total
Cost of right-of-use assets:			
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	(1,763)	-	(1,763)
Balance at Mar 31, 2023	<u>\$ 83,734</u>	<u>10,912</u>	<u>94,646</u>
Balance at Jan 1, 2022	\$ 81,154	12,235	93,389
Effect of changes in exchange rates	3,485	-	3,485
Balance at Mar 31, 2022	<u>\$ 84,639</u>	<u>12,235</u>	<u>96,874</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	(758)	-	(758)
Balance at Mar 31, 2023	<u>\$ 45,896</u>	<u>5,992</u>	<u>51,888</u>
Balance at Jan 1, 2022	\$ 22,274	4,448	26,722
Provision for depreciation	4,570	665	5,235
Effect of changes in exchange rates	892	-	892
Balance at Mar 31, 2022	<u>\$ 27,736</u>	<u>5,113</u>	<u>32,849</u>
Carrying value:			
Mar 31, 2023	<u>\$ 37,838</u>	<u>4,920</u>	<u>42,758</u>
Dec 31, 2022	<u>\$ 43,441</u>	<u>5,129</u>	<u>48,570</u>
Mar 31, 2022	<u>\$ 56,903</u>	<u>7,122</u>	<u>64,025</u>

9) Lease liabilities

	2023.3.31	2022.12.31	2022.3.31
Current	<u>\$ 18,076</u>	<u>18,434</u>	<u>20,738</u>
Non-current	<u>\$ 26,609</u>	<u>30,784</u>	<u>44,944</u>

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

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

	2023 Jan-Mar	2022 Jan-Mar
Interest expense on lease liabilities	<u>\$ 300</u>	<u>428</u>
Expenses for low-value leased assets	<u>\$ 65</u>	<u>61</u>

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

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

	2023	2022
	Jan-Mar	Jan-Mar
Total cash outflow from leases	\$ 5,559	5,868

1. Leasing of buildings and structures

The Consolidated Company leases buildings and structures (including land use rights) as office and factory premises usually for a period of three to five years, with some leases including an option to extend the lease for the same period as the original contract at the end of the lease term.

2. Other leases

The Consolidated Company leases transport facilities for a period of four to five years.

In addition, the Consolidated Company leases office equipment generally for a term of five years; parking spaces on a one-time basis with no fixed lease term, and these leases are low-value subject leases for which the Consolidated Company has elected to apply the exemption from recognition and not to recognize the related right-of-use assets and lease liabilities.

10) Employee benefits

1. Defined benefit plans

The Consolidated Company used the actuarially determined pension cost as of December 31, 2022 and 2021 to measure and disclose pension costs for the interim periods as there were no significant market fluctuations and no significant 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:

	2023	2022
	Jan-Mar	Jan-Mar
Selling expenses	\$ 11	3
Administration expenses	92	59
	\$ 103	62

2. Defined contribution plan

The pension expense under the defined contribution pension plan of the Consolidated Company's domestic companies is as follows and has been contributed to the Bureau of Labor Insurance:

	2023	2022
	Jan-Mar	Jan-Mar
Operating costs	\$ 630	593
Selling expenses	130	128
Administration expenses	222	215
R&D expenses	157	149
	\$ 1,139	1,085

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

The pension expense recognized by the Consolidated Company's foreign subsidiaries in accordance with local government regulations is as follows and has been contributed to a government-designated account:

	2023	2022
	Jan-Mar	Jan-Mar
Operating costs	\$ 795	741
Selling expenses	23	24
Administration expenses	146	113
	\$ 964	878

11) Income tax

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

	2023	2022
	Jan-Mar	Jan-Mar
Current income tax expense	\$ 24,889	17,212
Income tax expense	\$ 24,889	17,212

2. Income tax approval status

The Company's profit-seeking enterprise income tax returns have been approved by the tax authorities up to 2021.

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 2023 and 2022. Please refer to Note 6(12) to the consolidated financial statements for fiscal 2022 for related information.

