

ADVANCED CERAMIC X CORPORATION

Financial Statements and

Independent Auditors' Review Report

For the Six Months Ended June 30, 2024 and 2023

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Notes to Readers

The independent auditors' review report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English version and Chinese version, the Chinese-language independent auditors' review report and financial statements shall prevail.

Independent Accountants' Review Report

To the Board of Directors of Advanced Ceramic X Corporation:

Introduction

We have reviewed the accompanying balance sheets of Advanced Ceramic X Corporation. of June 30, 2024 and 2023, and the related statements of comprehensive income for the three months and six months ended June 30, 2024 and 2023, as well as the changes in equity and cash flows for the six months ended June 30, 2024 and 2023, and notes to the financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards (“ IASs”) 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 financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standard on Review Engagements 2410, “Review of Financial Information Performed by the Independent Auditor of the Entity” of the Republic of China. A review of the 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 conducted in accordance with the Standards on Auditing of the Republic of China 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 audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying financial statements do not present fairly, in all material respects, the financial position of the Company. and its subsidiaries as of June 30, 2024 and 2023, and of its financial performance for the three months and six months ended June 30, 2024 and 2023, and its cash flows for the six months ended June 30, 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 Lu, Chien-Hui and Cheng, An-Chin.

KPMG

Taipei, Taiwan (Republic of China)

July 30, 2024

Notice to Readers

The accompanying financial statements are intended only to present the financial position, financial performance, and cash flows in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards, International Accounting Standards, interpretations as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China. The standards, procedures and practices to review such financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' review report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English version and Chinese version, the Chinese-language independent auditors' review report and financial statements shall prevail.

Advanced Ceramic X Corporation
Balance Sheets
June 30, 2024, December 31, 2023 and June 30, 2023
(Expressed in Thousands of New Taiwan Dollars)

Assets		June 30, 2024		December 31, 2023		June 30, 2023		Liabilities and Equity		June 30, 2024		December 31, 2023		June 30, 2023	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current Assets :								Current Liabilities :							
1100	Cash and Cash Equivalents (Note 6(1))	\$ 293,466	7	445,258	11	298,964	7	2170	Accounts Payable	\$ 55,817	1	59,141	1	46,019	1
1170	Notes and Accounts Receivable, Net (Note 6(2))	141,542	3	155,975	4	190,874	4	2201	Salary and Bonus Payable	130,725	3	118,533	3	133,800	3
1180	Receivables from Related Parties (Note 6(2) and 7)	148,118	3	103,155	2	77,370	2	2213	Payables to Contractors and Equipment	115,685	3	16,842	-	15,167	-
1310	Inventories (Note 6(3))	200,855	4	139,208	3	133,820	3	2216	Cash Dividends Payable	253,980	6	-	-	247,768	6
1476	Other Current Financial Assets (Note 6(1))	1,138,240	25	852,950	20	962,009	23	2230	Income Tax Payable (Note 6(8))	133,662	3	152,465	4	107,612	3
1479	Other Current Assets	23,334	1	17,811	1	17,650	-	2399	Other Current Liabilities (Note 6(6) and (11))	199,796	4	166,634	4	171,441	4
		1,945,555	43	1,714,357	41	1,680,687	39			889,665	20	513,615	12	721,807	17
Noncurrent Assets :								Noncurrent Liabilities :							
1600	Property, Plant and Equipment (Note 6(4) and 8)	2,512,894	56	2,437,365	58	2,543,994	60	2560	Current Tax Liabilities- Noncurrent	24,818	1	64,060	2	103,302	2
1780	Intangible Assets (Note 6(5))	2,321	-	2,911	-	2,451	-	2600	Other Noncurrent Liabilities	21,285	-	20,616	-	19,974	1
1840	Deferred Tax Assets	18,151	1	18,151	1	17,687	1			46,103	1	84,676	2	123,276	3
1975	Net Defined Benefit Asset- Noncurrent	7,011	-	6,955	-	6,736	-	Total Liabilities		935,768	21	598,291	14	845,083	20
1980	Other Noncurrent Financial Assets	388	-	810	-	810	-	Equity (Note 6(9)) :							
1990	Other Noncurrent Assets	5,407	-	6,788	-	6,817	-	3100	Capital Stock	690,162	15	690,162	16	690,162	16
		2,546,172	57	2,472,980	59	2,578,495	61	3200	Capital Surplus	573,532	13	573,532	14	573,532	13
								3300	Retained Earnings	2,292,265	51	2,325,352	56	2,150,405	51
								Total Equity		3,555,959	79	3,589,046	86	3,414,099	80
Total Assets		\$ 4,491,727	100	4,187,337	100	4,259,182	100	Total Liabilities and Equity		\$ 4,491,727	100	4,187,337	100	4,259,182	100

See accompanying notes to the financial statements.

