

AMPACS Corporation and Subsidiaries

**Consolidated Financial Statements for the
Three Months Ended March 31, 2024 and 2023 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Ampacs Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Ampacs Corporation (the "Company" and its subsidiaries (collectively, the "Group")) as of March 31, 2024 and 2023, and the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months ended March 31, 2024 and 2023, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance the Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial

statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an avalik opinion.

Basis for Qualified Conclusion on Consolidated Financial Statements for the First Quarter of 2023

In addition, as disclosed in Notes 13 and 35 to the consolidated financial statements, some investments accounted for using the equity method in the consolidated financial statements were not reviewed. As of March 31, 2023, the aggregate carrying amounts of these investments were NT\$12,968 thousand ; for the three months ended March 31, 2023, the share of profit of associates accounted for using the equity method was NT\$(24,759) thousand.

Unqualified conclusion and qualified conclusion

Based on our reviews, except for adjustments, if any, as might have been determined to be necessary had the financial statements of some investments accounted for using the equity method as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Chun-Yu Wang and Ming-Hsien Liu..

Deloitte & Touche
Taipei, Taiwan
Republic of China
May 14, 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 review such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' review 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' review report and consolidated financial statements shall prevail.

AMPACS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2024		December 31, 2023		March 31, 2023	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash (Notes 6)	\$ 213,219	2	\$ 149,957	2	\$ 161,063	2
Financial assets at fair value through profit or loss - current (Notes 7)	-	-	-	-	7,090	-
Financial assets at amortized cost - current (Notes 9 and 30)	435,671	5	411,261	5	328,608	4
Trade receivables, net (Notes 10,29 and 30)	1,360,882	16	1,086,280	13	1,150,201	15
Other receivables (Notes 29)	161,513	2	161,808	2	36,568	-
Inventories, net (Notes 12)	2,058,921	24	1,821,263	23	1,683,015	22
Non-current assets held for sale (Notes 11)	13,020	-	13,020	-	-	-
Other current assets	75,502	1	78,034	1	53,253	1
Total current assets	<u>4,318,728</u>	<u>50</u>	<u>3,721,623</u>	<u>46</u>	<u>3,419,798</u>	<u>44</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Notes 7)	32,000	-	30,710	-	-	-
Financial assets at fair value through other comprehensive income - non-current (Notes 8)	265,967	3	255,361	3	3,115	-
Investments accounted for using the equity method (Notes 13)	-	-	-	-	12,968	-
Property, plant and equipment, net (Notes 15 and 30)	3,102,805	36	3,121,141	39	3,378,424	43
Right-of-use assets, net (Notes 16 and 30)	501,784	6	503,441	6	565,419	7
Investment properties, net (Notes 17 and 30)	86,540	1	86,782	1	-	-
Intangible assets, net (Notes 18)	116,829	1	112,804	2	112,654	2
Deferred tax assets (Notes 4 and 25)	161,823	2	155,140	2	170,574	2
Prepayments for equipment	92,040	1	97,572	1	43,236	1
Other non-current assets	13,259	-	13,829	-	102,076	1
Total non-current assets	<u>4,373,047</u>	<u>50</u>	<u>4,376,780</u>	<u>54</u>	<u>4,388,466</u>	<u>56</u>
TOTAL	<u>\$ 8,691,775</u>	<u>100</u>	<u>\$ 8,098,403</u>	<u>100</u>	<u>\$ 7,808,264</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 19 and 30)	\$ 3,291,675	38	\$ 3,090,062	38	\$ 2,565,437	33
Short-term bills payable (Notes 16 and 30)	250,000	3	250,000	3	100,000	1
Trade payables	1,257,634	14	873,500	11	932,034	12
Other payables (Notes 20)	244,012	3	229,462	3	151,080	2
Current tax liabilities (Notes 4 and 25)	94,318	1	101,853	1	137,398	2
Lease liabilities-current (Notes 16)	36,397	-	40,100	1	56,209	1
Current portion of long-term borrowings (Notes 19 and 30)	91,724	1	91,484	1	241,103	3
Other current liabilities	61,744	1	31,566	-	26,969	-
Total current liabilities	<u>5,327,504</u>	<u>61</u>	<u>4,708,027</u>	<u>58</u>	<u>4,210,230</u>	<u>54</u>
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 19 and 30)	667,652	8	689,829	9	748,086	9
Guarantee deposits received	2,771	-	2,771	-	3,573	-
Deferred tax liabilities (Notes 4 and 25)	1,553	-	-	-	8,957	-
Lease liabilities-non-current (Notes 16)	21,608	-	24,706	-	52,303	1
Total non-current liabilities	<u>693,584</u>	<u>8</u>	<u>717,306</u>	<u>9</u>	<u>812,919</u>	<u>10</u>
Total liabilities	<u>6,021,088</u>	<u>69</u>	<u>5,425,333</u>	<u>67</u>	<u>5,023,149</u>	<u>64</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY						
Ordinary shares	1,500,000	17	1,500,000	18	1,500,000	19
Capital surplus	1,044,837	12	1,044,837	13	1,097,937	14
Retained earnings						
Legal reserve	182,782	2	182,782	2	175,449	2
Special reserve	144,026	2	144,026	2	191,736	3
Unappropriated earnings	138,506	2	176,839	2	141,687	2
Total retained earnings	<u>465,314</u>	<u>6</u>	<u>503,647</u>	<u>6</u>	<u>508,872</u>	<u>7</u>
Other equity						
Exchange differences on translation of financial statements of foreign operations	(136,800)	(2)	(172,611)	(2)	(119,803)	(2)
Unrealized loss of financial assets at fair value through other comprehensive income	(28,037)	-	(27,872)	-	(28,101)	-
Equity directly associated with non-current assets held for sale	(155)	-	(155)	-	-	-
Total other equity	<u>(164,992)</u>	<u>(2)</u>	<u>(200,638)</u>	<u>(2)</u>	<u>(147,904)</u>	<u>(2)</u>
Treasury shares	(185,294)	(2)	(185,294)	(2)	(185,294)	(2)
Total equity attributable to owners of the Company	2,659,865	31	2,662,552	33	2,773,611	36
NON-CONTROLLING INTERESTS	<u>10,822</u>	<u>-</u>	<u>10,518</u>	<u>-</u>	<u>11,504</u>	<u>-</u>
Total equity	<u>2,670,687</u>	<u>31</u>	<u>2,673,070</u>	<u>33</u>	<u>2,785,115</u>	<u>36</u>
TOTAL	<u>\$ 8,691,775</u>	<u>100</u>	<u>\$ 8,098,403</u>	<u>100</u>	<u>\$ 7,808,264</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements

AMPACS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Loss Per Share)

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 23 and 29)	\$ 1,144,829	100	\$ 875,033	100
OPERATING COSTS (Notes 12 and 24)	<u>954,765</u>	<u>83</u>	<u>698,823</u>	<u>80</u>
GROSS PROFIT	<u>190,064</u>	<u>17</u>	<u>176,210</u>	<u>20</u>
OPERATING EXPENSES (Notes 24)				
Selling and marketing expenses	22,477	2	17,212	2
General and administrative expenses	84,106	7	73,709	9
Research and development expenses	39,957	4	47,450	5
Total operating expenses	<u>146,540</u>	<u>13</u>	<u>138,371</u>	<u>16</u>
OPERATING PROFIT	<u>43,524</u>	<u>4</u>	<u>37,839</u>	<u>4</u>
NON-OPERATING INCOME AND EXPENSES (Notes 24)				
Other income	7,115	1	5,961	1
Other gains and losses	(42,624)	(4)	(24,401)	(3)
Finance costs	(42,897)	(4)	(35,162)	(4)
Share of profit of associates and joint ventures accounted for using the equity method	<u>-</u>	<u>-</u>	<u>(2,413)</u>	<u>-</u>
Total non-operating income and expenses	<u>(78,406)</u>	<u>(7)</u>	<u>(56,015)</u>	<u>(6)</u>
LOSS BEFORE INCOME TAX	(34,882)	(3)	(18,176)	(2)
INCOME TAX EXPENSE (Notes 25)	<u>3,340</u>	<u>-</u>	<u>4,757</u>	<u>1</u>
NET LOSS FOR THE PERIOD	<u>(38,222)</u>	<u>(3)</u>	<u>(22,933)</u>	<u>(3)</u>
OTHER COMPREHENSIVE INCOME/(LOSS)				

Items that may be reclassified subsequently to profit or loss:

Exchange differences on translation of financial statements of foreign operations	36,004	3	(4,336)	-
Unrealized loss on investments in debt instruments at fair value through other comprehensive income	(165)	-	109	-
Exchange differences on the translation of financial statements of affiliated companies and joint venture foreign operating institutions	<u>-</u>	<u>-</u>	<u>413</u>	<u>-</u>

(Continued)

AMPACS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Loss Per Share)

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
Other comprehensive income/(loss) for the period, net of income tax	<u>35,839</u>	<u>3</u>	<u>(3,814)</u>	<u>-</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	<u>\$ (2,383)</u>	<u>-</u>	<u>\$ (26,747)</u>	<u>(3)</u>
NET (LOSS)/PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ (38,333)	(3)	\$ (22,242)	(3)
Non-controlling interests	<u>111</u>	<u>-</u>	<u>(691)</u>	<u>-</u>
	<u>\$ (38,222)</u>	<u>(3)</u>	<u>\$ (22,933)</u>	<u>(3)</u>
TOTAL COMPREHENSIVE (LOSS)/INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ (2,687)	-	\$ (26,120)	(3)
Non-controlling interests	<u>304</u>	<u>-</u>	<u>(627)</u>	<u>-</u>
	<u>\$ (2,383)</u>	<u>-</u>	<u>\$ (26,747)</u>	<u>(3)</u>
LOSS PER SHARE (NEW TAIWAN DOLLARS) (Notes 26)				
Basic	<u>\$ (0.26)</u>		<u>\$ (0.15)</u>	
Diluted	<u>\$ (0.26)</u>		<u>\$ (0.15)</u>	