1. Retained earnings

Pursuant to the Company's Articles of Incorporation, the Company's dividends are limited to 10% per annum. However, if the Company has no surplus earnings, no dividends shall be distributed.

The Company shall first pay taxes and make up for accumulated losses and then set aside a legal reserve when there are surplus earnings in the annual final accounts, except when the legal reserve has reached the Company's paid-in capital, and may set aside a special reserve according to the Company's operating needs and legal regulations. For any remaining surplus earnings, the Board of Directors shall, depending on the operating needs, prepare a proposal for distribution of the surplus earnings and submit it to the shareholders' meeting for approval.

The Company's dividend policy shall be based on the principle of stable and balanced distribution, with consideration given not only to the shareholders' profits, but also to the accumulation of the Company's capital and the impact on the Company's operations. The portion of cash dividends distributed shall not be less than 10% of the total dividends.

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

(1) Legal reserve

When the Company is not in deficit, it may, by resolution of the shareholders' meeting, issue new shares or cash from the legal reserve, provided that the amount of such reserve exceeds 25% of the paid-in capital.

(2) Special reserve

As required by the FSC, the Company provides a special reserve from the current period's income and prior period's undistributed earnings for other net deductions from shareholders' equity recorded that occurred during the year; and shall not distribute the special reserve provided from the prior period's undistributed earnings in respect of other deductions from shareholders' equity accumulated in the prior period. For any subsequent reversals of other deductions from shareholders' equity, the reversed portion in respect of the earnings may be distributed.

(3) Distribution of earnings

On February 22, 2023, the Board of Directors proposed the distribution of earnings for fiscal 2022 and on May 31, 2022, the shareholders' meeting approved the distribution of earnings for fiscal 2021, with the dividends distributed to owners as follows:

	2022		2021	
	Dividend payout ratio (NT\$)	Amount	Dividend payout ratio (NT\$)	Amount
Dividends distributed to common stockholders:				
Cash	\$ 3.00	354,839	2.10	248,388

2. Other equity (net of tax)

	Exchange difference on translation of foreign financial statement	Unrealized gains (losses) on financial assets at FVOCI	Gains (losses) on remeasurem ents of defined benefit plans	Total
	Balance at Jan 1, 2023	\$ 3,624	87,904	(7,791)
Exchange differences arising on translation of net assets of foreign operating entities	(2,760)	-	-	(2,760)
Unrealized gains on financial assets measured at FVOCI	-	84,031	-	84,031
Balance at Mar 31, 2023	\$ 864	171,935	(7,791)	165,008
Balance at Jan 1, 2022	\$ (25,067)	234,145	(5,993)	203,085
Exchange differences arising on translation of net assets of foreign operating entities	8,630	-	-	8,630
Unrealized losses on financial assets measured at FVOCI	-	(55,964)	-	(55,964)
Balance at Mar 31, 2022	\$ (16,437)	178,181	(5,993)	155,751

13) Earnings per share (EPS)

	2023 Jan-Mar	2022 Jan-Mar
Basic EPS:		
Net profit for the period attributable to the Company	\$ 92,614	72,090
Weighted average number of common shares outstanding (K share)	118,280	118,280
Basic EPS (NT\$)	\$ 0.78	0.61

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

	2023	2022
	Jan-Mar	Jan-Mar
Diluted EPS:		
Net profit for the period attributable to the Company	\$ 92,614	72,090
Weighted average number of common shares outstanding (K share)	118,280	118,280
Effect of employee stock-based compensation (K share)	1,255	1,275
Weighted average number of common shares outstanding (K share) (diluted)	119,535	119,555
Diluted EPS (NT\$)	<u>\$ 0.77</u>	<u>0.60</u>

14) Revenue from customer contracts

1. Breakdown of revenue

	2023	2022
	Jan-Mar	Jan-Mar
Major regional markets:		
Oceania	\$ 4	159
Taiwan	15,712	20,893
Asia	62,679	50,604
Africa	761	443
America	93,308	101,896
Europe	427,182	310,660
	<u>\$ 599,646</u>	<u>484,655</u>
Main product/service lines:		
TFT	\$ 547,824	403,663
TN.STN.FSTN	48,169	78,967
Other	3,653	2,025
	<u>\$ 599,646</u>	<u>484,655</u>

2. Contract balance

	2023.3.31	2022.12.31	2022.3.31
Accounts receivable	<u>\$ 234,056</u>	<u>363,587</u>	<u>225,436</u>

Please refer to Note 6(5) for the disclosure of accounts receivable and impairment.