Advanced Ceramic X Corporation
Statements of Comprehensive Income
For the Three and Six Months Ended June 30, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

		Three Months Ended June 30				Six Months Ended June 30			
		2024		2023		2024		2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Net Revenue (Note 6(11) and 7)	\$ 404,086	100	359,689	100	806,591	100	677,692	100
5000	Cost of Sales (Note 6(3) and (12))	<u>220,596</u>	<u>55</u>	<u>232,235</u>	<u>65</u>	<u>429,234</u>	<u>53</u>	<u>443,106</u>	<u>65</u>
	Gross Profit	<u>183,490</u>	<u>45</u>	<u>127,454</u>	<u>35</u>	<u>377,357</u>	<u>47</u>	<u>234,586</u>	<u>35</u>
	Operating Expenses (Note 6(12) and 7) :								
6100	Selling and Distribution Expenses	4,931	1	6,820	2	10,479	1	13,466	2
6200	General and Administrative Expenses	43,066	11	27,771	7	85,188	11	53,222	8
6300	Research and Development Expenses	24,777	6	21,763	6	49,432	6	43,845	7
6450	Gains (Losses) on Expected Credit Impairment (Note 6(2))	<u>261</u>	<u>-</u>	<u>164</u>	<u>-</u>	<u>309</u>	<u>-</u>	<u>(142)</u>	<u>-</u>
		<u>73,035</u>	<u>18</u>	<u>56,518</u>	<u>15</u>	<u>145,408</u>	<u>18</u>	<u>110,391</u>	<u>17</u>
	Gross Profit from Operations	<u>110,455</u>	<u>27</u>	<u>70,936</u>	<u>20</u>	<u>231,949</u>	<u>29</u>	<u>124,195</u>	<u>18</u>
	Non-Operating Income and Expenses :								
7101	Interest Income	7,245	2	4,098	1	14,303	1	9,132	2
7190	Other Income	-	-	37	-	121	-	577	-
7210	Gains on Disposal of Property, Plant and Equipment, Net	400	-	-	-	400	-	-	-
7230	Foreign Exchange Gains, Net	<u>6,412</u>	<u>2</u>	<u>4,767</u>	<u>1</u>	<u>29,344</u>	<u>4</u>	<u>648</u>	<u>-</u>
		<u>14,057</u>	<u>4</u>	<u>8,902</u>	<u>2</u>	<u>44,168</u>	<u>5</u>	<u>10,357</u>	<u>2</u>
7900	Profit Before Income Tax	124,512	31	79,838	22	276,117	34	134,552	20
7950	Less : Income Tax Expense (Note 6(8))	<u>24,903</u>	<u>6</u>	<u>15,967</u>	<u>4</u>	<u>55,224</u>	<u>7</u>	<u>26,910</u>	<u>4</u>
8200	Net Income	<u>99,609</u>	<u>25</u>	<u>63,871</u>	<u>18</u>	<u>220,893</u>	<u>27</u>	<u>107,642</u>	<u>16</u>
8300	Other Comprehensive Income :								
8300	Other Comprehensive Income, Net of Tax	-	-	-	-	-	-	-	-
8500	Total Comprehensive Income	<u>\$ 99,609</u>	<u>25</u>	<u>63,871</u>	<u>18</u>	<u>220,893</u>	<u>27</u>	<u>107,642</u>	<u>16</u>
	Earnings Per Share (Expressed in Dollars) (Note 6(10))								
9750	Basic Earnings Per Share	<u>\$ 1.44</u>		<u>0.93</u>		<u>3.20</u>		<u>1.56</u>	
9850	Diluted Earnings Per Share	<u>\$ 1.44</u>		<u>0.92</u>		<u>3.20</u>		<u>1.56</u>	

See accompanying notes to the financial statements.

Advanced Ceramic X Corporation
Statements of Changes in Equity
For the Six Months Ended June 30, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	Common Stock	Capital Surplus	Retained Earnings			Capital Surplus
			Legal Reserve	Undistributed Earnings	Subtotal	
Balance at January 1, 2023	\$ 690,162	573,532	966,365	1,324,166	2,290,531	3,554,225
Profit for the Six Months Ended June 30, 2023	-	-	-	107,642	107,642	107,642
Other Comprehensive Income for the Six Months Ended June 30, 2023	-	-	-	-	-	-
Total Comprehensive Income for the Six Months Ended June 30, 2023	-	-	-	107,642	107,642	107,642
Appropriation and Distribution of 2022 Earnings						
Legal Reserve	-	-	28,039	(28,039)	-	-
Cash Dividends	-	-	-	(247,768)	(247,768)	(247,768)
Balance at June 30, 2023	\$ 690,162	573,532	994,404	1,156,001	2,150,405	3,414,099
Balance at January 1, 2024	\$ 690,162	573,532	994,404	1,330,948	2,325,352	3,589,046
Profit for the Six Months Ended June 30, 2024	-	-	-	220,893	220,893	220,893
Other Comprehensive Income for the Six Months Ended June 30, 2024	-	-	-	-	-	-
Total Comprehensive Income for the Six Months Ended June 30, 2024	-	-	-	220,893	220,893	220,893
Appropriation and Distribution of 2023 Earnings						
Legal Reserve	-	-	28,259	(28,259)	-	-
Cash Dividends	-	-	-	(253,980)	(253,980)	(253,980)
Balance at June 30, 2024	\$ 690,162	573,532	1,022,663	1,269,602	2,292,265	3,555,959

See accompanying notes to the financial statements.

