

**ANPEC ELECTRONICS CORPORATION  
AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REVIEW REPORT**

**MARCH 31, 2024 AND 2023**

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For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

ANPEC ELECTRONICS CORPORATION AND SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REVIEW REPORT  
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

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## INDEPENDENT AUDITORS' REVIEW REPORT

(2024) Cai-Shen-Bao No. 24000340

To the Board of Directors and Shareholders of Anpec Electronics Corporation

### ***Introduction***

We have reviewed the accompanying consolidated balance sheets of Anpec Electronics Corporation and subsidiaries (the “Group”) as at March 31, 2024 and 2023, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three-month periods then ended, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated 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” in the Republic of China. 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 audit opinion.

## ***Conclusion***

Based on our reviews, nothing has come to our attention that causes 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 at March 31, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the three-month periods then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission.

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Li, Tien-Yi

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Shu-Chien Pai

For and on behalf of PricewaterhouseCoopers, Taiwan

May 10, 2024

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The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors’ review report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

ANPEC ELECTRONICS CORPORATION AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
MARCH 31, 2024, DECEMBER 31, 2023 AND MARCH 31, 2023  
(Expressed in thousands of New Taiwan dollars)

Assets			March 31, 2024		December 31, 2023		March 31, 2023	
Notes			Amount	%	Amount	%	Amount	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 1,321,364	21	\$ 1,201,834	20	\$ 1,680,503	28
1110	Financial assets at fair value	6(2)						
	through profit or loss - current		187,068	3	177,187	3	175,575	3
1136	Current financial assets at	6(3)						
	amortised cost		821,990	13	738,195	12	362,000	6
1150	Notes receivable, net	6(4)	110	-	44	-	-	-
1170	Accounts receivable, net	6(4)	1,019,050	17	1,015,098	17	776,761	13
1200	Other receivables		33,242	1	14,010	-	22,348	-
130X	Inventories	6(5)	1,108,075	18	1,126,705	19	1,489,248	24
1410	Prepayments		117,185	2	124,290	2	74,537	1
11XX	Total current assets		4,608,084	75	4,397,363	73	4,580,972	75
Non-current assets								
1535	Non-current financial assets at	6(3) and 8						
	amortised cost		5,263	-	5,263	-	-	-
1600	Property, plant and equipment	6(6)	746,891	12	745,315	13	695,559	11
1755	Right-of-use assets	6(7)	117,132	2	129,987	2	132,879	2
1780	Intangible assets	6(8)	33,544	-	39,197	1	26,118	1
1840	Deferred income tax assets		58,055	1	58,055	1	58,233	1
1900	Other non-current assets	6(9)(14)	599,852	10	622,385	10	609,076	10
15XX	Total non-current assets		1,560,737	25	1,600,202	27	1,521,865	25
1XXX	Total assets		\$ 6,168,821	100	\$ 5,997,565	100	\$ 6,102,837	100

(Continued)

**ANPEC ELECTRONICS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**MARCH 31, 2024, DECEMBER 31, 2023 AND MARCH 31, 2023**  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity			March 31, 2024		December 31, 2023		March 31, 2023	
			Amount	%	Amount	%	Amount	%
Current liabilities								
2100	Short-term borrowings	6(10)	\$ 110,000	2	\$ 202,000	3	\$ 235,000	4
2150	Notes payable		1,152	-	1,152	-	1,152	-
2170	Accounts payable		632,790	10	519,230	9	458,351	8
2200	Other payables	6(11)	978,729	16	465,432	8	1,269,991	21
2230	Current income tax liabilities		294,875	5	258,457	4	268,391	4
2280	Current lease liabilities		3,619	-	4,806	-	4,641	-
2300	Other current liabilities	6(12)	21,437	-	4,106	-	29,017	-
21XX	Total current liabilities		2,042,602	33	1,455,183	24	2,266,543	37
Non-current liabilities								
2540	Long-term borrowings	6(12)	133,250	2	118,000	2	-	-
2570	Deferred income tax liabilities		6,112	-	6,112	-	3,317	-
2580	Non-current lease liabilities		118,230	2	129,721	2	132,172	2
2600	Other non-current liabilities	6(13)	85,166	2	232,489	4	220,026	4
25XX	Total non-current liabilities		342,758	6	486,322	8	355,515	6
2XXX	Total liabilities		2,385,360	39	1,941,505	32	2,622,058	43
Equity attributable to owners of the parent								
	Share capital	6(16)						
3110	Common stock		750,495	12	746,415	13	740,675	12
	Capital surplus	6(17)						
3200	Capital surplus		880,086	15	795,222	14	710,975	12
	Retained earnings	6(18)						
3310	Legal reserve		610,559	10	610,559	10	513,819	8
3320	Special reserve		5,597	-	5,597	-	5,597	-
3350	Unappropriated retained earnings		888,101	14	1,162,862	19	820,706	14
	Other equity interest	6(19)						
3400	Other equity interest		( 121,278)	( 2)	( 56,659)	( 1)	( 12,192)	-
3500	Treasury stocks	6(16)	( 57,774)	( 1)	( 57,774)	( 1)	( 58,143)	( 1)
31XX	Total equity attributable to owners of the parent		2,955,786	48	3,206,222	54	2,721,437	45
36XX	Non-controlling interest		827,675	13	849,838	14	759,342	12
3XXX	Total equity		3,783,461	61	4,056,060	68	3,480,779	57
	Significant contingent liabilities and	9						
	Unrecognised contract commitments							
3X2X	Total liabilities and equity		\$ 6,168,821	100	\$ 5,997,565	100	\$ 6,102,837	100