15) Remuneration of employees and directors and supervisors

As stipulated in the Company's Articles of Incorporation, if a profit is made in a year, the Company shall deduct the accumulated losses from its profit before taxation for that year and set aside a maximum of 5% to 12% of the balance for the remuneration of its employees and 3% for the remuneration of its directors and supervisors.

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

The amount of compensation of NT\$13,092 K and NT\$10,265 K set aside for employees and NT\$3,928 K and NT\$3,079 K for directors and supervisors, from January 1 to March 31, 2023 and 2022, respectively, were estimated based on the Company's pre-tax net income for the period before deducting the compensation for employees and directors and supervisors multiplied by the distribution percentages of compensation for employees, directors and supervisors as stipulated in the Company's Articles of Incorporation and reported as operating costs or operating expenses for the period. If the actual amount distributed in the following year differs from the estimated amount, the difference is treated as a change in accounting estimate and recognized as profit or loss in the following year.

The amounts set aside for employees' remuneration for fiscal 2022 and 2021 were NT\$54,791 K and NT\$40,339 K, respectively, and the amounts set aside for directors' and supervisors' remuneration were NT\$18,490 K and NT\$12,998 K, respectively, which did not differ from the actual distribution. Related information is available at the Market Observation Post System.

16) Non-operating income and expenses

1. Interest income

	2023 Jan-Mar	2022 Jan-Mar
Interest on bank deposits	\$ 3,984	632
Interest income on financial assets measured at amortized cost	1,773	1,367
Other interest income	7	4
	\$ 5,764	2,003

2. Other income

	2023 Jan-Mar	2022 Jan-Mar
Molds, jigs and rework revenue	\$ 1,038	1,858
Other	1,018	2,321
	\$ 2,056	4,179

3. Other gains and losses

	2023 Jan-Mar	2022 Jan-Mar
Foreign currency exchange gain (loss)	\$ (7,819)	20,589
Loss on disposal and scrapping of property, plant and equipment	(56)	(356)
Other	(194)	(26)
	\$ (8,069)	20,207

4. Financial costs

	2023 Jan-Mar	2022 Jan-Mar
Amortization of interest on lease liabilities	\$ 300	428

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

17) Financial instruments

Except as described below, there were no significant changes in the fair value of the Consolidated Company's financial instruments and exposure to credit risk, liquidity risk and market risk due to financial instruments, as described in Note 6(17) to the consolidated financial statements for fiscal 2022.

1. Credit risk

Credit risk on receivables

Please refer to Note 6(5) for details of credit risk exposures on receivables. Other financial assets measured at amortized cost include other receivables and certificates of deposit.

All of the above are financial assets with low credit risk and therefore the loss allowances for the period are measured at the expected credit loss amount for the 12-month period. Time deposits and other receivables held by the Consolidated Company are considered to have low credit risk because the counterparties and other parties to the contracts are creditworthy or are financial institutions with investment grade or above.

The Consolidated Company's other financial assets measured at amortized cost as at March 31, 2023, December 31 and March 31, 2022 have no provision for losses due to expected credit losses over 12 months.