Advanced Ceramic X Corporation
Statements of Cash Flows
For the Six Months Ended June 30, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	Six Months Ended June 30	
	2024	2023
Cash Flows from Operating Activities :		
Profit Before Income Tax	\$ 276,117	134,552
Adjustments for		
Depreciation Expense	185,730	183,112
Amortization Expense	2,421	2,128
Losses on (reversal of) Expected Credit Impairment	309	(142)
Interest Income	(14,303)	(9,132)
Gain on Disposal of Property, Plant and Equipment, Net	(400)	-
Reversal for Inventory Obsolescence and Devaluation Loss	(3,000)	(2,400)
Total Adjustments to Reconcile Profit	<u>170,757</u>	<u>173,566</u>
Changes in Operating Assets and Liabilities :		
Notes and Accounts Receivable	14,578	25,545
Receivables from Related Parties	(45,417)	(11,274)
Inventories	(58,647)	54,588
Other Operating Current Assets	(5,523)	(1,971)
Net Defined Benefit Assets	(56)	(222)
Accounts Payable	(3,324)	15,910
Other Operating Current Liabilities	45,354	5,132
Other Noncurrent Liabilities	669	641
Total Net Changes in Operating Assets and Liabilities	<u>(52,366)</u>	<u>88,349</u>
Cash Inflow Generated from Operations	394,508	396,467
Interest Received	14,213	9,159
Income Taxes Paid	(113,269)	(26,887)
Net Cash Flows from Operating Activities	<u>295,452</u>	<u>378,739</u>
Cash Flows from Investing Activities :		
Acquisition of Property, Plant and Equipment	(162,416)	(36,734)
Proceeds from Disposal of Property, Plant and Equipment	400	-
Decrease in Guarantee Deposits	422	400
Increase in Other Financial Assets	(285,200)	(639,200)
Increase in Other Noncurrent Assets	(450)	(608)
Net Cash Flows Used in Investing Activities	<u>(447,244)</u>	<u>(676,142)</u>
Net Decrease in Cash and Cash Equivalents	<u>(151,792)</u>	<u>(297,403)</u>
Cash and Cash Equivalents at the Beginning of Period	<u>445,258</u>	<u>596,367</u>
Cash and Cash Equivalents at the End of Period	<u><u>\$ 293,466</u></u>	<u><u>298,964</u></u>

See accompanying notes to the financial statements.

Advanced Ceramic X Corporation

Notes to Financial Statements

June 30, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

1. Company history

Advanced Ceramic X Corporation (“the Company”) was incorporated in April 15, 1998 as a company limited by shares and registered under the Company Act of the Republic of China (R.O.C.). The address of the Company’s registered office is No.16, Tzu Chiang Road, Hsinchu Industrial District, Hsinchu Hsien, Taiwan. The major business activities of the Company are the design, manufacture and sale of RF Front-End devices and modules for applications in wireless communication.

2. The authorization of financial statements

These financial statements were authorized for issuance by the Audit Committee and Board of Directors of the Company on July 30, 2024.

3. New standards, amendments and interpretations adopted

- (1) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. (“FSC”) which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2024:

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

- (2) The impact of IFRS issued by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2025, would not have a significant impact on its financial statements:

- Amendments to IAS 21 “Lack of Exchangeability”

- (3) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Company, have been issued by the International Accounting Standards Board (“IASB”), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.	January 1, 2027

Advanced Ceramic X Corporation
Notes to Financial Statements

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	<ul style="list-style-type: none"> • A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. • Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. • Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. 	January 1, 2027

The Company is evaluating the impact on its financial position and financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Company completes its evaluation.

The Company does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards – Volume 11

Advanced Ceramic X Corporation

Notes to Financial Statements

4. Summary of significant accounting policies

(1) Statement of compliance

The financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language financial statements, the Chinese version shall prevail.

The accompanying financial statements have been prepared in accordance with the revised Regulation Governing the Preparation of Financial Reports by Securities Issuers in the Republic of China (hereinafter referred to the Regulations) and the guideline of IAS 34 "Interim Financial Reporting", as endorsed and issued into effect by the FSC. The financial statements do not present all the disclosures required for a complete set of annual financial statements prepared under the IFRSs endorsed by the FSC with effective dates.

Except for the following accounting policies mentioned below, the significant accounting policies adopted in the interim financial statements is the same as those in the financial statements for the year ended December 31, 2023. For the related information, please refer note 4 of the financial statements for the year ended December 31, 2023.

(2) Employee benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

(3) Income taxes

Income tax expense in the financial statements is measured and disclosed according to paragraph B12 of IAS 34 "Interim Financial Reporting."

Income tax expense for the period is best estimated by multiplying pretax income for the interim reporting period by the effective annual tax rate as forecasted by management. It is charged to profit or loss as an income tax expense.

Temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their respective tax bases are measured based on the tax rates that have been enacted or substantively enacted at the time the asset or liability is recovered or settled, and recognized directly in equity or other comprehensive income as tax expense.

5. Significant accounting assumptions and judgments and major sources of estimation uncertainty

The preparation of the financial statements in conformity with Regulations and IFRSs (in accordance with IAS 34 "Interim Financial Reporting" and approved by FSC) requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the financial statements for the year ended December 31, 2023. For the related information, please refer to note 5 of the financial statements for the year ended December 31, 2023.

Advanced Ceramic X Corporation
Notes to Financial Statements

6. Explanation of significant accounts

Except for the following disclosure, the significant account disclosure in the financial statements for the six months ended June 30, 2024, which compare with the financial statements for the year ended December 31, 2023, was not changed significantly. For the related information, please refer to note 6 of the financial statements for the year ended December 31, 2023.

(1) Cash and cash equivalents

	June 30, 2024	December 31, 2023	June 30, 2023
Cash	\$ 25	25	25
Cash in bank	54,149	115,904	112,669
Time deposits	239,292	329,329	186,270
	<u>\$ 293,466</u>	<u>445,258</u>	<u>298,964</u>

As of June 30, 2024, December 31, 2023 and June 30, 2023, the classified from cash and cash equivalents to other financial assets-current for time deposits, amounted to \$1,137,350 thousand, \$852,150 thousand and \$961,650 thousand, respectively.

Please refer to note 6(13) for the fair value sensitivity analysis and interest rate risk of the financial assets and liabilities of the Company.