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

**ANPEC ELECTRONICS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**THREE MONTHS ENDED MARCH 31, 2024 AND 2023**

(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

			Three months ended March 31			
			2024		2023	
Items	Notes		Amount	%	Amount	%
4000 Operating revenue	6(20)		\$ 1,513,842	100	\$ 1,108,111	100
5000 Operating costs	6(5)		( 994,812)	( 66)	( 772,320)	( 70)
5900 Gross profit			519,030	34	335,791	30
Operating expenses	6(25)(26)					
6100 Selling expenses			( 104,125)	( 7)	( 72,549)	( 6)
6200 General and administrative expenses			( 48,995)	( 3)	( 34,935)	( 3)
6300 Research and development expenses			( 164,534)	( 11)	( 124,749)	( 11)
6000 Total operating expenses			( 317,654)	( 21)	( 232,233)	( 20)
6900 Operating profit			201,376	13	103,558	10
Non-operating income and expenses						
7100 Interest income	6(21)		11,171	1	5,708	1
7010 Other income	6(22)		836	-	198	-
7020 Other gains and losses	6(24)		42,266	3	( 7,967)	( 1)
7050 Finance costs	6(23)		( 1,957)	-	( 1,310)	-
7000 Total non-operating income and expenses			52,316	4	( 3,371)	-
7900 Profit before income tax			253,692	17	100,187	10
7950 Income tax expense	6(27)		( 50,437)	( 3)	( 14,408)	( 1)
8200 Profit for the period			<u>\$ 203,255</u>	<u>14</u>	<u>\$ 85,779</u>	<u>9</u>
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>						
8361 Cumulative translation differences of foreign operations			\$ 840	-	\$ 167	-
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(27)		( 168)	-	( 33)	-
8300 Total other comprehensive income for the period			<u>\$ 672</u>	<u>-</u>	<u>\$ 134</u>	<u>-</u>
8500 Total comprehensive income for the period			<u>\$ 203,927</u>	<u>14</u>	<u>\$ 85,913</u>	<u>9</u>
Profit attributable to:						
8610 Owners of the parent			<u>\$ 170,178</u>	<u>12</u>	<u>\$ 72,509</u>	<u>8</u>
8620 Non-controlling interest			<u>\$ 33,077</u>	<u>2</u>	<u>\$ 13,270</u>	<u>1</u>
Comprehensive income attributable to:						
8710 Owners of the parent			<u>\$ 170,850</u>	<u>12</u>	<u>\$ 72,643</u>	<u>8</u>
8720 Non-controlling interest			<u>\$ 33,077</u>	<u>2</u>	<u>\$ 13,270</u>	<u>1</u>
Earnings per share (in dollars)						
9750 Basic earnings per share	6(28)		<u>\$ 2.34</u>		<u>\$ 1.00</u>	
Diluted earnings per share (in dollars)						
9850 Diluted earnings per share	6(28)		<u>\$ 2.31</u>		<u>\$ 0.97</u>	

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

ANPEC ELECTRONICS CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
THREE MONTHS ENDED MARCH 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent											
Notes	Share capital - common stock	Capital surplus	Retained earnings			Other equity interest			Total	Non-controlling interest	Total equity
			Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Other equity	Treasury stocks			
	\$ 740,695	\$ 711,186	\$ 513,819	\$ 5,597	\$ 1,410,440	(\$ 1,932 )	(\$ 14,292 )	(\$ 58,143 )	\$ 3,307,370	\$ 802,828	\$ 4,110,198
	-	-	-	-	72,509	-	-	-	72,509	13,270	85,779
6(19)	-	-	-	-	-	134	-	-	134	-	134
	-	-	-	-	72,509	134	-	-	72,643	13,270	85,913
6(18)											
	-	-	-	-	( 662,243 )	-	-	-	( 662,243 )	-	( 662,243 )
6(15)(16)(17)(19)	( 20 )	20	-	-	-	-	-	-	-	-	-
6(15)(17)(19)	-	( 231 )	-	-	-	-	3,898	-	3,667	-	3,667
	-	-	-	-	-	-	-	-	-	( 56,756 )	( 56,756 )
	\$ 740,675	\$ 710,975	\$ 513,819	\$ 5,597	\$ 820,706	(\$ 1,798 )	(\$ 10,394 )	(\$ 58,143 )	\$ 2,721,437	\$ 759,342	\$ 3,480,779
	\$ 746,415	\$ 795,222	\$ 610,559	\$ 5,597	\$ 1,162,862	(\$ 2,378 )	(\$ 54,281 )	(\$ 57,774 )	\$ 3,206,222	\$ 849,838	\$ 4,056,060
	-	-	-	-	170,178	-	-	-	170,178	33,077	203,255
6(19)	-	-	-	-	-	672	-	-	672	-	672
	-	-	-	-	170,178	672	-	-	170,850	33,077	203,927
6(18)											
	-	-	-	-	( 444,939 )	-	-	-	( 444,939 )	-	( 444,939 )
6(15)(19)	-	-	-	-	-	-	23,653	-	23,653	-	23,653
6(15)(16)(17)(19)	4,080	84,864	-	-	-	-	( 88,944 )	-	-	-	-
	-	-	-	-	-	-	-	-	-	( 59,810 )	( 59,810 )
	-	-	-	-	-	-	-	-	-	4,570	4,570
	\$ 750,495	\$ 880,086	\$ 610,559	\$ 5,597	\$ 888,101	(\$ 1,706 )	(\$ 119,572 )	(\$ 57,774 )	\$ 2,955,786	\$ 827,675	\$ 3,783,461