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 yrs	2-5 yrs	Over 5 yrs
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	-
	\$ 369,053	370,457	343,338	17,495	9,624	-
Dec 31, 2022						
Non-derivative financial liabilities						
Accounts payable	\$ 220,997	220,997	220,997	-	-	-
Other payables	129,784	129,784	129,784	-	-	-
Lease liabilities (incl. those due within one year)	49,218	50,908	19,436	17,651	13,821	-
	\$ 399,999	401,689	370,217	17,651	13,821	-
Mar 31, 2022						
Non-derivative financial liabilities						
Accounts payable	\$ 196,417	196,417	196,417	-	-	-
Other payables	104,158	104,158	104,158	-	-	-
Lease liabilities (incl. those due within one year)	65,682	68,513	22,148	18,812	27,553	-
	\$ 366,257	369,088	322,723	18,812	27,553	-

The Consolidated Company does not expect that the cash flows analyzed at maturity will occur significantly earlier or that the actual amounts will be substantially different.

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

3. Market risk

(1) Exchange rate risk

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

				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
				2022.12.31		
				Foreign currency	Exchange rate	NT dollar
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	\$	19,552		30.720		600,637
HKD		185		3.9400		729
Chinese Yuan		42,033		4.4110		185,408
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD			3,045	30.720		93,542
HKD			378	3.9400		1,489
Chinese Yuan			5,906	4.4110		26,051

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

	2022.3.31		
	Foreign currency	Exchange rate	NT dollar
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 13,761	28.625	393,909
HKD	202	3.6560	739
Chinese Yuan	44,588	4.5060	200,914
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	3,153	28.625	90,255
HKD	290	3.6560	1,060
Chinese Yuan	5,903	4.5060	26,599

(2) Sensitivity analysis

The Consolidated Company's exchange rate risk arises primarily from foreign currency-denominated cash and cash equivalents, financial assets carried at amortized cost, accounts receivable and other receivables, accounts payable and other payables, which give rise to foreign currency exchange gains and losses upon translation. As of March 31, 2023 and 2022, if the New Taiwan dollar had depreciated or appreciated by 1% against the U.S. dollar, Hong Kong dollar and Chinese yuan, all other factors remaining constant, net income after tax would increase by NT\$6,013 K and NT\$3,821 K for the periods from January 1 to March 31, 2023 and 2022, respectively. The same basis of analysis applied to both periods.

(3) Exchange gains and losses on monetary items

Due to the variety of the Consolidated Company's functional currencies, information on exchange gains and losses on monetary items is presented on a consolidated basis, with foreign currency exchange gains (losses) (both realized and unrealized) amounting to NT\$(7,819) K and NT\$20,589 K from January 1 to March 31, 2023 and 2022, respectively.

4. Other price risk

If the price of equity securities had changed at the reporting date (the same basis of analysis was used for both periods and other variations were assumed to be constant), the effect on the comprehensive income item would have been as follows:

<u>Securities prices on reporting date</u>	2023 Jan-Mar	2022 Jan-Mar
	Other comprehensive income after tax	Other comprehensive income after tax
Up 1%	\$ 7,055	5,389
Down 1%	\$ (7,055)	(5,389)

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

5. Fair value information

(1) Types and fair values of financial instruments

The Consolidated Company's financial assets at FVPL and financial assets at 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 (including information on the fair value hierarchy, except for financial instruments not carried at fair value whose carrying amounts are a reasonable approximation of fair value and lease liabilities for which disclosure of fair value information is not required) are presented below:

	2023.3.31				
	Carrying amount	Fair value			Total
Level 1		Level 2	Level 3		
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	-	-	-	-

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

	2022.3.31				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at amortized cost					
Cash and cash equivalents	\$ 401,450	-	-	-	-
Accounts receivable	225,436	-	-	-	-
Other receivables	19,350	-	-	-	-
Certificates of deposit	294,609	-	-	-	-
Refundable deposits	6,949	-	-	-	-
Total	\$ 947,794	-	-	-	-
Financial liabilities at amortized cost					
Notes and accounts payable	\$ 196,417	-	-	-	-
Other payables	104,158	-	-	-	-
Lease liabilities (incl. those due within one year)	65,682	-	-	-	-
Total	\$ 366,257	-	-	-	-

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

Where there is an active market for publicly quoted prices for non-derivative financial instruments, the fair value is based on the publicly quoted prices in the active market. Market prices published by major exchanges as well as by the OTC exchanges for central government bonds judged to be on-the-run securities, constitute the basis for the fair value of Exchange/OTC-listed equity instruments, and debt instruments for which there is an active market for publicly quoted prices.