(2) Notes and accounts receivable, net (including related parties)

	June 30, 2024	December 31, 2023	June 30, 2023
Accounts receivable	\$ 142,972	157,550	192,802
Accounts receivable from related parties	149,614	104,197	78,152
Less: Allowance for impairment	(1,430)	(1,575)	(1,928)
Allowance for impairment from related parties	(1,496)	(1,042)	(782)
	<u>\$ 289,660</u>	<u>259,130</u>	<u>268,244</u>
Notes and accounts receivable, net	<u>\$ 141,542</u>	<u>155,975</u>	<u>190,874</u>
Accounts receivable from related parties, net	<u>\$ 148,118</u>	<u>103,155</u>	<u>77,370</u>

The Company applies the simplified approach to provide for its loss allowance used for expected credit losses, which permit the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts receivable have been grouped based on shared credit risk characteristics and days past due, as well as incorporate forward looking information. The loss allowance provision was determined as follows:

	June 30, 2024	
	Weighted-	Lifetime
	Gross carrying	expected credit
	amount	loss allowance
Not past due	\$ 291,137	2,911
Past due less than 30 days	1,358	14
Past due 61 to 90 days	91	1
	<u>\$ 292,586</u>	<u>2,926</u>

Advanced Ceramic X Corporation
Notes to Financial Statements

	December 31, 2023		
	Gross carrying amount	Weighted-average expected loss rate	Lifetime expected credit loss allowance
Not past due	\$ 257,983	1%	2,580
Past due less than 30 days	3,764	1%	37
	<u>\$ 261,747</u>		<u>2,617</u>

	June 30, 2023		
	Gross carrying amount	Weighted-average expected loss rate	Lifetime expected credit loss allowance
Not past due	\$ 267,985	1%~2%	2,680
Past due less than 30 days	2,922	1%~2%	29
Past due 61 to 90 days	47	1%~2%	1
	<u>\$ 270,954</u>		<u>2,710</u>

The movements of allowance for doubtful accounts were as follows:

	Six months ended June 30	
	2024	2023
Beginning balance	\$ 2,617	2,852
Provision (Reversal) of impairment loss	309	(142)
Ending balance	<u>\$ 2,926</u>	<u>2,710</u>

The payment terms granted to customers are generally advance payment or 30 to 150 days from the end of the month during which the invoice is issued.

As of June 30, 2024, December 31, 2023 and June 30, 2023, the notes and accounts receivable were not pledged as collateral. For information on the Company's credit risk was disclosed in note 6(13).

(3) Inventories

	June 30, 2024	December 31, 2023	June 30, 2023
Raw materials and supplies	\$ 56,253	33,476	36,424
Work in process	113,155	63,334	63,970
Finished goods and merchandises	31,447	42,398	33,426
	<u>\$ 200,855</u>	<u>139,208</u>	<u>133,820</u>

For the three months and six months ended June 30, 2024 and 2023, the amounts of inventories that were charged to cost of sales were \$222,996 thousand, \$232,635 thousand, \$432,234 thousand and \$445,506 thousand, respectively. For the three months and six months ended June 30, 2024, the reversal of inventories written down amounted were \$2,400 thousand and \$3,000 thousand, respectively. For the three months and six months ended June 30, 2023, the net of provisions that charged to cost of sales for inventories written down to net realizable value amounted were \$400 thousand and \$2,400 thousand, respectively.

Advanced Ceramic X Corporation
Notes to Financial Statements

As of June 30, 2024, December 31, 2023 and June 30, 2023, the inventories were not pledged as collateral.

(4) Property, plant and equipment

	<u>Land</u>	<u>Building and construction</u>	<u>Machinery and equipment</u>	<u>Office & other equipment</u>	<u>Construction in progress & equipment under installation</u>	<u>Total</u>
Cost :						
Balance at January 1, 2024	\$ 248,651	1,395,981	3,245,662	301,510	101,059	5,292,863
Additions	-	-	2,712	983	257,564	261,259
Reclassifications	-	-	22,725	2,778	(25,503)	-
Disposals	-	(1,523)	(2,219)	(5,552)	-	(9,294)
Balance at June 30, 2024	<u><u>\$ 248,651</u></u>	<u><u>1,394,458</u></u>	<u><u>3,268,880</u></u>	<u><u>299,719</u></u>	<u><u>333,120</u></u>	<u><u>5,544,828</u></u>
Balance at January 1, 2023	\$ 248,651	1,347,742	3,258,916	290,696	171,539	5,317,544
Additions	-	-	7,019	385	11,962	19,366
Reclassifications	-	-	82,400	-	(82,400)	-
Disposals	-	-	(21,138)	(1,197)	-	(22,335)
Balance at June 30, 2023	<u><u>\$ 248,651</u></u>	<u><u>1,347,742</u></u>	<u><u>3,327,197</u></u>	<u><u>289,884</u></u>	<u><u>101,101</u></u>	<u><u>5,314,575</u></u>
Depreciation :						
Balance at January 1, 2024	\$ -	433,346	2,198,194	223,958	-	2,855,498
Depreciation	-	34,592	138,302	12,836	-	185,730
Disposals	-	(1,523)	(2,219)	(5,552)	-	(9,294)
Balance at June 30, 2024	<u><u>\$ -</u></u>	<u><u>466,415</u></u>	<u><u>2,334,277</u></u>	<u><u>231,242</u></u>	<u><u>-</u></u>	<u><u>3,031,934</u></u>
Balance at January 1, 2023	\$ -	365,787	2,041,741	202,276	-	2,609,804
Depreciation	-	33,476	136,237	13,399	-	183,112
Disposals	-	-	(21,138)	(1,197)	-	(22,335)
Balance at June 30, 2023	<u><u>\$ -</u></u>	<u><u>399,263</u></u>	<u><u>2,156,840</u></u>	<u><u>214,478</u></u>	<u><u>-</u></u>	<u><u>2,770,581</u></u>
Carrying value :						
Balance at January 1, 2024	<u><u>\$ 248,651</u></u>	<u><u>962,635</u></u>	<u><u>1,047,468</u></u>	<u><u>77,552</u></u>	<u><u>101,059</u></u>	<u><u>2,437,365</u></u>
Balance at June 30, 2024	<u><u>\$ 248,651</u></u>	<u><u>928,043</u></u>	<u><u>934,603</u></u>	<u><u>68,477</u></u>	<u><u>333,120</u></u>	<u><u>2,512,894</u></u>
Balance at January 1, 2023	<u><u>\$ 248,651</u></u>	<u><u>981,955</u></u>	<u><u>1,217,175</u></u>	<u><u>88,420</u></u>	<u><u>171,539</u></u>	<u><u>2,707,740</u></u>
Balance at June 30, 2023	<u><u>\$ 248,651</u></u>	<u><u>948,479</u></u>	<u><u>1,170,357</u></u>	<u><u>75,406</u></u>	<u><u>101,101</u></u>	<u><u>2,543,994</u></u>