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



ANPEC ELECTRONICS CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
THREE MONTHS ENDED MARCH 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

	Notes	Three months ended March 31	
		2024	2023
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 253,692	\$ 100,187
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(6)(7)(25)	43,906	38,695
Amortization	6(8)(25)	6,390	5,996
Share-based payments	6(15)(26)	28,223	3,667
Net gain on financial assets and liabilities at fair value through profit or loss	6(2)(24)	( 583 )	( 480 )
Loss on disposal and scrapping of property, plant and equipment	6(24)	37	-
Interest income	6(21)	( 11,171 )	( 5,708 )
Interest expense	6(23)	1,957	1,310
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		( 9,298 )	-
Notes receivable		( 66 )	-
Accounts receivable		( 3,952 )	( 37,291 )
Other receivables		( 19,232 )	( 1,634 )
Inventories		18,630	103,671
Prepayments (including long-term prepayments)		27,848	4,563
Net defined benefit asset		( 41 )	( 278 )
Changes in operating liabilities			
Notes payable		-	( 1,215 )
Accounts payable		113,560	69,425
Other payables		14,552	( 54,286 )
Other current liabilities		2,581	17,619
Cash inflow generated from operations		467,033	244,241
Interest received		11,171	5,708
Interest paid		( 1,957 )	( 1,310 )
Income tax paid		( 14,187 )	( 284 )
Net cash flows from operating activities		462,060	248,355

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ANPEC ELECTRONICS CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
THREE MONTHS ENDED MARCH 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

	Notes	Three months ended March 31	
		2024	2023
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Increase in financial assets at amortised cost		( \$ 83,795 )	( \$ 362,000 )
Acquisition of property, plant and equipment	6(29)	( 47,664 )	( 65,869 )
Acquisition of intangible assets	6(8)	( 737 )	( 2,917 )
(Increase) decrease in refundable deposits	6(9)	( 74 )	4,093
Net cash flows used in investing activities		( 132,270 )	( 426,693 )
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from short-term borrowings	6(30)	120,000	110,000
Repayments of short-term borrowings	6(30)	( 212,000 )	-
Proceeds from long-term borrowings	6(30)	62,000	-
Repayments of long-term borrowings	6(30)	( 32,000 )	-
Decrease in guarantee deposits received	6(30)	( 147,323 )	( 181,630 )
Repayments of principal portion of lease liabilities	6(30)	( 1,693 )	( 2,023 )
Net cash flows used in financing activities		( 211,016 )	( 73,653 )
Effect of exchange rate changes		756	138
Net increase (decrease) in cash and cash equivalents		119,530	( 251,853 )
Cash and cash equivalents at beginning of period		1,201,834	1,932,356
Cash and cash equivalents at end of period		<u>\$ 1,321,364</u>	<u>\$ 1,680,503</u>

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

ANPEC ELECTRONICS CORPORATION AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organization

Anpec Electronics Corporation (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.). The Company and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in the research, development, production, manufacturing and sales of power IC, component and its module, wireless and network communication IC and photoelectric driver IC.

2. The Date of Authorization for Issuance of the Financial Statements

These consolidated financial statements were authorized for issuance by the Board of Directors on May 10, 2024.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by FSC and became effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, “Lease liability in a sale and leaseback”	January 1, 2024
Amendments to IAS 1, “Classification of liabilities as current or non-current”	January 1, 2024
Amendments to IAS 1, “Non-current liabilities with covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7, “Supplier finance arrangements”	January 1, 2024

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

None.

(3) Effect of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
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 International Accounting Standards Board
IFRS 17, “Insurance contracts”	January 1, 2023
Amendments to IFRS 17, “Insurance contracts”	January 1, 2023
Amendments to IFRS 17, “Initial application of IFRS 17 and IFRS 9 - 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

Except as stated below, the above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment:

IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 “Presentation and Disclosure in Financial Statements” replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. Summary of Material Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below, others are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2023. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

- A. The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and IAS 34 “Interim Financial Reporting” that came into effect as endorsed by the FSC.
- B. The consolidated financial statements of the Group should be read together with the 2023 consolidated financial statements of the Group.

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
  - (b) Defined benefit assets (liabilities) recognised based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively referred to as “IFRSs”), as endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China, requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:
- Basis for preparation of consolidated financial statements is consistent with the 2023 consolidated financial statements.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			March 31, 2024	December 31, 2023	March 31, 2023	
Anpec Electronics Corporation	Anpec International Holding Ltd.	Investment	100	100	100	
Anpec Electronics Corporation	Sinopower Semiconductor Inc.	Research, design, manufacturing, and sales of power IC, high voltage IC and its module	42.773	42.773	43.413	Note 1
Anpec International Holding Ltd.	Supec International Holding Ltd.	Investment	100	100	100	
Supec International Holding Ltd.	Supec (Suzhou) Co., Ltd.	International trade of keyboard, mouse, electronic calculator, color image monitor, color image projector and components of toy instruments and consulting service	100	100	100	
Supec International Holding Ltd.	Powertek Electronics International Limited	General trade	-	-	100	Note 2
Sinopower Semiconductor Inc.	Sincere Semiconductor Inc.	Manufacturing of electronic components and wholesale and retail sale of electronic materials	-	-	100	Note 3

Note 1: The Company holds the position of the single largest shareholder of Sinopower Semiconductor Inc., which provides it with sufficient advantages voting rights. As a result, the Company exercises substantial control over the subsidiary.