A financial instrument has an active market for public quotations if public quotations are obtained from an exchange, broker, underwriter, industry association, pricing service provider or competent authority in a timely and regular manner and the price represents an actual and regular arm's length market transaction. If these conditions are not met, the market is considered to be inactive. Generally speaking, a very wide bid-ask spread, a marked increase in the bid-ask spread or low trading volume are all indicators of an inactive market.

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 do not have an active market are shown below by category and attribute:

- Equity instruments that are not publicly quoted: Fair values are estimated using the market comparable company method, with key assumptions based on estimated earnings per share, net worth per share, market value to revenue ratio and quoted market prices of the investee and comparable Exchange/OTC-listed companies. The estimates are adjusted for the effect of the lack of marketability discount on the equity securities.
- Non-publicly quoted structured deposits: Fair value is estimated using a discounted cash flow model whose key assumptions are that the fair value is measured by expected future cash flows discounted at a rate of return that reflects 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, 2023 and 2022.

(4) Schedule of changes in Level 3

	Measured at FVOCI Non-Exchange/ TC-listed stocks
Jan 1, 2023	\$ 436,325
Total gain - recognized in other comprehensive income	55,018
March 31, 2023	<u>\$ 491,343</u>
Jan 1, 2022	\$ 486,514
Total loss - recognized in other comprehensive income	(53,724)
March 31, 2022	<u>\$ 432,790</u>

The above total gains or losses are reported as "Unrealized valuation gains (losses) on financial assets measured at FVOCI." Of these amounts, the following relates to assets still held at March 31, 2023 and 2022:

	2023 Jan-Mar	2022 Jan-Mar
Total gain or loss		
Recognized in other comprehensive income (reported as "Unrealized valuation gains (losses) on financial assets measured at FVOCI	\$ 55,018	(53,724)

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

The fair value measurements of the Consolidated Company classified as Level 3 are through investments in financial assets - equity securities - that are measured at FVOCI.

The Consolidated Company's investments in equity instruments with no active market have plural significant unobservable inputs. Significant unobservable inputs from investments in equity instruments with no active market are not correlated with each other as they are independent of 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:

<u>Item</u>	<u>Valuation techniques</u>	<u>Significant unobservable input value</u>	<u>Significant unobservable input value to fair value relationship</u>
Financial assets at FVOCI - Domestic non-Exchange / OTC-listed stocks	Market approach	<ul style="list-style-type: none"> • Lack of marketability discount (30% on 2023.3.31, 2022.12.31 and 2022.3.31) • Share price operating income ratio multiplier (1.27-15.38, 1.27-14.29 and 1.58-19.06 on 2023.3.31, 2022.12.31 and 2022.3.31 respectively) • Net share price ratio multiplier (1.12-8.93, 1.12-8.44 and 0-8.03 on 2023.3.31, 2022.12.31 and 2022.3.31 respectively) • Price-earnings ratio multiplier (2.24-36.28, 2.24-47.01 and 1.72-63.35 on 2023.3.31, 2022.12.31 and 2022.3.31 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) Analysis of the sensitivity of fair value to reasonably possible alternative assumptions for Level 3 fair value measurements

The Consolidated Company's measurement of the fair value of financial instruments is reasonable, but the use of different valuation models or valuation parameters may result in different valuation results. For financial instruments classified as level 3, the effect on other comprehensive income if the valuation parameters are changed is as follows:

	<u>Input value</u>	<u>Up or down</u>	<u>Fair value changes reflected in other comprehensive income</u>	
			<u>Favorable changes</u>	<u>Unfavorable changes</u>
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)
Dec 31, 2022				
Financial assets at FVOCI - Domestic non-Exchange/OTC-listed stocks	Liquidity discount	5%	7,474	(7,474)
	Market multiplier	5%	7,511	(7,417)
Mar 31, 2022				
Financial assets at FVOCI - Domestic non-Exchange/OTC-listed stocks	Liquidity discount	5%	9,229	(9,229)
	Market multiplier	5%	6,347	(8,214)

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

Favorable and unfavorable changes in the Consolidated Company represent fluctuations in fair value, which is calculated using valuation techniques, based on varying degrees of unobservable input parameters. Where the fair value of a financial instrument is affected by more than one input, the above table reflects the effect of changes in a single input and does not take into account the correlation and variability between inputs.

18) Financial risk management

The Consolidated Company's financial risk management objectives and policies have not changed considerably from those disclosed in Note 6(18) to the consolidated financial statements for fiscal 2022.

19) Capital management

The Consolidated Company's capital management objectives, policies and procedures are consistent with those disclosed in the consolidated financial statements for fiscal 2022, and there have been no material changes to the aggregated quantitative data for items managed as capital from those disclosed in the consolidated financial statements for fiscal 2022. For related information, see Note 6(19) to the consolidated financial statements for fiscal 2022.

20) Non-cash investment activities

The Consolidated Company's non-cash investment and fund raising activities from January 1 to March 31, 2023 and 2022 are as follows:

	2023 Jan-Mar	2022 Jan-Mar
1. Change in fair value of financial assets measured at FVOCI for the year	\$ 84,031	(55,964)

2. For right-of-use asset acquired under lease, please refer to Note 6(8).

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

	2023.1.1	Cash flow	Non-cash change		2023.3.31
			Increase	Exchange rate changes	
Lease liabilities	\$ 49,218	(5,194)	456	205	44,685

	2022.1.1	Cash flow	Non-cash change		2022.3.31
			Increase	Exchange rate changes	
Lease liabilities	\$ 68,702	(5,379)	-	2,359	65,682

7. Related party transactions

1) Key management transactions

Key management compensation includes:

	2023 Jan-Mar	2022 Jan-Mar
Short-term employee benefits	\$ 11,619	11,004

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

8. Assets pledged: None.

9. Significant contingent liabilities and unrecognized contractual commitments

Significant unrecognized contractual commitments

	2023.3.31	2022.12.31	2022.3.31
Guaranteed notes issued in connection with purchase guarantee	\$ 15,000	15,000	15,000

10. Losses due to major disaster: Nil.

11. Significant events after the reporting period: Nil.

12. Others

1) The employee benefits, depreciation and amortization expense functions are summarized below:

Function Nature	Jan-Mar 2023			Jan-Mar 2022		
	Attributable to operating costs	Attributable to operating expenses	Total	Attributable to operating costs	Attributable to operating expenses	Total
Employee benefit expense						
Salaries expense	24,183	21,314	45,497	22,249	17,899	40,148
Labor and health insurance expense	1,852	1,515	3,367	1,584	1,303	2,887
Pension expense	1,425	781	2,206	1,334	691	2,025
Directors' remuneration	-	5,804	5,804	-	5,937	5,937
Other employee benefit expense	2,297	782	3,079	2,803	753	3,556
Depreciation expense	7,843	2,662	10,505	7,807	2,879	10,686
Amortization expense	35	165	200	33	20	53

2) Seasonality of operations:

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

13. Note disclosures

1) Information on significant transactions

Information required by the Regulations Governing the Preparation of Financial Reports by Securities Issuers for the period from January 1 to March 31, 2023 to be disclosed in connection with the Consolidated Company's significant transactions is as follows:

1. Lending of funds to others: Nil.
2. Endorsements/guarantees for others: Nil.

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

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

In K Share

Holding company	Type and name of securities	Relation with securities issuer	Listed items	End of period				Remarks
				Number 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	1,449	19,329	3.33 %	19,329	-
Ampire Co	Top Taiwan IX Venture Capital Co	Ampire Co is a director of the company	Financial assets at FVOCI-non-current	7,000	152,809	12.50 %	152,809	-
Ampire Co	Top Taiwan XI Venture Capital Co	Ampire Co is a director of the company	Financial assets at FVOCI-non-current	4,063	79,320	6.25 %	79,320	-
Ampire Co	Top Taiwan XII Venture Capital Co	Ampire Co is a director of the company	Financial assets at FVOCI-non-current	10,000	124,730	7.41 %	124,730	-
Ampire Co	Top Taiwan XIV Venture Capital Co	Ampire Co is a director of the company	Financial assets at FVOCI-non-current	10,000	100,825	4.59 %	100,825	-
Ampire Co	Racer Tech Co	-	Financial assets at FVOCI-non-current	1,140	14,330	9.37 %	14,330	-
Ampire Co	Amicom Electronics Corp	-	Financial assets at FVOCI-non-current	2,800	89,040	5.00 %	89,040	-
Ampire Co	IBASE Technology Inc	-	Financial assets at FVOCI-non-current	1,451	125,076	0.74 %	125,076	-

4. Cumulative purchases or sales of the same securities amounting to at least NT\$300 million or 20% of the paid-in capital: Nil.
5. Acquisition of real property amounting to at least NT\$300 million or 20% of the paid-in capital: Nil.
6. Disposal of real property amounting to at least NT\$300 million or 20% of the paid-in capital: Nil.
7. 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				Circumstances under which the terms of the transaction differ from those of general transactions and the reasons therefor		Notes and accounts receivable/payable		Remarks
			Purchase /sales	Amount	As a percentage of total purchases sales	Credit period	Unit price	Credit period	Balance	As a percentage of total notes and accounts receivable/ payable	
Sino Advance Inc.	Tangyu Electronics Co	Parent-subsidiary	Sales	(107,987)	(32.86)%	-	-	-	81,534	24.69%	Note
Tangyu Electronics Co	Sino Advance Inc.	Parent-subsidiary	Purchase	107,987	85.98%	-	-	-	(81,534)	(86.56)%	Note
Tangyu Electronics Co	Sino Advance Inc.	Parent-subsidiary	Sales	(220,403)	(100.00)%	-	-	-	90,806	100.00%	Note
Sino Advance Inc.	Tangyu Electronics Co	Parent-subsidiary	Purchase	220,403	67.30%	-	-	-	(90,806)	(87.01)%	Note

Note: The transactions have been eliminated in the preparation of the consolidated financial statements.

8. 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-subsidiary	167,668	1.86	-		30,450	-

Note: The transactions have been eliminated in the preparation of the consolidated financial statements.

9. Engaged in derivatives trading: Nil.

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

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

No.	Trader	Counterparty	Relation with trader	Transaction			As a percentage of consolidated total operating revenue or total assets
				Item	Amount	Trading conditions	
1	Sino Advance Inc.	Tangyu Electronics Co	1	Sales	107,987	As per general conditions	18.01%
1	Sino Advance Inc.	Tangyu Electronics Co	1	Accounts receivable	81,534	As per general conditions	2.98%
1	Sino Advance Inc.	Ampire Co	2	Sales	83,524	Commissioned processing on a discretionary prepayment basis	13.93%
1	Sino Advance Inc.	Ampire Co	2	Accounts receivable	167,668	As per general conditions	6.14%
2	Tangyu Electronics Co	Sino Advance Inc.	2	Sales	220,403	As per general conditions	36.76%
2	Tangyu Electronics Co	Sino Advance Inc.	2	Accounts receivable	90,806	As per general conditions	3.32%

Note 1: The numbers are filled in as follows:

1. 0 represents the parent company.
2. The subsidiaries are numbered by company, starting with the Arabic numeral 1.