Pledged assets

As of June 30, 2024, December 31, 2023 and June 30, 2023, the property, plant and equipment of the Company had been pledged as collateral for short-term borrowings; please refer to note 8.

Advanced Ceramic X Corporation
Notes to Financial Statements

(5) Intangible assets

	Royalty
Balance at January 1, 2024	<u>\$ 2,911</u>
Balance at June 30, 2024	<u>\$ 2,321</u>
Balance at January 1, 2023	<u>\$ 2,941</u>
Balance at June 30, 2023	<u>\$ 2,451</u>

For the six months ended June 30, 2024 and 2023, there were no significant additions, disposals, or recognition and reversal of impairment losses of intangible assets. Please refer to note 12 for details on impairment and to note 6(5) of the financial statements for the year ended December 31, 2023 for other related information.

As of June 30, 2024, December 31, 2023 and June 30, 2023, the intangible assets were not pledged as collateral.

(6) Other current liabilities

	June 30, 2024	December 31, 2023	June 30, 2023
Accrued expenses	\$ 178,241	142,274	142,203
Directors' remuneration payable	10,150	5,720	7,755
Contract liabilities	9,371	16,025	18,492
Other	<u>2,034</u>	<u>2,615</u>	<u>2,991</u>
	<u>\$ 199,796</u>	<u>166,634</u>	<u>171,441</u>

The above accrued expenses included material consumption, insurance, service expense, and water and electricity expense.

(7) Employee benefits

Defined benefit plans

The management believes that there was no material market volatility, material reimbursement and settlement, or other significant one-time events. As a result, the pension cost in the accompanying interim financial statements was measured and disclosed according to the actuarial report as of December 31, 2023 and 2022.

Please refer to note 12 for employee pension costs or expenses under defined benefit plans and defined contribution plans.

(8) Income tax

A. Income tax expense

	Three months ended June 30 2024	2023	Six months ended June 30 2024	2023
Income tax expense	<u>\$ 24,903</u>	<u>15,967</u>	<u>55,224</u>	<u>26,910</u>

B. As of June 30, 2024, the tax authorities have completed the examination of income tax returns of the Company through 2022.

Advanced Ceramic X Corporation
Notes to Financial Statements

C. In accordance with Permit No.11004582620 issued by the Ministry of Finance, the Company's 2022 and 2021 income tax expenses are paid in installments. As of June 30, 2024, the Company unpaid amount was \$103,302 thousand.

(9) Capital and other equity

Except for the following disclosure, there were no significant change for capital and other equity for the six months ended June 30, 2024 and 2023. For the related information, please refer to note 6(9) of the financial statements for the year ended December 31, 2023.

A. Retained earnings

According to the amendment of Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

- (a) Payment of taxes.
- (b) Making up loss for preceding years.
- (c) Setting aside 10% for legal reserve, except for when accumulated legal reserve has reached the total paid-up capital.
- (d) Appropriating or reversing special reserve by government officials or other regulations.
- (e) The remaining, plus the previous year's un-appropriated earnings, shall be distributed according to the distribution plan proposed by the Board of Directors according to the dividend policy and submitted to the stockholders' meeting for approval.

The Company conducts business to operate in its growth phase, the dividend policy shall be determined pursuant to factors such as the investment environment, capital requirements, domestic and overseas competitive environment and capital budget, as well as stockholders' interest, dividend balance and long-term financial plan. The Board of Directors shall propose the distribution plan and submit it to the stockholders' meeting every year. The cash portion of the dividend, which may be in the form of cash and stock, shall not be less than 10% of the total dividend distributed during the year.

B. Legal reserve

When a company incurs no loss, it may, in pursuant to a resolution to be adopted by a shareholders' meeting, distribute its legal reserve by issuing new shares or by cash. Only 10% of legal reserve which exceeds 25% of the paid-in capital may be distributed.

C. Special reserve

According to the regulations of the FSC, a portion of current period earnings and undistributed prior period earnings shall be reclassified as special earnings reserve during earnings distribution. The amount to be reclassified should be equal to the net debit balance of other components of the shareholders' equity adoption. Similarly, a portion of undistributed prior period earnings shall be reclassified as special earnings reserve to account for cumulative changes to the debit balance of other shareholders' equity pertaining to prior periods. For the subsequent decrease in the deduction amount to shareholders' equity, any special reserve appropriated may be reserved to the extent that the net debit balance reverses.