Note 2: The Company Registry of Hong Kong had approved the liquidation and deregistration of the subsidiary on September 15, 2023.

Note 3: Sincere Semiconductor Inc. was dissolved after it conducted a short-form merger with the Company's subsidiary, Sinopower Semiconductor Inc., on July 10, 2023.

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

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

As of March 31, 2024, December 31, 2023, and March 31, 2023, the non-controlling interest amounted to \$827,675, \$849,838 and \$759,342, respectively. The information of non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest				Description
		March 31, 2024		December 31, 2023		
		Ownership		Ownership		
		Amount	(%)	Amount	(%)	
Sinopower Semiconductor Inc.	Taiwan	\$ 827,675	57.227	\$ 849,838	57.227	

Name of subsidiary	Principal place of business	Non-controlling interest		Description
		March 31, 2023		
		Amount	Ownership (%)	
Sinopower Semiconductor Inc.	Taiwan	\$ 759,342	56.587	

Summarised financial information of the subsidiary:

Balance sheets

	Sinopower Semiconductor Inc. and subsidiaries		
	March 31, 2024	December 31, 2023	March 31, 2023
Current assets	\$ 1,536,642	\$ 1,569,289	\$ 1,622,613
Non-current assets	1,017,938	1,060,223	965,343
Current liabilities	( 749,761)	( 630,771)	( 931,158)
Non-current liabilities	( 170,710)	( 305,677)	( 179,545)
Total net assets	\$ 1,634,109	\$ 1,693,064	\$ 1,477,253

## Statements of comprehensive income

	Sinopower Semiconductor Inc. and subsidiaries	
	Three months ended March 31	
	2024	2023
Revenue	\$ 694,727	\$ 613,623
Profit before income tax	72,250	29,314
Income tax expense	( 14,450)	( 5,863)
Profit for the period	57,800	23,451
Other comprehensive (loss) income, net of tax	( 16,811)	36,208
Total comprehensive income for the period	\$ 40,989	\$ 59,659
Comprehensive income attributable to non- controlling interest	\$ 33,077	\$ 13,270
Dividends paid to non- controlling interest	\$ 59,810	\$ 56,756

## Statements of cash flows

	Sinopower Semiconductor Inc. and subsidiaries	
	Three months ended March 31	
	2024	2023
Net cash flows from operating activities	\$ 192,148	\$ 160,058
Net cash flows used in investing activities	( 2,829)	( 1,801)
Net cash flows used in financing activities	( 212,195)	( 72,376)
Decrease (increase) in cash and cash equivalents	( 22,876)	85,881
Cash and cash equivalents at beginning of period	270,362	207,922
Cash and cash equivalents at end of period	\$ 247,486	\$ 293,803



(4) Employee benefits

The pension cost in the interim period is calculated at actuarially determined pension cost rate at the end of the prior fiscal year, from the beginning of the year to the end of the period. It will be adjusted in the event of major market changes or significant reductions, settlement, or other major one-off events after the balance sheet date, and the related information is disclosed accordingly.

(5) Income tax

- A. The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.
- B. If a change in tax rate is enacted or substantively enacted in an interim period, the Group recognises the effect of the change immediately in the interim period in which the change occurs. The effect of the change on items recognised outside profit or loss is recognised in other comprehensive income or equity while the effect of the change on items recognised in profit or loss is recognised in profit or loss.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

There have been no significant changes during the period. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2023.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	March 31, 2024	December 31, 2023	March 31, 2023
Cash on hand and petty cash	\$ 260	\$ 202	\$ 373
Checking accounts and demand deposits	312,400	283,647	386,792
Time deposits	912,734	825,855	1,293,338
Cash equivalents - Repurchase bonds (RP)	95,970	92,130	-
	<u>\$ 1,321,364</u>	<u>\$ 1,201,834</u>	<u>\$ 1,680,503</u>

- A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote. The maximum exposure to credit risk on the balance sheet date is the carrying amount of cash and cash equivalents.

B. The Group has no cash and cash equivalents pledged to others.

(2) Financial assets at fair value through profit or loss

Items	March 31, 2024	December 31, 2023	March 31, 2023
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Beneficiary certificates	\$ 180,000	\$ 170,000	\$ 170,000
Valuation adjustment	7,068	7,187	5,575
	<u>\$ 187,068</u>	<u>\$ 177,187</u>	<u>\$ 175,575</u>

A. Amounts recognised in profit in relation to financial assets at fair value through profit or loss are listed below:

	Three months ended March 31	
	2024	2023
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	<u>\$ 583</u>	<u>\$ 480</u>