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

AMPACS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Share Capital (Notes 22)		Equity Attributable to Owners of the Company					Treasury Stock (Notes 22)	Total	Non-controlling Interests	Total Equity
	Share (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Other Equity				
BALANCE AT JANUARY 1, 2023	150,000	\$ 1,500,000	\$ 1,097,937	\$ 175,449	\$ 191,736	\$ 163,929	\$ (144,026)	\$ (185,294)	\$ 2,799,731	\$ 12,131	\$ 2,811,862
Net loss for the three months ended March 31, 2023	-	-	-	-	-	(22,242)	-	-	(22,242)	(691)	(22,933)
Other comprehensive income/(loss) for the three months ended March 31, 2023	-	-	-	-	-	-	(3,878)	-	(3,878)	64	(3,814)
Total comprehensive loss for the three months ended March 31, 2023	-	-	-	-	-	(22,242)	(3,878)	-	(26,120)	(627)	(26,747)
BALANCE AT MARCH 31, 2023	<u>150,000</u>	<u>\$ 1,500,000</u>	<u>\$ 1,097,937</u>	<u>\$ 175,449</u>	<u>\$ 191,736</u>	<u>\$ 141,687</u>	<u>\$ (147,904)</u>	<u>\$ (185,294)</u>	<u>\$ 2,773,611</u>	<u>\$ 11,504</u>	<u>\$ 2,785,115</u>
BALANCE AT JANUARY 1, 2024	150,000	\$ 1,500,000	\$ 1,044,837	\$ 182,782	\$ 144,026	\$ 176,839	\$ (200,638)	\$ (185,294)	\$ 2,662,552	\$ 10,518	\$ 2,673,070
Net loss for the three months ended March 31, 2024	-	-	-	-	-	(38,333)	-	-	(38,333)	111	(38,222)
Other comprehensive income for the three months ended March 31, 2024	-	-	-	-	-	-	35,646	-	35,646	193	35,839
Total comprehensive income/(loss) for the three months ended March 31, 2024	-	-	-	-	-	(38,333)	35,646	-	(2,687)	304	(2,383)
BALANCE AT MARCH 31, 2024	<u>150,000</u>	<u>\$ 1,500,000</u>	<u>\$ 1,044,837</u>	<u>\$ 182,782</u>	<u>\$ 144,026</u>	<u>\$ 138,506</u>	<u>\$ (164,992)</u>	<u>\$ (185,294)</u>	<u>\$ 2,659,865</u>	<u>\$ 10,822</u>	<u>\$ 2,670,687</u>

The accompanying notes are an integral part of the consolidated financial statements.

AMPACS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	\$ (34,882)	\$ (18,176)
Adjustments to reconcile profit (loss):		
Depreciation expenses	113,428	126,835
Amortization expenses	538	965
Finance costs	42,897	35,162
Interest income	(709)	(1,039)
Share of loss of subsidiaries, associates and joint ventures accounted for using the equity method	-	2,413
Net loss on disposal of property, plant and equipment	105	1,023
Write-down of inventories	398	813
Net (gain)/loss on foreign currency exchange	(14,904)	1,278
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	-	4,371
Trade receivables	(270,230)	(173,435)
Other receivables	2,968	(6,466)
Inventories	(203,142)	179,660
Other current assets	3,116	29,803
Trade payables	369,393	(174,650)
Other payables	9,776	(10,459)
Other current liabilities	<u>30,178</u>	<u>3,808</u>
Cash generated from operations	48,930	1,906
Interest received	709	1,039
Finance costs paid	(39,504)	(37,123)
Income tax paid	<u>(14,177)</u>	<u>(12,244)</u>
Net cash used in operating activities	<u>(4,042)</u>	<u>(46,422)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(12,150)	-
Proceeds from sale of financial assets at amortized cost	-	95,474
Purchase of property, plant and equipment	(44,673)	(26,151)
Proceeds from disposal of property, plant and equipment	903	-
Increase in refundable deposits	-	(57)
Increase in other non-current assets	-	227

Increase in prepayments for equipment	_____ -	_____(27,998)
Net cash (used in)/generated from investing activities	_____(55,920)	____41,495
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	217,554	-
Repayments of short-term borrowings	-	(47,863)
		(Continued)

AMPACS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2024	2023
Proceeds from long-term borrowings	183,326	-
Repayments of long-term borrowings	(205,263)	(21,949)
Repayments of lease capital	(13,428)	(13,433)
Net cash generated from/(used in) financing activities	<u>182,189</u>	<u>(83,245)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>(58,965)</u>	<u>11,011</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	63,262	(77,161)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	<u>149,957</u>	<u>238,224</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 213,219</u>	<u>\$ 161,063</u>

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

AMPACS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

AMPACS Corporation (the “Company”) was founded in July 1998. The Company is mainly engaged in the design and manufacture of consumer electronics and the development of plastic components and molds. The Company’s shares were listed and have been trading on the Taiwan Stock Exchange since December 14, 2020.

The consolidated financial statements are presented in the Group’s functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Group’s board of directors on May 14, 2024.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Group’s accounting policies.

- b. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discounted operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of other standards and interpretations on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to

the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 14, Table 6 and Table 6 and 7 for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other material accounting policies

Except for the following, refer to the consolidated financial statements for the year ended December 31, 2023

1) Classification of current and non-current assets and liabilities

Current assets include:

- Assets held primarily for the purpose of trading;
- Assets expected to be realized within 12 months after the reporting period; and
- Cash unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- Liabilities held primarily for the purpose of trading;
- Liabilities due to be settled within 12 months after the reporting period; and
- Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

2) Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Refer to the consolidated financial statements for the year ended December 31, 2023.

6. CASH AND CASH EQUIVALENTS

	March 31,2024	December 31,2023	March 31,2023
Cash on hand	\$ 1,634	\$ 1,813	\$ 1,591
Checking accounts and demand deposits	<u>211,585</u>	<u>148,144</u>	<u>159,472</u>
	<u>\$ 213,219</u>	<u>\$ 149,957</u>	<u>\$ 161,063</u>

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31,2024	December 31,2023	March 31,2023
<u>Financial assets - current</u>			
Financial assets mandatorily classified as at FVTPL RMB wealth investment product (1)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,090</u>
<u>Financial assets - non-current</u>			
Gains or losses on equity instruments mandatorily measured at fair value Other financial assets (2)	<u>\$ 32,000</u>	<u>\$ 30,710</u>	<u>\$ -</u>

- The Group signed a financial investment product contract with the bank. The entire contract was recognized as financial asset at fair value through profit or loss upon initial recognition.
- The Group acquired financial assets containing stock options. The entire contract recognized as financial asset at fair value through profit or loss upon initial recognition.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<u>March 31,2024</u>	<u>December 31,2023</u>	<u>March 31,2023</u>
<u>Non-current</u>			
Investments in equity instruments	\$ 256,000	\$ 245,680	\$ -
Investments in debt instruments	<u>9,967</u>	<u>9,681</u>	<u>3,115</u>
	<u>\$ 265,967</u>	<u>\$ 255,361</u>	<u>\$ 3,115</u>

a. Investments in equity instruments at FVTOCI

	<u>March 31,2024</u>	<u>December 31,2023</u>	<u>March 31,2023</u>
<u>Non-current</u>			
Foreign unlisted shares	\$ 284,697	\$ 284,697	\$ 26,835
Adjustments for change in value of investment	<u>(28,697)</u>	<u>(39,017)</u>	<u>(26,835)</u>
	<u>\$ 256,000</u>	<u>\$ 245,680</u>	<u>\$ -</u>

These investments in equity instruments are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

b. Investments in debt instruments at FVTOCI

	<u>March 31,2024</u>	<u>December 31,2023</u>	<u>March 31,2023</u>
<u>Non-current</u>			
Foreign investments			
Corporate bonds - Ford Motor Company (1)	\$ 3,667	\$ 3,522	\$ 3,115
Corporate bonds - Pfizer Inc. (2)	<u>6,300</u>	<u>6,159</u>	<u>-</u>
	<u>\$ 9,967</u>	<u>\$ 9,681</u>	<u>\$ 3,115</u>

1) In February 2021, the Group bought 26-year corporate bonds issued by Ford Motor Company with a coupon rate of 5.291% and an effective interest rate of 4.70%.

2) In August 2023, the Group bought 10-year corporate bonds issued by Pfizer Inc. with a coupon rate of 4.75% and an effective interest rate of 4.63%.

9. FINANCIAL ASSETS AT AMORTIZED COST

	<u>March 31,2024</u>	<u>December 31,2023</u>	<u>March 31,2023</u>
<u>Current</u>			
Pledged demand deposits	\$ 212,063	\$ 208,868	\$ 174,384
Pledged time deposit	203,608	182,393	154,224
Pledged repurchase agreements collateralized by bonds	<u>20,000</u>	<u>20,000</u>	<u>-</u>
	<u>\$ 435,671</u>	<u>\$ 411,261</u>	<u>\$ 328,608</u>

Refer to Note 30 for information relating to investments in financial assets at amortized cost pledged as security.

10. TRADE RECEIVABLES, NET

	<u>March 31,2024</u>	<u>December 31,2023</u>	<u>March 31,2023</u>
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 1,361,896	\$ 1,087,276	\$ 1,151,533
Allowance for impairment loss	(<u>1,014</u>)	(<u>996</u>)	(<u>1,332</u>)
	<u>\$ 1,360,882</u>	<u>\$ 1,086,280</u>	<u>\$ 1,150,201</u>

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover past due receivables. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated by reference to the past default records of the customer, the customer's current financial position and economic condition of the industry in which the customer operates. Since the credit loss historical experience of the Group shows that there is no significant difference in the loss of different customer bases, the expected credit loss rate is only determined by the number of days overdue accounts receivable without further distinguishing customer groups.