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D. Earnings distribution

	<u>2023</u>	<u>2022</u>
Board meeting date	February 27, 2024	February 21, 2023
Shareholders meeting date	June 14, 2024	June 7, 2023
Legal reserve	<u>\$ 28,259</u>	<u>28,039</u>
Cash dividends	<u>\$ 253,980</u>	<u>247,768</u>
Amount per share (dollars)	<u>\$ 3.68</u>	<u>3.59</u>

The related information mentioned above can be found on websites such as the Market Observation Post System.

(10) Earnings per share (EPS)

A. Basic EPS

	<u>Three months ended June 30</u>		<u>Six months ended June 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Profit belonging to common shareholders	<u>\$ 99,609</u>	<u>63,871</u>	<u>220,893</u>	<u>107,642</u>
Weighted average number of outstanding share of common stock (in thousands)	<u>69,016</u>	<u>69,016</u>	<u>69,016</u>	<u>69,016</u>
Basic EPS (in dollars)	<u>\$ 1.44</u>	<u>0.93</u>	<u>3.20</u>	<u>1.56</u>

B. Diluted EPS

	<u>Three months ended June 30</u>		<u>Six months ended June 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Profit belonging to common shareholders	<u>\$ 99,609</u>	<u>63,871</u>	<u>220,893</u>	<u>107,642</u>
Weighted average number of outstanding share of common stock (in thousands)	69,016	69,016	69,016	69,016
Employee compensation	<u>72</u>	<u>34</u>	<u>98</u>	<u>57</u>
	<u>69,088</u>	<u>69,050</u>	<u>69,114</u>	<u>69,073</u>
Diluted EPS (in dollars)	<u>\$ 1.44</u>	<u>0.92</u>	<u>3.20</u>	<u>1.56</u>

Advanced Ceramic X Corporation
Notes to Financial Statements

(11) Operating revenue from contracts with customers

A. Disaggregation of revenue

	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Primary geographic markets				
China	\$ 146,892	171,150	318,003	289,902
United States	143,759	80,120	252,805	157,844
Taiwan	78,000	63,745	162,048	149,667
Other	35,435	44,674	73,735	80,279
	<u>\$ 404,086</u>	<u>359,689</u>	<u>806,591</u>	<u>677,692</u>
Main Product				
RF Front-End devices and modules	<u>\$ 404,086</u>	<u>359,689</u>	<u>806,591</u>	<u>677,692</u>

B. Contract balances

	June 30, 2024	December 31, 2023	June 30, 2023
Contract liabilities (Other Current Liabilities)	<u>\$ 9,371</u>	<u>16,025</u>	<u>18,492</u>

For details on trade receivables and allowance for impairment, please refer to note 6(2) and 7(2). The contract liabilities primarily relate to the advance consideration received from customers for the RF Front-End devices and modules sales contracts, for which revenue is recognized when products are delivered to customers. The amount of revenue recognized for the six months ended June 30, 2024 and 2023 that was included in the contract liabilities balance at the beginning for the period was \$13,452 thousand and \$10,613 thousand, respectively.

(12) Remuneration of employees and directors

According to the Company Articles of Incorporation, the Company should distribute remuneration to employees and directors not less than 5% and not more than 1.5% of annual profits, respectively, after offsetting accumulated deficits, if any. The aforementioned profit is the net profit before income tax excluding the remuneration to employees and directors for each period. Only employees, including employees of affiliate companies that meet certain conditions are subject to the abovementioned remuneration which to be distributed in stock or cash.

The Company estimated its employees' and directors' remuneration as follows:

	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Employees' remuneration	<u>\$ 6,659</u>	<u>4,269</u>	<u>14,766</u>	<u>7,195</u>
Directors' remuneration	<u>\$ 1,950</u>	<u>1,281</u>	<u>4,430</u>	<u>2,159</u>

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The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Company's Articles of Incorporation. These remunerations were included in the operating costs or operating expenses of the six months ended June 30, 2024 and 2023. The differences between the actual distributed amounts as determined by the Board of Directors and those recognized in the financial statements, if any, shall be accounted for as changes in accounting estimated and recognized in profit or loss in the following year. If remuneration to employees is resolved to be distributed in stock, the number of shares is determined by dividing the amount of remuneration by the closing price of the shares on the day preceding the Board of Directors.

Remuneration to employees for 2023 in the amounts of \$19,066 thousand, and remuneration to director for 2023 in the amounts of \$5,720 thousand, in cash for payment has been approved in the meeting of Board of Directors. The aforementioned approved amounts are the same as the amounts charged against earnings of 2023. The information about the Company's remuneration to employees and directors is available at the Market Observation Post System website.

(13) Financial instruments

Except for the following disclosure, there was no significant change in the fair value of the Company's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For the related information, please refer to note 6(13) of the financial statement for the year ended December 31, 2023.

A. Credit risk

(a) Exposure of credit risk

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

(b) Concentration of credit risk

The major customers of the Company are centralized in the electronics industry. As of June 30, 2024, December 31, 2023 and June 30, 2023, the Company's notes and account receivable (including related parties) were both concentrated on 5 customers, whose accounts represented 73%, 72% and 73% of the account receivables, respectively. For the information of credit risk exposure of notes and accounts receivable, please refer to note 6(2).