B. The Group has no financial assets at fair value through profit or loss pledged to others as collateral.

C. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

(3) Financial assets at amortised cost

Items	March 31, 2024	December 31, 2023	March 31, 2023
Current items:			
Time deposits maturing in excess of three months	<u>\$ 821,990</u>	<u>\$ 738,195</u>	<u>\$ 362,000</u>
Non-current items:			
Pledged time deposits	<u>\$ 5,263</u>	<u>\$ 5,263</u>	<u>\$ -</u>

- A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	Three months ended March 31	
	2024	2023
Interest income	\$ 3,413	\$ -

- B. As at March 31, 2024, December 31, 2023, and March 31, 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group were \$827,253, \$743,458 and \$362,000, respectively.
- C. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.
- D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(4) Notes and Accounts receivable

	March 31, 2024	December 31, 2023	March 31, 2023
Notes receivable	\$ 110	\$ 44	\$ -
Less: Allowance for uncollectible accounts	-	-	-
	<u>\$ 110</u>	<u>\$ 44</u>	<u>\$ -</u>

	March 31, 2024	December 31, 2023	March 31, 2023
Accounts receivable	\$ 1,019,050	\$ 1,015,098	\$ 776,761
Less: Allowance for uncollectible accounts	-	-	-
	<u>\$ 1,019,050</u>	<u>\$ 1,015,098</u>	<u>\$ 776,761</u>

A. The ageing analysis of accounts receivable is as follows:

	March 31, 2024		December 31, 2023		March 31, 2023	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	\$ 1,018,089	\$ 110	\$ 1,014,170	\$ 44	\$ 776,678	\$ -
Up to 30 days	961	-	928	-	-	-
31 to 90 years	-	-	-	-	83	-
91 to 180 years	-	-	-	-	-	-
	<u>\$ 1,019,050</u>	<u>\$ 110</u>	<u>\$ 1,015,098</u>	<u>\$ 44</u>	<u>\$ 776,761</u>	<u>\$ -</u>

The ageing analysis of accounts receivable was based on past due date, and the ageing analysis of notes receivable was been on the maturity date.

- B. As of March 31, 2024, December 31, 2023 and March 31, 2023, accounts receivable were all from contracts with customers. As of January 1, 2023, the balance of receivables from contracts with customers amounted to \$739,470.
- C. As of March 31, 2024, December 31, 2023, and March 31, 2023, the Group held time deposits, secured notes, and real estate as collateral for accounts receivable, and the fair values amounted to \$1,436,019, \$1,383,383, and \$1,363,136, respectively.
- D. As at March 31, 2024, December 31, 2023, and March 31, 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes receivable and accounts receivable were \$110, \$44, and \$0; \$1,019,050, \$1,015,098, and \$776,761, respectively.
- E. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(5) Inventories

	March 31, 2024		
	Cost	Allowance for market value decline and loss on obsolete and slow-moving inventories	Book value
Raw materials	\$ 78,917	(\$ 16,884)	\$ 62,033
Work in progress	724,602	( 41,732)	682,870
Finished goods	<u>438,438</u>	<u>( 75,266)</u>	<u>363,172</u>
	<u>\$ 1,241,957</u>	<u>(\$ 133,882)</u>	<u>\$ 1,108,075</u>

December 31, 2023			
	Cost	Allowance for market value decline and loss on obsolete and slow-moving inventories	Book value
Raw materials	\$ 104,696	(\$ 13,192)	\$ 91,504
Work in progress	793,770	( 44,223)	749,547
Finished goods	362,121	( 76,467)	285,654
	<u>\$ 1,260,587</u>	<u>(\$ 133,882)</u>	<u>\$ 1,126,705</u>

March 31, 2023			
	Cost	Allowance for market value decline and loss on obsolete and slow-moving inventories	Book value
Raw materials	\$ 210,412	(\$ 9,065)	\$ 201,347
Work in progress	956,029	( 56,139)	899,890
Finished goods	453,164	( 65,153)	388,011
	<u>\$ 1,619,605</u>	<u>(\$ 130,357)</u>	<u>\$ 1,489,248</u>

The cost of inventories recognised as expense for the period:

	Three months ended March 31	
	2024	2023
Cost of goods sold	\$ 975,437	\$ 776,996
Loss on decline in the market value and obsolescence (gain from price recovery) (Note)	-	( 4,676)
Others	18,617	5,876
	<u>\$ 994,054</u>	<u>\$ 778,196</u>

Note: The Group reversed from a previous inventory write-down because it cleared out inventories actively during the three months ended March 31, 2023.