The Group recognizes adequate loss allowance when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, whichever occurs earlier. For loss allowance that has been recognized adequate, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The aging of trade receivables is as follows:

	<u>March 31,2024</u>	<u>December 31,2023</u>	<u>March 31,2023</u>
Up to 30 Days	\$ 1,311,934	\$ 1,056,402	\$ 1,124,576

31 to 120 Days	45,696	25,385	24,283
121 to 240 Days	-	3,932	-
241 to 360 Days	3,252	561	1,342
Over 360 Days	<u>1,014</u>	<u>996</u>	<u>1,332</u>
	<u>\$ 1,361,896</u>	<u>\$ 1,087,276</u>	<u>\$ 1,151,533</u>

The above is an aging analysis based on the number of past due days.

The movements of the loss allowance of trade receivables were as follows:

	For the Three Months Ended March 31,2024	For the Three Months Ended March 31,2023
Balance at January 1	\$ 996	\$ 1,298
Foreign exchange gains and losses	<u>18</u>	<u>34</u>
Balance at March 31	<u>\$ 1,014</u>	<u>\$ 1,332</u>

Refer to Note 30 for information on the part of trade receivables pledged as security.

11. NON-CURRENT ASSETS HELD FOR SALE

	March 31,2024	December 31,2023	March 31,2023
Non-current assets held for sale	<u>\$ 13,020</u>	<u>\$ 13,020</u>	<u>\$ -</u>

The Group invested in Ability Technologies Co., Ltd., the investee company, which is an unlisted company with low stock liquidity. On December 27, 2023, the Group signed a share purchase agreement with other shareholders of Ability Technologies Co., Ltd., the purchaser, and agreed to purchase 2,000 thousand shares of Ability Technologies Co., Ltd.'s stock held by the Group by June 2024 and complete the delivery. Therefore, the equity-method investment was reclassified as non-current assets held for sale.

12. INVENTORIES, NET

	March 31,2024	December 31,2023	March 31,2023
Raw materials	\$ 927,815	\$ 942,647	\$ 795,342
Work in progress	337,980	24,902	177,991
Semi-finished goods	244,981	298,203	247,084
Finished goods	<u>548,145</u>	<u>555,511</u>	<u>462,598</u>
	<u>\$ 2,058,921</u>	<u>\$ 1,821,263</u>	<u>\$ 1,683,015</u>

The nature of the cost of goods sold is as follows:

For the Three Months Ended March 31,2024	For the Three Months Ended March 31,2023
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Operating costs related to inventory	\$ 954,367	\$ 698,010
Write-down and obsolescence (reversal) loss	<u>398</u>	<u>813</u>
	<u>\$ 954,765</u>	<u>\$ 698,823</u>

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	<u>March 31,2024</u>	<u>December 31,2023</u>	<u>March 31,2023</u>
Associate and venture that is not individually material			
Ability Technologies Co., Ltd.	\$ <u>-</u>	\$ <u>-</u>	\$ <u>12,968</u>

The joint venture that are not individually material is as follows:

<u>Company Name</u>	<u>Nature of Activities</u>	<u>Principal Places of Business</u>	<u>Rights Held and Voting Right Ratio</u>		
			<u>March 31,2024</u>	<u>December 31,2023</u>	<u>March 31,2023</u>
Ability Technologies Co., Ltd.	Manufacturing of computer peripheral equipment, photographic equipment, electronic components and trading	New Taipei City	-	-	40%

As of December 31, 2023, the Group has reclassified its equity-method investment in Ability Technologies Co., Ltd. as a non-current asset held for sale; refer to Note 11.

The investments accounted for using the equity method and the share of profit or loss and other comprehensive income or loss for the Group were calculated based on the audited financial statements.

For the Three
Months Ended
March 31,2023

Aggregate information of associates that are not individually material

Summary information that is not individually material share of the associate and joint venture

Net loss for current	(\$ 2,413)
Other comprehensive loss	<u>413</u>
Total comprehensive loss	<u>(\$ 2,000)</u>

14. SUBSIDIARIES

- a. The entities included in the consolidated financial statements are listed below:

<u>Investor</u>	<u>Investee</u>	<u>Nature of Activities</u>	<u>Proportion of Ownership (%)</u>			<u>Remark</u>
			March 31,2024	December 31,2023	March 31,2023	
Ampacs Corporation, (parent company)	Tech. Pioneer, Ltd.	Investment activities	100.00	100.00	100.00	—
	Ampacs International company Limited	Production and sale of plastic products and consumer electronics	100.00	100.00	100.00	Note
Tech. Pioneer, Ltd.	Brilliance Investment Co., Ltd.	Investment activities and the sale of plastic products	100.00	100.00	100.00	—
Tech. Pioneer, Ltd.	Sunlight Ocean Holding Limited	Investment activities	100.00	100.00	100.00	—
Tech. Pioneer, Ltd.	Richmake International Limited	Investment activities and the sale of consumer electronics	100.00	100.00	100.00	—
Tech. Pioneer, Ltd.	Fortune Channel Universal Limited	Investment activities and sale of plastic products	100.00	100.00	100.00	—
Brilliance Investment Co., Ltd.	Dong Guan Yi Zhuo Electronics Co., Ltd.	Production and sale of plastic products	100.00	100.00	100.00	—
Sunlight Ocean Holding Limited	Dong Guan Han Lei Electronics Co., Ltd.	Production and sale of plastic products and consumer electronics	100.00	100.00	100.00	—
Richmake International Limited	Dong Guan Yi Xing Electronics Co., Ltd.	Production and sale of plastic products and consumer electronics	100.00	100.00	100.00	—
Fortune Channel Universal Limited	Modern Pioneer (Kunshan) Co., Ltd.	Production and sale of plastic products	100.00	100.00	100.00	—
Dong Guan Han Lei Electronics Co., Ltd.	Dongguan Shi Hong Jun Electronics Co., Ltd.	Production and sale of headphone cables	51.00	51.00	51.00	—

Note: On December 29, 2022, the Company's board of directors resolved to increase its capital in the subsidiary Ampacs International Company Limited in the amount of US\$20,000 thousand, and the Company's shareholding increased 100% after the acquisition. As of December 31, 2023, the Company had paid US\$20,000 thousand for the capital increase.

- b. Subsidiaries excluded from consolidated financial statements: None.
- c. Details of subsidiaries that have material non-controlling interests: None.

15. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery Equipment	Transportatio n Equipment	Office Equipment	Other Equipment	Property under construction	Total
<u>Cost</u>								
Balance at January 1, 2024	\$ 1,206,525	\$ 879,945	\$ 1,853,958	\$ 21,362	\$ 31,002	\$ 411,675	\$ 4,946	\$ 4,409,413
Additions	-	59	45,572	-	343	3,593	1,992	51,559
Disposals	-	-	(21,763)	(1,246)	(4,346)	(14,358)	-	(41,713)
Reclassifications	-	2,740	(18,688)	-	3,534	(18,584)	(4,752)	(35,750)
Effects of foreign currency exchange differences	-	14,547	32,716	378	316	2,995	79	51,031
Balance at March 31, 2024	<u>\$ 1,206,525</u>	<u>\$ 897,291</u>	<u>\$ 1,891,795</u>	<u>\$ 20,494</u>	<u>\$ 30,849</u>	<u>\$ 385,321</u>	<u>\$ 2,265</u>	<u>\$ 4,434,540</u>
<u>Accumulated depreciation</u>								
Balance at January 1, 2024	\$ -	\$ 229,706	\$ 756,547	\$ 13,223	\$ 23,829	\$ 264,967	\$ -	\$ 1,288,272
Depreciation expenses	-	10,727	65,569	363	1,663	17,579	-	95,901
Disposals	-	-	(21,456)	(1,121)	(4,313)	(13,815)	-	(40,705)
Reclassifications	-	-	(18,688)	-	2,853	(17,845)	-	(33,680)
Effects of foreign currency exchange differences	-	4,987	12,763	240	207	3,750	-	21,947
Balance at March 31, 2024	<u>\$ -</u>	<u>\$ 245,420</u>	<u>\$ 794,735</u>	<u>\$ 12,705</u>	<u>\$ 24,239</u>	<u>\$ 254,636</u>	<u>\$ -</u>	<u>\$ 1,331,735</u>
Carrying amount at March 31, 2024	<u>\$ 1,206,525</u>	<u>\$ 651,871</u>	<u>\$ 1,097,060</u>	<u>\$ 7,789</u>	<u>\$ 6,610</u>	<u>\$ 130,685</u>	<u>\$ 2,265</u>	<u>\$ 3,102,805</u>
<u>Cost</u>								
Balance at January 1, 2023	\$ 1,206,525	\$ 898,162	\$ 2,032,822	\$ 18,704	\$ 65,019	\$ 492,699	\$ 1,960	\$ 4,715,891
Additions	-	-	16,437	1,748	632	5,057	107	23,981
Disposals	-	-	(5,917)	(1,148)	(33)	(45,003)	-	(52,101)
Reclassifications	-	-	(57,343)	-	(8,633)	(19,166)	(158)	(85,300)
Effects of foreign currency exchange differences	-	(5,189)	(9,719)	33	(367)	(1,059)	(16)	(16,317)
Balance at March 31, 2023	<u>\$ 1,206,525</u>	<u>\$ 892,973</u>	<u>\$ 1,976,280</u>	<u>\$ 19,337</u>	<u>\$ 56,618</u>	<u>\$ 432,528</u>	<u>\$ 1,893</u>	<u>\$ 4,586,154</u>
<u>Accumulated depreciation</u>								
Balance at January 1, 2023	\$ -	\$ 191,146	\$ 707,247	\$ 13,677	\$ 47,335	\$ 276,069	\$ -	\$ 1,235,474
Depreciation expenses	-	10,635	70,881	325	2,755	24,504	-	109,100
Disposals	-	-	(5,252)	(793)	(30)	(45,003)	-	(51,078)
Reclassifications	-	-	(57,164)	-	(8,632)	(17,722)	-	(83,518)
Effects of foreign currency exchange differences	-	(515)	(1,343)	37	(245)	(182)	-	(2,248)
Balance at March 31, 2023	<u>\$ -</u>	<u>\$ 201,266</u>	<u>\$ 714,369</u>	<u>\$ 13,246</u>	<u>\$ 41,183</u>	<u>\$ 237,666</u>	<u>\$ -</u>	<u>\$ 1,207,730</u>
Carrying amount at March 31, 2023	<u>\$ 1,206,525</u>	<u>\$ 691,707</u>	<u>\$ 1,261,911</u>	<u>\$ 6,091</u>	<u>\$ 15,435</u>	<u>\$ 194,862</u>	<u>\$ 1,893</u>	<u>\$ 3,378,424</u>

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	20-50 years
Machinery equipment	2-10 years
Transportation equipment	4-10 years
Office equipment	3-10 years
Other equipment	2-10 years

Property, plant and equipment used by the Group and pledged as collateral for bank borrowings are set out in Note 30.