Note 2: The type of relationship with the trader is indicated as follows:

1. Parent vs. subsidiary.
2. Subsidiary vs. parent.
3. Subsidiary vs. subsidiary.

Note 3: Information on business relationships and significant transactions between parents and subsidiaries is disclosed only for sales and accounts receivable, while the corresponding purchases and payables are not further elaborated.

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

2) Information on investees (excluding Chinese investees):

Information on the Consolidated Company's investment business from January 1 to March 31, 2023 is as follows:

In NT\$ K / US\$ K / K share

Investing company	Investee	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%	119	-	-	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%	319,866	7,486	7,459	Note
Ampire Co., Ltd. (B.V.I.)	Sino Advance Inc.	Samoa	Sale of LCD modules	707,171 (USD23,224)	707,171 (USD23,224)	23,224	100.00%	319,755 (USD10,501)	7,478 (USD246)	7,478 (USD246)	Note

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

3) Information on investment in Mainland China:

1. Information about businesses investing 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 recovered during the period		Cumulative investment remitted from Taiwan at end of period	Investee's profit/loss for the period	Percentage of the Company's shareholding in direct or indirect investments	Investment gains and losses recognized during the period	Carrying value of investments at end of period	Investment income repatriated up to the period
					Remittance	Recovery						
Tangyu (Dongguan) Electronics Co	Design, manufacture and processing of LCD modules	646,697 (USD21,238)	(2)	640,424 (USD21,032)	-	-	640,424 (USD21,032)	6,931 (USD228)	100.00%	6,931 (USD228)	250,025 (USD8,211)	-

Note 1: Based on the financial statements reviewed by the auditor in the same period.

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

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

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

2. Investment quota in China:

Cumulative investment remitted from Taiwan to China at the end of period	Investment approved by MOEA Investment Commission	Investment quota in China set by MOEA Investment Commission
640,424 (US\$21,032 K)	718,620 (US\$23,600 K)	1,358,191 Note 2

Note 1: The exchange rate of the NT dollar to the U.S. dollar on Mar 31, 2023 was USD1:NTD30.45; the average exchange rate of the NT dollar to the U.S. dollar from Jan 1 to Mar 31, 2023 was USD1:NTD30.3974.

Note 2: Net worth 60%.

3. Significant transactions:

Significant direct or indirect transactions between the Consolidated Company and its investees in China from January 1 to March 31, 2023 were eliminated in the preparation of the consolidated financial statements, as described in the "Information on Significant Transactions."

4) Information on major shareholders:

Major shareholder	Shares	Number of shares held	Shareholding ratio
Amicom Electronics Corp		6,492,000	5.48%

Notes:

- (1) Information on major shareholders in this table is calculated by Taiwan Depository & Clearing Corp on the last business day of each quarter for shareholders holding 5% or more of the Company's common shares and preferred shares that have been delivered without physical registration (including treasury shares). There may be discrepancies between the share capital recorded in the Company's financial statements and the actual number of shares delivered by the Company without physical registration, depending on the basis of preparations and calculations.
- (2) Where the above information involves the transfer of shareholdings by shareholders to a trust, it is disclosed by trustors' individual segregated accounts opened by the trustees. For insider equity reporting under the Securities and Exchange Act by shareholders holding more than 10% of the shares, including their own shares plus shares held in trust, and shares with discretionary power over the trust property, please refer to the Market Observation Post System for information on insider equity reporting.

14. Segment information

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

	Domestic	Asia	Adjustments & Eliminations	Total
Jan-Mar 2023				
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>

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

	<u>Domestic</u>	<u>Asia</u>	<u>Adjustments & Eliminations</u>	<u>Total</u>
Jan-Mar 2022				
Revenue:				
Revenue from external customers	\$ 484,655	-	-	484,655
Inter-segment revenue	-	173,055	(173,055)	-
Total revenue	<u>\$ 484,655</u>	<u>173,055</u>	<u>(173,055)</u>	<u>484,655</u>
Reportable segment profit or loss	<u>\$ 89,302</u>	<u>3,258</u>	<u>(3,258)</u>	<u>89,302</u>