(6) Property, plant and equipment

	Land	Buildings and structures	Machinery and equipment	Computer and telecommunication equipment	Transportation equipment	Office equipment	Leasehold improvements	Others	Unfinished construction and equipment to be inspected	Total
<u>At January 1, 2024</u>										
Cost	\$ 113,120	\$ 552,196	\$ 294,096	\$ 76,551	\$ 3,677	\$ 10,267	\$ 10,834	\$ 817,951	\$ 6,907	\$ 1,885,599
Accumulated depreciation	-	( 293,484)	( 194,135)	( 51,983)	( 2,390)	( 8,836)	( 8,392)	( 581,064)	-	( 1,140,284)
	<u>\$ 113,120</u>	<u>\$ 258,712</u>	<u>\$ 99,961</u>	<u>\$ 24,568</u>	<u>\$ 1,287</u>	<u>\$ 1,431</u>	<u>\$ 2,442</u>	<u>\$ 236,887</u>	<u>\$ 6,907</u>	<u>\$ 745,315</u>
<u>2024</u>										
Opening net book amount as at January 1	\$ 113,120	\$ 258,712	\$ 99,961	\$ 24,568	\$ 1,287	\$ 1,431	\$ 2,442	\$ 236,887	\$ 6,907	\$ 745,315
Additions	-	-	888	3,657	-	-	10	30,242	8,768	43,565
Disposals	-	-	( 9)	-	-	( 28)	-	-	-	( 37)
Transfers	-	-	3,097	-	-	-	-	-	( 3,097)	-
Depreciation charge	-	( 2,140)	( 3,956)	( 2,278)	( 134)	( 84)	( 298)	( 33,146)	-	( 42,036)
Net exchange differences	-	1	28	1	22	7	25	-	-	84
Closing net book amount as at March 31	<u>\$ 113,120</u>	<u>\$ 256,573</u>	<u>\$ 100,009</u>	<u>\$ 25,948</u>	<u>\$ 1,175</u>	<u>\$ 1,326</u>	<u>\$ 2,179</u>	<u>\$ 233,983</u>	<u>\$ 12,578</u>	<u>\$ 746,891</u>
<u>At March 31, 2024</u>										
Cost	\$ 113,120	\$ 552,196	\$ 298,061	\$ 80,208	\$ 3,739	\$ 10,063	\$ 10,891	\$ 848,193	\$ 12,578	\$ 1,929,049
Accumulated depreciation	-	( 295,623)	( 198,052)	( 54,260)	( 2,564)	( 8,737)	( 8,712)	( 614,210)	-	( 1,182,158)
	<u>\$ 113,120</u>	<u>\$ 256,573</u>	<u>\$ 100,009</u>	<u>\$ 25,948</u>	<u>\$ 1,175</u>	<u>\$ 1,326</u>	<u>\$ 2,179</u>	<u>\$ 233,983</u>	<u>\$ 12,578</u>	<u>\$ 746,891</u>

	Land	Buildings and structures	Machinery and equipment	Computer and telecommunication equipment	Transportation equipment	Office equipment	Leasehold improvements	Others	Unfinished construction and equipment to be inspected	Total
<u>At January 1, 2023</u>										
Cost	\$ 113,120	\$ 552,072	\$ 250,101	\$ 74,918	\$ 3,740	\$ 10,519	\$ 10,882	\$ 657,106	\$ 4,000	\$ 1,676,458
Accumulated depreciation	- ( 284,929)	( 180,999)	( 43,325)	( 1,887)	( 8,707)	( 7,119)	( 460,880)	- ( 987,846)		
	<u>\$ 113,120</u>	<u>\$ 267,143</u>	<u>\$ 69,102</u>	<u>\$ 31,593</u>	<u>\$ 1,853</u>	<u>\$ 1,812</u>	<u>\$ 3,763</u>	<u>\$ 196,226</u>	<u>\$ 4,000</u>	<u>\$ 688,612</u>
<u>2023</u>										
Opening net book amount as at January 1	\$ 113,120	\$ 267,143	\$ 69,102	\$ 31,593	\$ 1,853	\$ 1,812	\$ 3,763	\$ 196,226	\$ 4,000	\$ 688,612
Additions	-	-	10,223	348	-	31	-	32,788	-	43,390
Transfers	-	-	532	-	-	-	-	- ( 532)	-	-
Depreciation charge	- ( 2,138)	( 3,381)	( 2,273)	( 137)	( 99)	( 335)	( 28,111)	- ( 36,474)		
Net exchange differences	-	1	5	-	10	3	12	-	-	31
Closing net book amount as at March 31	<u>\$ 113,120</u>	<u>\$ 265,006</u>	<u>\$ 76,481</u>	<u>\$ 29,668</u>	<u>\$ 1,726</u>	<u>\$ 1,747</u>	<u>\$ 3,440</u>	<u>\$ 200,903</u>	<u>\$ 3,468</u>	<u>\$ 695,559</u>
<u>At March 31, 2023</u>										
Cost	\$ 113,120	\$ 552,072	\$ 260,876	\$ 75,134	\$ 3,757	\$ 10,558	\$ 10,894	\$ 689,894	\$ 3,468	\$ 1,719,773
Accumulated depreciation	- ( 287,066)	( 184,395)	( 45,466)	( 2,031)	( 8,811)	( 7,454)	( 488,991)	- ( 1,024,214)		
	<u>\$ 113,120</u>	<u>\$ 265,006</u>	<u>\$ 76,481</u>	<u>\$ 29,668</u>	<u>\$ 1,726</u>	<u>\$ 1,747</u>	<u>\$ 3,440</u>	<u>\$ 200,903</u>	<u>\$ 3,468</u>	<u>\$ 695,559</u>

Information about the property, plant and equipment that were pledged by the Group to others as collateral is provided in Note 8.