As of June 30, 2024, December 31, 2023 and June 30, 2023, the Company's cash in bank and time deposits were both concentrated on one financial institution, whose accounts represented 69%, 67% and 69% of the cash and cash equivalents and other financial assets, respectively. Thus, credit risk is significantly centralized. To reduce cash risk, the Company evaluates financial institutions' financial positions and credit rating periodically. After the assessment, management does not expect significant losses.

(c) Credit risk of financial assets measured at amortized cost

The Company financial assets at amortized cost include cash and cash equivalents, notes and receivables, and time deposits on other financial assets. About their information of credit risk exposure, please refer note 6(1) and (2).

The above-mentioned of financial assets are considered to be of low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. For the Company's assessment on whether credit risk is to be of low risk, please refer note 4(6) of the financial statements for the year ended December 31, 2023.

Advanced Ceramic X Corporation
Notes to Financial Statements

B. Liquidity risk

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

	<u>Carrying amount (Contractual cash flows)</u>	<u>Within 6 months</u>
June 30, 2024		
Non-derivative financial liabilities		
Accounts payable	\$ 55,817	55,817
Payables to contractors and equipment	115,685	115,685
	<u>\$ 171,502</u>	<u>171,502</u>
December 31, 2023		
Non-derivative financial liabilities		
Accounts payable	\$ 59,141	59,141
Payables to contractors and equipment	16,842	16,842
	<u>\$ 75,983</u>	<u>75,983</u>
June 30, 2023		
Non-derivative financial liabilities		
Accounts payable	\$ 46,019	46,019
Payables to contractors and equipment	15,167	15,167
	<u>\$ 61,186</u>	<u>61,186</u>

The Company did not expect that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

C. Currency risk

(a) The Company's significant exposure to foreign currency risk was as follows:

	<u>June 30, 2024</u>			<u>December 31, 2023</u>			<u>June 30, 2023</u>		
	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>NTD</u>	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>NTD</u>	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>NTD</u>
<u>Financial assets</u>									
<u>Monetary items</u>									
USD	\$ 16,129	32.400	522,580	19,139	30.655	586,706	11,555	31.090	359,245
JPY	233,534	0.1997	46,637	369,466	0.2152	79,509	484,297	0.2130	103,155
<u>Financial liabilities</u>									
<u>Monetary items</u>									
USD	454	32.500	14,755	696	30.755	21,405	748	31.190	23,330
JPY	21,078	0.2037	4,294	17,293	0.2192	3,791	18,758	0.2170	4,070

Advanced Ceramic X Corporation
Notes to Financial Statements

(b) Sensitivity analysis

The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, accounts payable, and payables to contractors and equipment. Depreciation or appreciation of the NTD by 1% against USD and JPY at June 30, 2024 and 2023, while all other variables were remained constant, would have increased (decreased) the net profit after tax by \$4,401 thousand and \$3,480 thousand, respectively. The analysis is performed on the same basis for both periods.

(c) Gains or losses on monetary item

Since the Company has many kinds of functional currency, the information on foreign exchange loss on monetary items is disclosed by total amount. For the six months ended June 30, 2024 and 2023, foreign exchange gain (loss), including realized and unrealized portions, amounted to \$29,344 thousand and \$648 thousand, respectively.

D. Interest rate risk

Please refer to the attached note for the liquidity risk and the Company's interest rate exposure to its financial liabilities.

The following sensitivity analysis is based on the risk exposure to interest rates on the derivatives and non-derivatives financial instruments on the reporting date. For variable rate instrument, the sensitivity analysis assumes the variable rate liabilities are outstanding for the whole year on the reporting date. The Company's internal management reported the increases (decreases) in the interest rates and the exposure to changes in interest rates of 1% is considered by management to be a reasonable change of interest rate.

The Company's exposure to interest rate risk arises from the bank deposit interest rates change. If the interest rate had increased (decreased) by 1%, the Company's net profit after tax would have increased (decreased) by \$5,723 thousand and \$5,042 thousand for the six months ended June 30, 2024 and 2023, all other variable factors that remain constant.

E. Fair value

The carrying amounts of the Company's non-derivative financial instruments-current, including financial assets at amortized cost, such as cash and cash equivalents, notes and receivables (including related parties), and other financial assets, and financial liabilities at amortized cost, such as accounts payable and payables to contractors and equipment, were considered to approximate their fair value due to their short-term nature.

(14) Financial risk management

There were no significant change in the Company's financial risk management and policies as disclosed in note 6(14) of the financial statements for the year ended December 31, 2023.

(15) Capital management

The objectives and policies of capital management of the Company have been applied consistently with those described in the financial statements for the year ended December 31, 2023. Also, there were no significant changes in the Company's capital management information as disclosed in the financial statements for the year ended December 31, 2023. Refer to note 6(15) of the financial statements for the year ended December 31, 2023 for the relevant information.

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Notes to Financial Statements

7. Related-party transactions:

(1) Names and relationship with related parties

The followings are entities that have had transactions with the Company during the periods covered in the financial statements.