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	<u>March 31,2024</u>	<u>December 31,2023</u>	<u>March 31,2023</u>
<u>Carrying amount</u>			
Land use rights	\$ 444,386	\$ 439,335	\$ 457,733
Buildings	55,534	61,271	101,696
Transportation equipment	<u>1,864</u>	<u>2,835</u>	<u>5,990</u>
	<u>\$ 501,784</u>	<u>\$ 503,441</u>	<u>\$ 565,419</u>

	<u>For the Three Months Ended March 31,2024</u>	<u>For the Three Months Ended March 31,2023</u>
Depreciation charge for right-of-use assets		
Land use rights	\$ 3,001	\$ 2,990
Buildings	12,816	13,017
Transportation equipment	<u>1,014</u>	<u>1,031</u>
	<u>\$ 16,831</u>	<u>\$ 17,038</u>

The amount of the right-of-use assets that set as loan guarantee, please refer to Note 30.

b. Lease liabilities

	<u>March 31,2024</u>	<u>December 31,2023</u>	<u>March 31,2023</u>
Current	<u>\$ 36,397</u>	<u>\$ 40,100</u>	<u>\$ 56,209</u>
Non-current	<u>\$ 21,608</u>	<u>\$ 24,706</u>	<u>\$ 52,303</u>

Range of discount rate for lease liabilities was as follows:

	<u>March 31,2024</u>	<u>December 31,2023</u>	<u>March 31,2023</u>
Buildings	1.32% ~ 2.85%	1.32% ~ 2.85%	1.32% ~ 2.85%
Transportation equipment	1.43% ~ 2.85%	1.43% ~ 2.85%	1.43% ~ 2.85%

c. Other lease information

	<u>For the Three Months Ended March 31,2024</u>	<u>For the Three Months Ended March 31,2023</u>
Expenses relating to short-term leases	<u>\$ 954</u>	<u>\$ 1,156</u>

	For the Three Months Ended March 31,2024	For the Three Months Ended March 31,2023
Expenses relating to low-value asset leases	\$ <u>165</u>	\$ <u>138</u>
Total cash outflow for leases	\$ <u>14,781</u>	\$ <u>15,122</u>

The Group's leases of certain office equipment qualify as short-term and low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

17. INVESTMENT PROPERTY (OTHER NON-CURRENT ASSETS OF THE ACCOUNT)

	<u>INVESTMENT PROPERTY</u>
<u>Cost</u>	
Balance at January 1, 2024	\$ 95,576
Net exchange differences	<u>550</u>
Balance at March 31,2024	\$ <u>96,126</u>
<u>Accumulated amortization</u>	
Balance at January 1, 2024	\$ 8,794
Depreciation expense	696
Net exchange differences	<u>96</u>
Balance at March 31,2024	\$ <u>9,586</u>
Balance at March 31,2024	\$ <u>86,540</u>
Carrying amount at December 31, 2023 and January 1, 2024	\$ <u>86,782</u>
<u>Cost</u>	
Balance at January 1, 2023	\$ 96,677
Net exchange differences	(<u>275</u>)
Balance at March 31,2023	\$ <u>96,402</u>
<u>Accumulated amortization</u>	
Balance at January 1, 2023	\$ 6,156
Depreciation expense	697
Net exchange differences	(<u>28</u>)
Balance at March 31,2023	\$ <u>6,825</u>
Balance at March 31,2023	\$ <u>89,577</u>

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	20-50 years
Right-of-use asset	45 years

The Group's investment properties are located in Vietnam. Because the transaction price of similar real estate in the adjacent area is negotiated by both parties, and the market transaction price is hard to obtain, it is impossible to obtain a reliable alternative fair value estimate, so it is impossible to reliably determine the fair value.

The fair values of investment properties located in Taipei were not evaluated by an independent valuer but valued by the Group's management refers to the market evidence of similar properties transaction prices. The fair values obtained from the appraisals on March 31, 2024 and March 31, 2023 are not significantly different from those on 2023/12/31 and 2022/12/31 respectively. Please refer to the notes on investment real estate in the consolidated financial reports for 2023 and 2022. The investment properties pledged as collateral for bank borrowings are set out in Note 30.

18. INTANGIBLE ASSET, NET

	March 31,2024	December 31,2023	March 31,2023
Goodwill	\$ 112,958	\$ 108,404	\$ 107,486
Cost of computer software	2,957	3,428	4,018
Others	914	972	1,150
	<u>\$ 116,829</u>	<u>\$ 112,804</u>	<u>\$ 112,654</u>

19. BORROWINGS

a. Short-term borrowings

	March 31,2024	December 31,2023	March 31,2023
<u>Secured borrowings</u> (Note 30)			
Bank loans	\$ 2,280,481	\$ 2,139,463	\$ 1,741,584
Trade receivables	<u>576,853</u>	<u>488,166</u>	<u>566,019</u>
	<u>2,857,334</u>	<u>2,627,629</u>	<u>2,307,603</u>
<u>Unsecured borrowings</u>			
Bank loans	<u>434,341</u>	<u>462,433</u>	<u>257,834</u>
	<u>\$ 3,291,675</u>	<u>\$ 3,090,062</u>	<u>\$ 2,565,437</u>
Interest rate range	<u>2.1%~7.304%</u>	<u>2.00%~7.304%</u>	<u>1.825%~8.41%</u>

b. Short-term bills payable

	March 31,2024	December 31,2023	March 31,2023
Commercial notes payable (Note 30)	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 100,000</u>
Interest rate range	<u>1.578%~2.893%</u>	<u>1.558%~2.733%</u>	<u>2.258%~2.358%</u>

c. Long-term borrowings

	<u>March 31,2024</u>	<u>December 31,2023</u>	<u>March 31,2023</u>
<u>Secured borrowings</u> (Note 30)			
Bank loans	\$ 729,376	\$ 743,813	\$ 936,689
Less: Current portion	(<u>61,724</u>)	(<u>61,484</u>)	(<u>211,103</u>)
	<u>667,652</u>	<u>682,329</u>	<u>725,586</u>
<u>Unsecured borrowings</u>			
Line of credit borrowings	30,000	37,500	52,500
Less: Current portion	(<u>30,000</u>)	(<u>30,000</u>)	(<u>30,000</u>)
	<u>-</u>	<u>7,500</u>	<u>22,500</u>
	<u>\$ 667,652</u>	<u>\$ 689,829</u>	<u>\$ 748,086</u>
Interest rate range	<u>2.050%~2.350%</u>	<u>2.050%~2.350%</u>	<u>1.925%~2.224%</u>

20. OTHER PAYABLES

	<u>March 31,2024</u>	<u>December 31,2023</u>	<u>March 31,2023</u>
Payables for salaries and bonuses	\$ 114,291	\$ 87,426	\$ 105,528
Payables for equipment	32,849	31,293	10,126
Payables for interest	18,070	14,677	9,619
Payables for professional services	4,973	4,147	4,233
Others (Note)	<u>73,829</u>	<u>91,919</u>	<u>21,574</u>
	<u>\$ 244,012</u>	<u>\$ 229,462</u>	<u>\$ 151,080</u>

Note: Mainly including miscellaneous purchases, employee food expenses, utilities fee and shipping fee, etc.

21. RETIREMENT BENEFIT PLANS

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

Some subsidiaries, which are mainly investment holding companies, have no staff. Such subsidiaries have no pension plans; thus, they do not contribute to pension funds and do not recognize pension costs.

Except for such subsidiaries, the remaining subsidiaries all contribute to pension funds and recognize pension costs based on the regulations of their local governments.

22. EQUITY

a. Share capital

Ordinary shares

	<u>March 31,2024</u>	<u>December 31,2023</u>	<u>March 31,2023</u>
Number of shares authorized (in thousands)	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Shares authorized	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>
Shares issued	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>

b. Capital surplus

	<u>March 31,2024</u>	<u>December 31,2023</u>	<u>March 31,2023</u>
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)</u>			
Share premiums	\$ 1,039,175	\$ 1,039,175	\$ 1,092,275
Difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	2,481	2,481	2,481
Treasury share transactions	<u>801</u>	<u>801</u>	<u>801</u>
	<u>1,042,457</u>	<u>1,042,457</u>	<u>1,095,557</u>
<u>May only be used to offset a deficit</u>			
Changes in percentage of ownership interests in subsidiaries (2)	<u>2,380</u>	<u>2,380</u>	<u>2,380</u>
	<u>\$ 1,044,837</u>	<u>\$ 1,044,837</u>	<u>\$ 1,097,937</u>

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

- 2) Such capital surplus arises from the effects of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Company's amended articles of incorporation (the "Articles"), where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, and setting aside or reversing a special reserve in accordance with the laws and regulations. If the Company distribute its earnings in the form of cash, it shall be approved by the board of directors in their meeting; if the earnings are distributed in the form of new shares, it shall be approved by the shareholders in their meeting.