(7) Leasing arrangements - lessee

- A. The Group leases various assets including land, buildings and transportation equipment. Rental contracts are typically made for periods of 1 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

- B. The carrying amount of right-of-use assets and the depreciation expense are as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
	Carrying amount	Carrying amount	Carrying amount
Land	\$ 116,519	\$ 128,456	\$ 131,482
Buildings	613	1,531	613
Transportation equipment	-	-	784
	<u>\$ 117,132</u>	<u>\$ 129,987</u>	<u>\$ 132,879</u>

	Three months ended March 31	
	2024	2023
	Depreciation charge	Depreciation charge
Land	\$ 951	\$ 1,009
Buildings	919	919
Transportation equipment	-	293
	<u>\$ 1,870</u>	<u>\$ 2,221</u>

- C. The information on profit and loss accounts relating to lease contracts is as follows:

	Three months ended March 31	
	2024	2023
Items affecting profit or loss		
Interest expense on lease liabilities	\$ 475	\$ 517
Expense on short-term lease contracts	1,345	999

- D. For the three months ended March 31, 2024 and 2023, the Group's total cash outflow for leases were \$3,513 and \$3,539, respectively.



(8) Intangible assets

	<u>Computer software</u>
<u>At January 1, 2024</u>	
Cost	\$ 147,437
Accumulated amortisation	( 108,240)
	<u>\$ 39,197</u>

<u>2024</u>	
Opening net book amount as at January 1	\$ 39,197
Additions - acquired separately	737
Amortisation charge	( 6,390)
Closing net book amount as at March 31	<u>\$ 33,544</u>

<u>At March 31, 2024</u>	
Cost	\$ 148,174
Accumulated amortisation	( 114,630)
	<u>\$ 33,544</u>

	<u>Computer software</u>
<u>At January 1, 2023</u>	
Cost	\$ 112,905
Accumulated amortisation	( 83,708)
	<u>\$ 29,197</u>

<u>2023</u>	
Opening net book amount as at January 1	\$ 29,197
Additions - acquired separately	2,917
Amortisation charge	( 5,996)
Closing net book amount as at March 31	<u>\$ 26,118</u>

<u>At March 31, 2023</u>	
Cost	\$ 115,822
Accumulated amortisation	( 89,704)
	<u>\$ 26,118</u>

Details of amortisation on intangible assets are as follows:

	Three months ended March 31	
	2024	2023
Selling expenses	\$ 47	\$ 27
General and administrative expenses	802	720
Research and development expenses	5,541	5,249
	<u>\$ 6,390</u>	<u>\$ 5,996</u>

(9) Other non-current assets

	March 31, 2024	December 31, 2023	March 31, 2023
Refundable deposits	\$ 220,771	\$ 220,697	\$ 235,688
Net defined benefit asset			
- non-current	3,307	3,267	2,336
Long-term prepayments	375,774	396,516	371,052
Prepayments for equipment	-	1,905	-
	<u>\$ 599,852</u>	<u>\$ 622,385</u>	<u>\$ 609,076</u>

The subsidiary - Sinopower Semiconductor Inc. entered into a capacity guarantee contract with a supplier to ensure stable foundry production capacity, and prepaid long-term payments to safeguard performance of the contract. In addition, the subsidiary - Sinopower Semiconductor Inc. has prepaid capacity guarantee deposits to reserve the supplier's production capacity, and the deposits will be returned upon the fulfillment of contractual obligations.

(10) Short-term borrowings

Type of borrowings	March 31, 2024	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	<u>\$ 110,000</u>	1.74%~1.81%	None
Type of borrowings	December 31, 2023	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	<u>\$ 202,000</u>	1.74%~1.86%	None
Type of borrowings	March 31, 2023	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	<u>\$ 235,000</u>	1.60%~1.925%	None

Interest expenses on long- and short-term borrowings recognized in profit or loss amounted to \$1,482 and \$793 for the three months ended March 31, 2024 and 2023, respectively.

(11) Other payables

	March 31, 2024	December 31, 2023	March 31, 2023
Accrued expenses - bonus	\$ 96,898	\$ 127,020	\$ 85,138
Dividends payable	504,749	-	718,999
Employees' compensation payable	194,357	162,965	301,148
Payables for machinery and equipment	23,038	29,042	22,907
Directors' remuneration payable	25,233	18,644	43,476
Other accrued expenses	134,454	127,761	98,323
	<u>\$ 978,729</u>	<u>\$ 465,432</u>	<u>\$ 1,269,991</u>

(12) Long-term borrowings

Type of borrowings	Borrowings period and repayment method	Interest rate range	Collateral	March 31, 2024
Bank borrowings				
Credit borrowings	From January 9, 2024 through January 9, 2027, and interest will be paid monthly.	1.80%	None	\$ 30,000
Secured borrowings	From November 23, 2023 through November 23, 2026, and interest will be paid monthly.	1.78%	Land, buildings and structures	118,000
				<u>148,000</u>
Less: Long-term borrowings due within one year recognized in "Other current liabilities"				( 14,750)
				<u>\$ 133,250</u>

Type of borrowings	Borrowings period and repayment method	Interest rate range	Collateral	December 31, 2023
Bank borrowings				
Secured borrowings	From November 23, 2023 through November 23, 2026, and interest will be paid monthly.	1.78%	Land, buildings and structures	\$ 118,000

December 31, 2023: None.

Details of collateral pledged by the Group for long-term borrowings are provided in Note 8.

(13) Other non-current liabilities

Item	March 31, 2024	December 31, 2023	March 31, 2023
Guarantee deposits received	\$ 85,166	\$ 232,489	\$ 220,026

(14) Pensions

- A. (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.
- (b) The pension costs under the defined contribution pension plan of the Group for the three months ended March 31, 2024 and 2023 were both \$0.
- B. (a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) Supec (Suzhou) Co., Ltd. has a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. The contribution percentage for the three months ended March 31, 2024 and 2023 was both 15% Other than the monthly

contributions, the Group has no further obligations.