<u>Names of the related parties</u>	<u>Relationships</u>
Johanson Technology Inc. (JOHANSON)	The Company's director
Scientific Components Corporation (doing business as <u>Mini-Circuits(MINI-CKT)</u>)	The Company's director

(2) Significant transactions with related parties

A. Operating revenue

The amounts of significant sales transactions between the Company and related parties were as follow:

	<u>Three months ended June 30</u>		<u>Six months ended June 30</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Key management personnel— JOHANSON	\$ 114,252	65,100	195,324	122,155
Key management personnel— MINI-CKT	<u>30,720</u>	<u>12,588</u>	<u>59,784</u>	<u>32,326</u>
	<u>\$ 144,972</u>	<u>77,688</u>	<u>255,108</u>	<u>154,481</u>

B. Receivables from related parties

<u>Categories</u>	<u>Account</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Key management personnel — JOHANSON	Receivables from related parties	\$ 134,914	91,114	72,337
	Bad debt provision	(1,349)	(911)	(724)
Key management personnel — MINI-CKT	Receivables from related parties	14,700	13,083	5,815
	Bad debt provision	<u>(147)</u>	<u>(131)</u>	<u>(58)</u>
		<u>\$ 148,118</u>	<u>103,155</u>	<u>77,370</u>

The selling price and collection terms of sales to related parties were determined in the economic environment and market competition, payment terms are 30 to 150 days.

The payment terms granted to routine sales customers are advance payment or 30 to 120 days base on trading experience and credit assessment.

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(3) Transactions with key management personnel

The key management personnel compensation was comprised as follows:

	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Short-term employee benefits	\$ 14,018	10,159	30,210	13,219
Post-employment benefits	27	27	54	54
	<u>\$ 14,045</u>	<u>10,186</u>	<u>30,264</u>	<u>13,273</u>

8. Pledged assets:

The carrying amounts of pledged assets were as follows:

Pledge assets	Pledged to secure	June 30, 2024	December 31, 2023	June 30, 2023
Land				
(Property, plant and equipment) Short-term borrowings		<u>\$ 168,944</u>	<u>168,944</u>	<u>168,944</u>

9. Commitments and contingencies:

(1) The unused letters of credit for the Company's purchases of machinery and equipment and raw materials amount were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
	<u>\$ 7,525</u>	<u>4,402</u>	<u>5,724</u>

(2) The Company purchased machinery and equipment and the unpaid amount were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
	<u>\$ 96,493</u>	<u>214,266</u>	<u>26,659</u>

(3) The bank guarantees of the Company's purchases of raw materials, machinery and equipment amount were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
	<u>\$ 1,000</u>	<u>1,000</u>	<u>2,000</u>

10. Losses due to major disasters: None.

11. Subsequent events: None.

Advanced Ceramic X Corporation
Notes to Financial Statements

12. Other:

The employee benefits, depreciation and amortization expenses, categorized by function, were as follows:

	Three months ended June 30, 2024			Three months ended June 30, 2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salaries	28,635	22,550	51,185	25,623	19,504	45,127
Labor and health insurance	3,253	2,067	5,320	3,008	2,128	5,136
Pension	1,082	854	1,936	1,069	865	1,934
Directors remuneration	1,818	252	2,070	1,166	181	1,347
Others	1,367	595	1,962	1,137	583	1,720
Depreciation	78,941	13,594	92,535	79,120	12,452	91,572
Amortization	886	348	1,234	780	289	1,069

	Six months ended June 30, 2024			Six months ended June 30, 2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salaries	58,333	47,128	105,461	48,987	37,261	86,248
Labor and health insurance	6,583	4,178	10,761	6,136	4,259	10,395
Pension	2,214	1,725	3,939	2,174	1,736	3,910
Directors remuneration	4,031	519	4,550	1,965	302	2,267
Others	2,727	1,195	3,922	2,319	1,147	3,466
Depreciation	158,472	27,258	185,730	158,027	25,085	183,112
Amortization	1,725	696	2,421	1,551	577	2,128

13. Other disclosures:

(1) Information on significant transactions:

A. Loans to other parties: None.

B. Guarantees and endorsements for other parties: None.

C. Securities held as of June 30, 2024 (excluding investment in subsidiaries, associates and joint ventures): None.

D. Individual securities acquired or disposed off with accumulated amount exceeding the lower of NTD\$300 million or 20% of the capital stock: None.

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E. Acquisition of individual real estate with amount exceeding the lower of NTD\$300 million or 20% of the capital stock:

(In thousands of New Taiwan Dollars)

Company Name	Types of Property	Transaction Date	Transaction Amount	Status of payment	Counter-party	Nature of Relationships	Prior Transaction of Related Counter-party				Price reference	Purpose of Acquisition	Other Terms
							Owner	Relationships	Transfer Date	Amount			
The Company	New construction plant	2017.11.7	663,695	661,223	Xu Yuan Construction Corp.	-	N/A	N/A	N/A	-	Bidding	Manufacturing purpose	None

F. Disposal of individual real estate with amount exceeding the lower of NTD\$300 million or 20% of the capital stock: None.

G. Related-party transactions for purchases and sales with amounts exceeding the lower of NTD\$100 million or 20% of the capital stock:

(In thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	JOHANSON	Corporate director	(Sales)	195,324	24%	150 days	Note	Note	134,914	46%	

Note: Please refer Note 7(2).

H. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of capital stock:

(In thousands of New Taiwan Dollars)

Company name	Related party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowances for bad debts
					Amount	Action taken		
The Company	JOHANSON	Corporate director	134,914	3.49	-		43,247 (Note)	1,349

Note: Until the July 15, 2024.

I. Trading in derivative instruments: None.

(2) Information on investments: None.

(3) Information on investment in Mainland China: None.

(4) Information of major shareholders as of June 30, 2024:

Shareholder name	Number of shares	Percentage of ownership (%)
Kuo Chia Fu Investment Corporation	5,485,189	7.94%

The major shareholders list of 5% or more is provided by the Taiwan Depository & Clearing Corporation.

14. Segment information:

The profit or loss, assets and liabilities of the operation segment were consistent with the related accounts shown in the balance sheet and comprehensive income statement of the Company.