For the policies on the distribution of compensation of employees and remuneration of directors after the amendment, refer to compensation of employees and remuneration of directors in Note 24-f.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

When a special reserve is appropriated for cumulative net debit balance reserves from prior period, the sum of net profit for current period and items other than net profit that are included directly in the unappropriated earnings for current period is used if the prior unappropriated earnings is not sufficient.

The distribution of dividends to shareholders of the Company can be made in cash or shares, the distribution is dependent on the Company's current and future investment environment, capital needs, domestic and international competition and capital budget, etc., taking into account the interests of shareholders, balance of dividends and long-term financial planning of the Company. The Company's dividend distribution shouldn't be less than 10% of the accumulated retained earnings for each year should be distributed as shareholder dividends., however, that if the accumulated retained earnings is less than 10% of the capital paid up, the Company may not declare dividends. If the Company decides to distribute dividends to shareholders, the proportion of cash dividends should not be less than 10% of the total dividends.

The company convened the board of directors on April 25, 2024 and the regular shareholders' meeting on June 16, 2023, respectively, and proposed and passed the 2023 and 2022 earnings distribution proposals as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	For the Year Ended December 31		For the Year Ended December 31	
	2023	2022	2023	2022
Legal reserve	\$ -	\$ 7,333	\$ -	\$ -
(Reversal) special reserve	56,612	(47,710)	-	-
Cash dividends	13,275	20,650	0.09	0.14
Share dividends	-	-	-	-
Cash dividends from	60,475	53,100	0.41	0.36

	<u>Appropriation of Earnings</u>		<u>Dividends Per Share</u>	
	For the Year Ended		(NT\$)	
	December 31		For the Year Ended	
	2023	2022	2023	2022
capital surplus				
Share dividends from capital surplus	-	-	-	-

d. Treasury shares

Purpose of Buy-back	Jan. 1 to Mar. 31, 2024	Jan. 1 to Mar. 31, 2023
Number of shares at January 1 and December 31 (in thousand shares)	<u>2,500</u>	<u>2,500</u>

In August 2022, the Company's board of directors approved to buy back treasury shares and intend to transfer shares to the employees.

Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as the rights to dividends and to vote.

23. REVENUE

	<u>Jan. 1 to Mar. 31, 2024</u>	<u>Jan. 1 to Mar. 31, 2023</u>
Revenue from contracts with customers		
Consumer electronics	\$ 1,066,109	\$ 807,606
Plastic components	<u>78,720</u>	<u>67,427</u>
	<u>\$ 1,144,829</u>	<u>\$ 875,033</u>

24. NET PROFIT (LOSS)

a. Other income

	<u>Jan. 1 to Mar. 31, 2024</u>	<u>Jan. 1 to Mar. 31, 2023</u>
Rental income	\$ 6,406	\$ 4,922
Interest income	<u>709</u>	<u>1,039</u>
	<u>\$ 7,115</u>	<u>\$ 5,961</u>

b. Other gains and losses

	<u>Jan. 1 to Mar. 31,</u>	<u>Jan. 1 to Mar. 31,</u>
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	<u>2024</u>	<u>2023</u>
Net foreign exchange (loss) gains	(\$ 28,372)	(\$ 17,524)
Gain (loss) on disposal of property, plant and equipment	(105)	(1,023)
Depreciation expense of investment property	(696)	(697)
Others	(<u>13,451</u>)	(<u>5,157</u>)
	(<u>\$ 42,624</u>)	(<u>\$ 24,401</u>)
c. Finance costs		
	<u>Jan. 1 to Mar. 31, 2024</u>	<u>Jan. 1 to Mar. 31, 2023</u>
Interest on loans	\$ 42,622	\$ 33,911
Interest on lease liabilities	234	395
Fees on pledged trade receivables	<u>41</u>	<u>856</u>
	<u>\$ 42,897</u>	<u>\$ 35,162</u>
d. Depreciation and amortization		
	<u>Jan. 1 to Mar. 31, 2024</u>	<u>Jan. 1 to Mar. 31, 2023</u>
An analysis of depreciation by function		
Operating costs	\$ 95,765	\$ 93,855
Operating expenses	16,967	32,283
Other gains and losses	<u>696</u>	<u>697</u>
	<u>\$ 113,428</u>	<u>\$ 126,835</u>
An analysis of amortization by function		
Operating expenses	<u>\$ 538</u>	<u>\$ 965</u>
e. Employee benefits expense		
	<u>Jan. 1 to Mar. 31, 2024</u>	<u>Jan. 1 to Mar. 31, 2023</u>
Short-term benefits	\$ 277,392	\$ 222,907
Other employee expenses	2,488	2,358
Post-employment benefits		
Defined contribution plans	<u>8,384</u>	<u>10,435</u>
Total employee benefits expense	<u>\$ 288,264</u>	<u>\$ 235,700</u>
An analysis of employee		

benefits expense by function		
Operating costs	\$ 211,009	\$ 167,718
Operating expenses	<u>77,255</u>	<u>67,982</u>
	<u>\$ 288,264</u>	<u>\$ 235,700</u>

f. Compensation of employees and remuneration of directors and supervisors

According to the Company's Articles, the Company accrues the compensation of employees and remuneration of directors and supervisors at rates of no less than 1% and no higher than 3%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors and supervisors. However, if the Company has accumulated losses, it should offset the losses in advance.

The years 2024 and 2023 from January 1 to March 31 are all net losses, so employee compensation and director compensation are not estimated.

Because of a net loss in 2023, the Company did not appropriate an amount for employees' compensation and remuneration to directors and supervisors. The compensation of employees and the remuneration of directors and supervisors for the years ended December 31, 2022, which were approved by the Company's board of directors on March 22, 2023 is as follows:

Accrual rate

	For the Year Ended December 31	
	2023	2022
Compensation of employees	-	1%
Remuneration of directors and supervisors	-	1%

Amount

	For the Year Ended December 31			
	2023		2022	
	Cash	Shares	Cash	Shares
Compensation of employees	\$ -	\$ -	\$ 1,090	\$ -
Remuneration of directors	-	-	1,090	-

The Company did not estimate and allocate compensation of employees and remuneration of directors for the year ended December 31, 2023 because of the net loss.

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the year ended December 31, 2022.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

25. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	Jan. 1 to Mar. 31, 2024	Jan. 1 to Mar. 31, 2023
Current tax		
In respect of the current year	\$ 6,413	\$ 3,572
Adjustments for prior year	<u>228</u>	<u>1,697</u>
	<u>6,641</u>	<u>5,269</u>
Deferred tax		
In respect of the current year	(<u>3,301</u>)	(<u>512</u>)
Income tax expense recognized in profit or loss	<u>\$ 3,340</u>	<u>\$ 4,757</u>

According to the Law on Corporate Income Tax approved by the government of Vietnam, local subsidiaries are eligible for tax exemption in the first two years and a 50% deduction in the following four years since the first profit-earning year should they have investments in the industrial park.

b. Income tax assessments

The income tax returns of the Company through 2021 have been assessed by the tax authorities. The Group has no material discrepancy with the approved content.

26. EARNINGS (LOSS) PER SHARE

Unit: NT\$ Per Share

	Jan. 1 to Mar. 31, 2024	Jan. 1 to Mar. 31, 2023
Basic (loss) earnings per share	(<u>\$ 0.26</u>)	(<u>\$ 0.15</u>)
Diluted (loss) earnings per share	(<u>\$ 0.26</u>)	(<u>\$ 0.15</u>)

The (loss) earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share are as follows:

Net Profit (Loss) for the Year

	Jan. 1 to Mar. 31, 2024	Jan. 1 to Mar. 31, 2023
Earnings (loss) used in the computation of basic and diluted earnings (loss) per share	(<u>\$ 38,333</u>)	(<u>\$ 22,242</u>)

The weighted average number of ordinary shares outstanding (in thousands of shares) was as follows:

	Jan. 1 to Mar. 31, 2024	Jan. 1 to Mar. 31, 2023
Weighted average number of ordinary shares used in the computation of basic earnings per share	147,500	147,500
Effect of potentially dilutive ordinary shares		
Compensation of employees	-	-
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>147,500</u>	<u>147,500</u>

The Group may settle the compensation of employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year. Since the compensation of employees are anti-dilutive in the computation of diluted losses per share from January 1 to March 31, 2024 and 2023, they are excluded from the computation.

27. CAPITAL MANAGEMENT

The Group conducts capital management to ensure the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

There is no material change in the overall strategy of the Group.

The Group must maintain its capital to support equipment upgrades. The capital management of the Group is to make sure that the Group has sufficient and necessary financial resources and operating plans to be able to provide the required funds for operating capital, capital expenditure, research and development expenses, repayment of debts, and payment of dividends.

28. FINANCIAL INSTRUMENTS

- a. The fair value of financial instruments at amortized cost

The management of the Group considered that the carrying amount of financial assets and financial liabilities at amortized cost in the financial statement is close to the fair value.

- b. Fair value of financial instruments measured at fair value on a recurring basis

Fair value hierarchy

March 31,2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at FVTPL				
Other financial assets	\$ -	\$ -	\$ 32,000	\$ 32,000
<u>Financial assets at</u>				
<u>FVTOCI</u>				
Foreign unlisted shares	\$ -	\$ -	\$256,000	\$256,000
Investments in debt instruments	9,967	-	-	9,967
	<u>\$ 9,967</u>	<u>\$ -</u>	<u>\$256,000</u>	<u>\$265,967</u>

December 31,2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at FVTPL				
Other financial assets	\$ -	\$ -	\$ 30,710	\$ 30,710
<u>Financial assets at</u>				
<u>FVTOCI</u>				
Foreign unlisted shares	\$ -	\$ -	\$245,680	\$245,680
Investments in debt instruments	9,681	-	-	9,681
	<u>\$ 9,681</u>	<u>\$ -</u>	<u>\$245,680</u>	<u>\$255,361</u>

March 31,2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at FVTPL				
RMB wealth investment product	\$ -	\$ -	\$ 7,090	\$ 7,090
Financial assets at FVTOCI				
Investments in debt instruments	\$ 3,115	\$ -	\$ -	\$ 3,115

There were no transfers between Levels 1 and 2 in 2024 and 2023 from January 1 to March 31.

c. Reconciliation of Level 3 fair value measurements of financial instruments

January 1 to March 31, 2024

Financial Assets	Financial Assets at FVTPL Equity Instruments	Financial Assets at FVTOCI Equity Instruments	Total
Balance at January 1	\$ 30,710	\$ 245,680	\$ 276,390
Recognized in profit or loss (included in other gains and losses)	<u>1,290</u>	<u>10,320</u>	<u>11,610</u>
Balance at March 31	<u>\$ 32,000</u>	<u>\$ 256,000</u>	<u>\$ 288,000</u>

January 1 to March 31, 2023

Financial Assets	Financial Assets at FVTPL Financial Products of RMB
Balance at January 1	\$ 11,461
Decrease in currently	(<u>4,371</u>)
Balance at March 31	<u>\$ 7,090</u>

d. Valuation techniques and inputs applied for Level 3 fair value measurement

The fair value of unlisted equity instruments is estimated based on the most recent trading price of the investee and the valuation multiplier of comparable companies, etc., and is not based on assumptions supported by prices or interest rates in an observable market. The remaining financial assets were based on the Group use counterparty quotations as evaluation techniques and significant unobservable input values to calculate the expected return from the investment.

e. Categories of financial instruments

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Financial assets</u>			
Financial assets classified as at FVTPL			
Financial assets mandatorily classified as at FVTPL	\$ 32,000	\$ 30,710	\$ 7,090

	<u>March 31,2024</u>	<u>December 31,2023</u>	<u>March 31,2023</u>
Financial assets at amortized cost (1)	2,182,569	1,820,576	1,688,171
Financial assets at FVTOCI	265,967	255,361	3,115
 <u>Financial liabilities</u>			
Measured at amortized cost (2)	5,805,468	5,227,108	4,741,313

- 1) The balances include financial assets at amortized cost, which comprise cash, financial assets at amortized cost, receivables, other receivables and refundable deposits.
- 2) The balances included financial liabilities measured at amortized cost, which comprise short-term borrowings, short-term bills payable, trade payables, other payables, current portion of long-term borrowings, long-term borrowings and guarantee deposits received.

f. Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, trade payables, lease liabilities, short-term and long-term borrowings. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

a) Foreign currency risk

The Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk. The management routinely monitors foreign currency risk and would take necessary measures in response to significant foreign currency fluctuations.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the year are set out in Note 31.

Sensitivity analysis

The Group is mainly exposed to the U.S. dollar.

The following table details the Group's sensitivity to a 1% increase and decrease in the

New Taiwan dollar, Chinese Yuan and Vietnamese dong (the functional currency) against the U.S. dollar. The sensitivity analysis included only outstanding foreign currency denominated monetary items, financial assets at fair value through profit or loss and investment in debt instruments at fair value through other comprehensive income. A negative number below indicates an decrease in pre-tax profit associated with the New Taiwan dollar weakening 1% against the U.S. dollar. For a 1% strengthening of the New Taiwan dollar against the U.S. dollar, there would be an equal and opposite impact on profit or loss, and the balances below would be positive.

	USD Impact	
	<u>March 31,2024</u>	<u>March 31,2023</u>
Profit or loss	(<u>\$ 6,745</u>)	(<u>\$ 13,596</u>)

b) Interest rate risk

The Group is exposed to interest rate risk because the Group borrows funds at floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of floating rate borrowings.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the year were as follows:

	<u>March 31,2024</u>	<u>December 31,2023</u>	<u>March 31,2023</u>
Fair value interest rate risk			
Financial assets			
(i)	\$ 223,608	\$ 202,393	\$ 154,224
Financial liabilities (ii)	308,005	314,806	208,512
Cash flow interest rate risk			
Financial assets			
(iii)	423,515	356,879	333,723
Financial liabilities (iv)	4,051,051	3,871,375	3,554,626

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for both derivative and non-derivative instruments at the end of the year. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the year was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher and all other variables were held constant, the Group's pre-tax profit from January 1 to March 31, 2024 and 2023 would

have decreased by \$9,069 thousand and \$8,052 thousand, respectively, which was mainly a result of variable-rate bank deposits and variable-rate borrowings. If interest rates had been 100 basis points lower, there would be an equal and opposite impact on pre-tax profit, and the balances would be negative.

c) Other price risk

The Group was exposed to debt instrument price risk through its investments in debt instrument. The main purpose of the Group is to collect the cash flow of debt instruments and evaluate to sell if necessary.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk which would cause a financial loss to the Group due to failure of counterparties to discharge an obligation provided by the Group could arise from the carrying amount of the respective recognized financial assets as stated in the balance sheet.

The Group's accounts receivable is mainly from the sale of wireless headsets, game headsets, and plastic products in various geographic regions. The Group continuously evaluates the financial status of its accounts receivable customers. The Group's credit risk is concentrated in the Americas and Asia.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of March 31, 2024, December 31, 2023 and March 31, 2023, the Group had available unutilized short-term bank loan facilities set out in (2) below.

a) Liquidity and interest rate risk table for non-derivative financial liabilities

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

To the extent that interest flows are at floating rates, the undiscounted amount was derived from the interest rate curve at the end of the year.

March 31, 2024

	Less than 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>			
Variable interest rate liabilities	\$ 3,412,049	\$ 287,989	\$ 431,079
Fixed interest rate liabilities	250,000	-	-
Non-interest bearing	1,483,151	-	-
Lease liabilities	37,486	21,914	-
	<u>\$ 5,182,686</u>	<u>\$ 309,903</u>	<u>\$ 431,079</u>

December 31, 2023

	Less than 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>			
Variable interest rate liabilities	\$ 3,206,620	\$ 295,595	\$ 447,718
Fixed interest rate liabilities	250,000	-	-
Non-interest bearing	1,083,265	-	-
Lease liabilities	40,676	24,829	-
	<u>\$ 4,580,561</u>	<u>\$ 320,424</u>	<u>\$ 447,718</u>

March 31, 2023

	Less than 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>			
Variable interest rate liabilities	\$ 2,827,072	\$ 334,923	\$ 473,817
Fixed interest rate liabilities	100,000	-	-
Non-interest bearing	1,073,494	-	-
Lease liabilities	57,287	52,975	-
	<u>\$ 4,057,853</u>	<u>\$ 387,898</u>	<u>\$ 473,817</u>

b) Financing facilities

	<u>March 31,2024</u>	<u>December 31,2023</u>	<u>March 31,2023</u>
Unsecured bank overdraft facilities:			
Amount used	\$ 464,341	\$ 499,933	\$ 310,334
Amount unused	<u>327,660</u>	<u>274,652</u>	<u>355,966</u>
	<u>\$ 792,001</u>	<u>\$ 774,585</u>	<u>\$ 666,300</u>
Secured bank overdraft facilities:			
Amount used	\$ 3,836,710	\$ 3,621,442	\$ 3,344,292
Amount unused	<u>6,109,293</u>	<u>4,846,764</u>	<u>6,568,073</u>
	<u>\$ 9,946,003</u>	<u>\$ 8,468,206</u>	<u>\$ 9,912,365</u>

g. Transfers of financial assets

As of March 31, 2024, December 31, 2023 and March 31, 2023, the Group discounted the derecognized trade receivables with an aggregate carrying amount of \$774,350 thousand, \$565,830 thousand and \$646,170 thousand, respectively, to banks for cash proceeds of related debt of \$576,853 thousand, \$488,166 thousand and \$566,019 thousand, respectively. According to the contract, if these trade receivables are not recoverable at maturity, banks have the right to request that the Group pay the unsettled balance. As the Group has not transferred the significant risks and rewards relating to these trade receivables, it continues to recognize the full carrying amounts of these trade receivables and treats these trade receivables that have been transferred to banks as collateral for borrowings (see Note 30).

29. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed as follows.

a. Related party name and category

<u>Related Party Name</u>	<u>Related Party Merged Company</u>
Ability Technology Co., Ltd.	Other related parties

b. Sales of goods

<u>Line Item</u>	<u>Related Party Category/Name</u>	<u>For the Three Months Ended March 31,2024</u>	<u>For the Three Months Ended March 31,2023</u>
Sales	Ability Technology Co., Ltd.	<u>\$ 5,057</u>	<u>\$ 312</u>

The Group's sales price and collection period to related parties are the same as those to regular customers.

c. Receivables from related parties

Line Item	Related Party Category/Name	March 31,2024	December 31,2023	March 31,2023
Trade receivables	Ability Technology Co., Ltd.	\$ 5,578	\$ 5,789	\$ 346
Other receivables	Ability Technology Co., Ltd.	<u>825</u>	<u>847</u>	<u>1,101</u>
		<u>\$ 6,403</u>	<u>\$ 6,636</u>	<u>\$ 1,447</u>

The outstanding receivables from related parties are unsecured. For the three months ended March 31, 2024 and 2023, no impairment losses were recognized for trade receivables from related parties.

d. Lease arrangements

Operating lease

In 2023, the Group leases the factory to its associates, Ability Technology Co., Ltd. as the operating lease with the lease term of five year, and the rent is referred to the similar assets' rental level, and a fixed payment is received monthly according to the lease agreement. As of March 31, 2024, December 31, 2023 and March 31, 2023, the total amount of future lease receivable were \$12,031 thousand \$13,093 thousand and \$15,661 thousand, respectively. For the three months ended March 31, 2024 and 2023, the lease income recognized were \$1,758 thousand and \$879 thousand, respectively.

e. Compensation of key management personnel

	For the Three months Ended March 31	
	2024	2023
Short-term employee benefits	\$ 6,526	\$ 4,840
Post-employment benefits	<u>107</u>	<u>81</u>
	<u>\$ 6,633</u>	<u>\$ 4,921</u>

The remuneration of directors and key executives is based on the performance of individuals and market trends.

30. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

	<u>March 31,2024</u>	<u>December 31,2023</u>	<u>March 31,2023</u>
Property, plant and equipment (including construction in progress)	\$ 2,653,406	\$ 2,639,696	\$ 2,141,809
Trade receivables	774,350	565,830	646,170
Pledged demand deposits (classified as financial assets at amortized cost)	415,671	391,261	328,608
Right-of-use assets	185,322	174,356	190,475
Investment property	86,540	86,782	89,577
Pledged repurchase agreements collateralized by bonds (classified as financial assets at amortized cost)	<u>20,000</u>	<u>20,000</u>	<u>-</u>
	<u>\$ 4,135,289</u>	<u>\$ 3,877,925</u>	<u>\$ 3,396,639</u>

The above assets were provided as collateral for bank borrowings.

31. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

March 31,2024

<u>Financial assets</u>	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Monetary items</u>			
USD	\$ 88,970	32.00 (USD:TWD)	\$ 2,847,040
USD	24,711	7.26 (USD:CNY)	<u>790,745</u>
			<u>\$ 3,637,785</u>

<u>Non-monetary items</u>	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Non-derivative financial</u>			

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
assets			
USD	\$ 8,311	32.00 (USD:TWD)	<u>\$ 265,967</u>
Financial liabilities			
<u>Monetary items</u>			
USD	65,446	25,296 (USD:VND)	\$ 2,094,270
USD	67,605	32.00 (USD:TWD)	2,163,248
USD	10,024	7.26 (USD:CNY)	<u>320,759</u>
			<u>\$ 4,578,277</u>

December 31, 2023

	<u>Foreign Currency (In Thousands)</u>	<u>Exchange Rate</u>	<u>Carrying Amount (In Thousands)</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 111,696	30.71 (USD:TWD)	\$ 3,430,183
USD	17,346	7.0973 (USD:CNY)	<u>532,691</u>
			<u>\$ 3,962,874</u>
<u>Non-monetary items</u>			
<u>Non-derivative financial assets</u>			
USD	9,315	30.71 (USD:TWD)	<u>\$ 286,071</u>
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	47,436	30.71 (USD:TWD)	\$ 1,466,049
USD	84,364	24,667 (USD:VND)	2,590,824
USD	8,801	7.0973 (USD:CNY)	<u>270,271</u>
			<u>\$ 4,327,144</u>

March 31, 2023

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 97,503	30.45 (USD:TWD)	\$ 2,968,957
USD	19,118	6.872 (USD:CNY)	582,150
USD	1,831	23,882 (USD:VND)	<u>55,741</u>
			<u>\$ 3,606,848</u>

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Non-monetary items</u>			
Non-derivative financial assets			
USD	\$ 102	30.45 (USD:TWD)	<u>\$ 3,115</u>
 <u>F i n a n c i a l l i a b i l i t i e s</u>			
<u>Monetary items</u>			
USD	109,558	23,882 (USD:VND)	\$ 3,336,041
USD	44,619	30.45 (USD:TWD)	1,358,615
USD	9,027	6.872 (USD:CNY)	<u>274,880</u>
			<u>\$ 4,969,536</u>

For the three months ended March 31, 2024 and 2023, realized and unrealized net foreign exchange (losses) were \$28,372 thousand and \$17,524 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Group.

32. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions and b. information on investees:

- 1) Financing provided to others (Table 1)
- 2) Endorsements/guarantees provided (Table 2)
- 3) Marketable securities held (excluding investments in subsidiaries and associates) (Table 3)
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (Table 4)

- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (None)
 - 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital (None)
 - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 4)
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 5)
 - 9) Trading in derivative instruments (None)
 - 10) Information on investees (Table 6)
- c. Information on investments in mainland China
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 7)
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Tables 1, 2, 4 and 5)
- d. Intercompany relationships and significant intercompany transactions (Table 8)
- e. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 9)

33. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group's reportable segments were the manufacture, process and sale of audio electronic devices, computer peripherals and plastic products. For the purposes of financial statement presentation, these individual operating segments have been aggregated into a single operating segment given that the Group centrally manages the manufacture and sale of products.

AMPACS CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Note 5)	Ending Balance (Note 5)	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit	Note
													Item	Value			
1	Brilliance Investment Co., Ltd.	Richmake International Limited	Other receivables from related parties	Yes	\$ 281,600 (USD 8,800)	\$ 281,600 (USD 8,800)	\$ 256,987 (USD 8,031)	-	Short-term financing	\$	Operational needs	\$ -	-	\$ -	\$ 328,643 (USD 10,270)	\$ 328,643 (USD 10,270)	Note 3
2	Dong Guan Yi Zhuo Electronics Co., Ltd.	Brilliance Investment Co., Ltd.	Other receivables from related parties	Yes	161,280 (USD 5,040)	161,280 (USD 5,040)	156,398 (USD 4,887)	-	Short-term financing		Operational needs	-	-	-	203,852 (CNY 46,246)	203,852 (CNY 46,246)	Note 4

Note 1: The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: The amount was calculated using the spot rate on March 31, 2024 (US\$1=NT\$32.00; CNY1=NT\$4.408).

Note 3: The aggregate financing limit and financing limit for each borrower of Brilliance Investment Co., Ltd., calculated based on the Group's policy, were both 120% of the Company's net asset value.

Note 4: The aggregate financing limit and financing limit for each borrower of Dong Guan Yi Zhuo Electronics Co., Ltd., calculated based on the Group's policy, were both 120% of the Company's net asset value.

Note 5: The highest balance and ending balance for the period are the financing limits approved by the lender's board of directors.

Note 6: All intercompany financing transactions have been eliminated upon consolidation.

AMPACS CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period (Note 3)	Outstanding Endorsement/ Guarantee at the End of the Period (Note 3)	Actual Amount Borrowed (Note 3)	Amount Endorsed/ Guaranteed by Collateral (Note 3)	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship (Note 1)											
1	Modern Pioneer (Kunshan) Co., Ltd.	AMPACS Corporation	b	\$ 242,925 (CNY 55,110)	\$ 208,000 (USD 6,500)	\$ 208,000 (USD 6,500)	\$ 192,000 (USD 6,000)	\$ 25,759 (CNY 5,844)	7.82%	\$ 242,925 (CNY 55,110)	N	Y	N	

Note 1: Relationship between endorser/guarantor and endorsee/guarantee are as follows:

- Business relationship.
- A subsidiary in which the Company holds directly and indirectly over 50% of an equity interest.
- An investee in which the Company and its subsidiaries hold directly and indirectly over 50% of an equity interest.

Note 2: a. The aggregate amount of guarantees/endorsements by Modern Pioneer (Kunshan) Co., Ltd. and for any single entity should not exceed 100% of its net worth.
b. The net worth is based on the latest audited financial statements.

Note 3: The amount was calculated using the spot rate on March 31, 2024 (US\$1=NT\$32.00; CNY1=NT\$4.408).

TABLE 3

AMPACS CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

MARCH 31, 2024

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Shares/Units (Note 2)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
AMPACS Corporation	<u>Bonds</u> Ford Motor Company	-	Financial assets at FVTOCI - non-current	US\$ 130	\$ 3,667	-	\$ 3,667	
	Corporate bonds - Pfizer Inc.	-	Financial assets at FVTOCI - non-current	US\$ 200	6,300	-	6,300	
	<u>Other financial assets</u> 4EST INC.	-	Financial assets at fair value through profit or loss - non-current	-	32,000	-	32,000	
	Substrate Manufacturing Corporation	-	Financial assets at FVTOCI - non-current	2,247	256,000	-	256,000	
Richmake International Limited	<u>Ordinary shares</u> Iota Communications, Inc.	-	Financial assets at FVTOCI - non-current	2,478,000	-	1.26	-	Note 1

Note 1: The carrying values of financial instruments were all assessed for impairment.

Note 2: The number of units of the bonds is the face value of the bonds.

TABLE 4

AMPACS CORPORATION AND SUBSIDIARIES

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE THREE MONTHS ENDED MARCH 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts (Payable) or Receivable		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
AMPACS Corporation	Ampacs International Company Limited	Subsidiary	Purchase	(\$ 845,051)	(80%)	About 120 days	Contract price	No significant difference	\$ -	-	
AMPACS Corporation	Richmake International Limited	Subsidiary	Purchase	(139,495)	(13%)	About 120 days	Contract price	No significant difference	-	-	
Richmake International Limited	Dongguan Yi Xing Electronics Co., Ltd.	Subsidiary	Purchase	(147,264)	(100%)	About 180 days	Contract price	No significant difference	(28,337)	(19%)	
Ampacs International Company Limited	Dongguan Han Lei Electronics Co., Ltd.	Sister company	Purchase	(119,444)	(14%)	About 180 days	Contract price	No significant difference	(136,288)	(17%)	
Ampacs International Company Limited	AMPACS Corporation	Parent company	Sale	845,051	100%	About 120 days	Contract price	No significant difference	-	-	
Richmake International Limited	AMPACS Corporation	Parent company	Sale	139,495	95%	About 120 days	Contract price	No significant difference	-	-	
Dongguan Yi Xing Electronics Co., Ltd.	Richmake International Limited	Parent company	Sale	147,264	78%	About 180 days	Contract price	No significant difference	28,337	15%	
Dongguan Han Lei Electronics Co., Ltd.	Ampacs International Company Limited	Sister company	Sale	119,444	100%	About 180 days	Contract price	No significant difference	136,288	100%	

Note: All intercompany gains and losses from investment have been eliminated upon consolidation.

TABLE 5

AMPACS CORPORATION AND SUBSIDIARIES

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
MARCH 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Related Party	Relationship	Ending Balance of Trade Receivables	Ending Balance of Other Receivables	Turnover Rate	Past Due		Amounts Received in Subsequent Period	Allowance for Impairment Loss
						Amount	Action Taken		
Dongguan Yi Xing Electronics Co., Ltd.	Ampacs International Company Limited	Sister company	\$ 224,036	\$ -	0.82	-	—	\$ 30,400	-
Dong Guan Yi Zhuo Electronics Co., Ltd.	Brilliance Investment Co., Ltd.	Sister company	-	156,398	Note 3	-	—	-	-
AMPACS Corporation	Ampacs International Company Limited	Subsidiary	-	564,839	Note 2	-	—	177,631	-
Brilliance Investment Co., Ltd.	Richmake International Limited	Sister company	-	256,987	Note 3	-	—	-	-
Modern Pioneer (Kunshan) Co., Ltd.	Fortune Channel Universal Limited	Subsidiary	174,941	-	1.99	-	—	32,000	-
Fortune Channel Universal Limited	AMPACS Corporation	Parent company	141,320	-	2.69	-	—	17,277	-
Dongguan Han Lei Electronics Co., Ltd.	Ampacs International Company Limited	Sister company	136,288	-	6.77	-	—	-	-

Note 1: All intercompany gains and losses from investment have been eliminated upon consolidation.

Note 2: The other receivables are collection and payment transactions on behalf of other companies

Note 3: Financing.

AMPACS CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of March 31, 2024			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
				March 31, 2024	March 31, 2023	Number of Shares (In Thousands)	Percentage of Ownership (%)	Carrying Amount			
AMPACS Corporation	Tech. Pioneer, Ltd.	Samoa	Investment activities	USD 21,780 HKD 9,500	USD 21,780 HKD 9,500	23,003	100.00	\$ 807,555	(\$ 45,470) (USD -1,446)	(\$ 45,470)	Subsidiary
	Ampacs International company Limited	Vietnam	Production and sale of plastic products and consumer electronics	USD 50,000	USD 50,000	-	100.00	982,915	(35,985) (VND -28,446,419)	(35,985)	Subsidiary
	Ability Technology Co., Ltd.	Taipei	Computer peripheral equipment, photographic equipment and electronic components and trading	TWD -	TWD -	2,000	40.00	-	(\$ 3,303)	-	Note 2
Tech. Pioneer, Ltd.	Brilliance Investment Co., Ltd.	Samoa	Investment activities and the sale of plastic products	USD 1,050	USD 1,050	1,050	100.00	273,870	(USD 2,601) 83)	2,601	Subsidiary
	Sunlight Ocean Holding Limited	Samoa	Investment activities	USD 850	USD 850	850	100.00	64,290	(USD 1,058) 34)	1,058	Subsidiary
	Richmake International Limited	Samoa	Investment activities and the sale of consumer electronics	HKD 9,500	HKD 9,500	1,224	100.00	77,899	(47,660) (USD -1,515)	(47,660)	Subsidiary
	Fortune Channel Universal Limited	Seychelles	Investment activities and the sale of plastic products	USD 16,000	USD 16,000	16,000	100.00	396,233	(353) (USD -11)	(353)	Subsidiary

Note 1: Refer to Table 7 for information on investments in mainland China.

Note 2: The Group invested in Ability Technologies Co., Ltd., the investee company, which is an unlisted company with low stock liquidity. On December 27, 2023, the Group signed a share purchase agreement with other shareholders of Ability Technologies Co., Ltd., the purchaser, and agreed to purchase 2,000 thousand shares of Ability Technologies Co., Ltd.'s stock held by the Group by June 2024 and complete the delivery. Therefore, the equity-method investment was reclassified as non-current assets held for sale.

Note 3: All intercompany gains and losses from investment have been eliminated upon consolidation.

TABLE 7

AMPACS CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital (Note 3)	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2023 (Note 3)	Investment of Flows (Note 2)		Accumulated Outflow of Investment from Taiwan as of March 31, 2024 (Note 3)	Net Income (Loss) of the Investee (Note 4,6)	Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 4,6)	Carrying Amount as of March 31, 2024 (Note 3)	Accumulated Inward Remittance of Earnings as of March 31, 2024
					Outflow	Inflow						
Dongguan Yi Zhao Electronics Co., Ltd.	Production and sale of plastic products	\$ 33,600 (USD 1,050)	Note 1	\$ 33,600 (USD 1,050)	\$ -	\$ -	\$ 33,600 (USD 1,050)	\$ 40,958 (CNY 9,381)	100%	\$ 40,958 (USD 1,302)	\$ 169,877 (USD 5,309)	\$ -
Dongguan Han Lei Electronics Co., Ltd.	Production and sale of plastic products and consumer electronics	27,200 (USD 850)	Note 1	27,200 (USD 850)	-	-	27,200 (USD 850)	1,058 (CNY 242)	100%	1,058 (USD 34)	62,770 (USD 1,962)	-
Dongguan Yi Xing Electronics Co., Ltd.	Production and sale of plastic products and consumer electronics	38,846 (HKD 9,500)	Note 1	38,846 (HKD 9,500)	-	-	38,846 (HKD 9,500)	(39,328) (CNY -9,008)	100%	(39,328) (USD -1,251)	157,187 (USD 4,912)	-
Modern Pioneer (Kunshan) Co., Ltd.	Production and sale of plastic products	432,000 (USD 13,500)	Note 1	432,000 (USD 13,500)	-	-	432,000 (USD 13,500)	1,445 (CNY 331)	100%	(350) (USD -11)	408,724 (USD 12,773)	-
Dongguan Shi Hong Jun Electronics Co., Ltd.	Production and sale of headphone wire	8,816 (CNY 2,000)	Note 2	Note 2	-	-	Note 2	222 (CNY 51)	51%	113 (CNY 26)	11,264 (CNY 2,555)	-

Accumulated Investment in Mainland China as of December 31, 2023 (Note 3)	Investment Amounts Authorized by Investment Commission, MOEA (Note 3)	Upper Limit on Investment
\$ 531,646 (USD 15,400) (HKD 9,500)	\$ 531,646 (USD 15,400) (HKD 9,500)	\$1,602,413 (Note 5)

Note 1: The companies were invested through regions outside of Taiwan and mainland China (the third region).

Note 2: The capital of Dongguan Shi Hong Jun Electronics Co., Ltd. is remitted out with the self-owned fund of Dongguan Han Lei Electronics Co., Ltd.

Note 3: The amount was calculated using the spot rates on March 31, 2024 (US\$1=NT\$32.00; HK\$1=NT\$4.89; CNY1=NT\$4.408).

Note 4: Converted based on the average exchange rates from January 1 to March 31, 2024 (US\$1=NT\$31.155; HK\$1=NT\$3.98; CNY1=NT\$4.396).

Note 5: The amount was calculated based on 60% of the Group's net worth.

Note 6: It is recognized based on the financial statements for the same period reviewed by accountants.

Note 7: All intercompany gains and losses from investment have been eliminated upon consolidation.

TABLE 8

AMPACS CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(Amounts in Thousands of New Taiwan Dollars)

No. (Note 1)	Company Name	Counterparty	Nature of Relationship (Note 2)	Intercompany Transaction			% of Consolidated Net Revenue or Total Assets (Note 3)
				Financial Statement Item	Amount	Terms	
0	AMPACS Corporation	Ampacs International company Limited	1	Other receivables	\$ 564,839	Mutual agreement	6
		Ampacs International company Limited	1	Advance payment	556,745	Mutual agreement	6
		Tech. Pioneer, Ltd.	1	Sales	80,229	Mutual agreement	7
1	Ampacs International Company Limited	AMPACS Corporation	2	Sales	845,051	Mutual agreement	74
2	Richmake International Limited	AMPACS Corporation	2	Sales	139,495	Mutual agreement	12
3	Fortune Channel Universal Limited	AMPACS Corporation	2	Sales	66,322	Mutual agreement	6
		AMPACS Corporation	2	Accounts receivable	141,320	Mutual agreement	2
4	Brilliance Investment Co., Ltd.	Richmake International Limited	3	Other receivables	256,987	Financing provided	3
5	Dongguan Yi Xing Electronics Co., Ltd.	Richmake International Limited	3	Sales	147,264	Mutual agreement	13
		Ampacs International company Limited	3	Sales	44,561	Mutual agreement	4
		Ampacs International company Limited	3	Accounts receivable	224,036	Mutual agreement	3
6	Modern Pioneer (Kunshan) Co., Ltd.	Fortune Channel Universal Limited	3	Sales	66,322	Mutual agreement	6
		Fortune Channel Universal Limited	3	Accounts receivable	174,941	Mutual agreement	2
7	Dongguan Yi Zhao Electronics Co., Ltd.	Brilliance Investment Co., Ltd.	3	Other receivables	156,398	Financing provided	2
8	Dongguan Han Lei Electronics Co., Ltd.	Ampacs International company Limited	3	Sales	119,444	Mutual agreement	10
		Ampacs International company Limited	3	Accounts receivable	136,288	Mutual agreement	2

Note 1: The Company and its subsidiaries are coded as follows:

- a. The Company is coded "0".
- b. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: Nature of relationship is as follows:

- a. From the Company to its subsidiary.
- b. From a subsidiary to its parent company.
- c. Between subsidiaries.

Note 3: The percentage calculation is based on the consolidated total operating revenues or total assets. For balance sheet items, each item's period-end balance was shown as a percentage to consolidated total assets as of December 31, 2023. For profit or loss items, the cumulative amounts were shown as a percentage to consolidated total operating revenues for the year ended

December 31, 2023.

Note 4: The above table only discloses each of the related-party transactions which material amount of total revenue or total assets, while the reverse flow of transactions are not additionally disclosed.

Note 5: The intercompany transactions have been eliminated upon consolidation.

TABLE 9**AMPACS CORPORATION AND SUBSIDIARIES****INFORMATION OF MAJOR SHAREHOLDERS
MARCH 31, 2023**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Huang, Chang-Ching	27,671,900	18.44
Lung An Investment Co., Ltd.	11,907,304	7.93
Chang An Investment Co., Ltd.	11,681,569	7.78
Hsiao, Hsiu-Ju	9,562,545	6.37

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to the Market Observation Post System website of the TWSE.