- (c) The pension costs under the defined contribution pension plan of the Group for the three months ended March 31, 2024 and 2023 were \$5,919 and \$5,644, respectively.

(15) Share-based payment

- A. For the three months ended March 31, 2024 and 2023, the Group's share-based payment arrangements are as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Restricted stocks to employees	2021.03.23	750	2 years	1 year vested 50% 2 years vested 50%
Restricted stocks to employees	2021.11.09	350	2 years	1 year vested 50% 2 years vested 50%
Restricted stocks to employees	2023.08.15	579	2 years	1 year vested 50% 2 years vested 50%
Restricted stocks to employees	2024.02.26	408	2 years	1 year vested 50% 2 years vested 50%

The restricted stocks issued by the Company cannot be transferred during the vesting period, but voting right and dividend right are not restricted on these stocks. If the employees are disabled or dead before meeting the vesting conditions, which was not due to the occupational injury, the Company will redeem at no consideration and retire those stocks. Employees are not required to return the dividends received.

- B. The Board of Directors on March 23, 2021 has resolved to issue employee restricted stock of 750 thousand shares with par value of \$10 (in dollars) at an issuance price of \$0 (without consideration), and the measurement of fair value was based on the closing price of company stock on grant date amounting to NT\$115.5 (in dollars).

The Board of Directors on November 9, 2021 has resolved to issue employee restricted stock of 350 thousand shares with par value of \$10 (in dollars) at an issuance price of \$0 (without consideration), and the measurement of fair value was based on the closing price of company stock on grant date amounting to NT\$177 (in dollars).

The Board of Directors on August 9, 2023 has resolved to issue employee restricted stock of 579 thousand shares with par value of \$10 (in dollars) at an issuance price of \$0 (without consideration), and the measurement of fair value was based on the closing price of company stock on grant date amounting to NT\$125 (in dollars).

The Board of Directors on February 26, 2024 has resolved to issue employee restricted stock of 408 thousand shares with par value of \$10 (in dollars) at an issuance price of \$0 (without consideration), and the measurement of fair value was based on the closing price of company stock on grant date amounting to NT\$218 (in dollars).

Details of the share-based payment arrangement are as follows:

	Three months ended March 31	
	2024	2023
	Number of shares (in thousands)	Number of shares (in thousands)
Balance at the beginning of the period	575	509
Issued during the period	408	-
Vested during the period	-	( 333)
Retrieved during the period	-	( 2)
Balance at the end of the period	<u>983</u>	<u>174</u>

- C. For the three months ended March 31, 2024 and 2023, the Company's subsidiary, Sinopower Semiconductor Inc.'s share-based payment arrangements are as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Restricted stocks to employees	2023.11.10	250	2 years	1 year vested 50% 2 years vested 50%

The restricted stocks issued by the Company's subsidiary, Sinopower Semiconductor Inc. cannot be transferred during the vesting period, but voting right and dividend right are not restricted on these stocks. If the employees are disabled or dead before meeting the vesting conditions, which was not due to the occupational injury, the Company will redeem at no consideration and retire those stocks. Employees are not required to return the dividends received.

The Board of Directors of Sinopower Semiconductor Inc. November 10, 2023 has resolved to issue employee restricted stock of 250 thousand shares with par value of \$10 (in dollars) at an issuance price of \$0 (without consideration), and the measurement of fair value was based on the closing price of company stock on grant date amounting to NT\$97.5 (in dollars).

Details of the share-based payment arrangement are as follows:

	Three months ended March 31	
	2024	2023
	Number of shares (in thousands)	Number of shares (in thousands)
Opening balance/ Closing balance	250	-

D. Expenses incurred on share-based payment transactions are shown below:

	Three months ended March 31	
	2024	2023
Equity-settled	\$ 28,223	\$ 3,667

#### (16) Share capital

- A. As of March 31, 2024, the Company's authorised capital was \$1,800,000 consisting of 180,000 thousand shares of ordinary stock (including employee stock options, preferred shares with warrants and convertible bonds issued by the Company, amounting to 6,000 thousand shares), and the paid-in capital was \$750,495 with a par value of \$10 (in dollars) per share.

Movements in the number of the Company's ordinary shares outstanding are as follows:

	(Expressed in thousands of shares)	
	Year ended December 31	
	2024	2023
Outstanding ordinary shares at January 1	73,294	73,723
Issuance of employee restricted stocks	408	-
Employee restricted shares recovered and retired	- (	2)
Outstanding ordinary shares at March 31	73,702	73,721
Treasury stocks	1,347	1,347
Issued shares at March 31	75,049	75,068

B. Treasury stocks

- (a) Reason for share repurchases and the number of the Company's treasury stocks are as follows:

		March 31, 2024	
Name of company holding the shares	Reason for repurchases	Number of shares (thousands of shares)	Book value
The Company	To be transferred to employees	485	\$ 33,148
Subsidiary - Sinopower Semiconductor Inc.	In consideration of business strategies	862	24,626
			<u>\$ 57,774</u>

		December 31, 2023	
Name of company holding the shares	Reason for repurchases	Number of shares (thousands of shares)	Book value
The Company	To be transferred to employees	485	\$ 33,148
Subsidiary - Sinopower Semiconductor Inc.	In consideration of business strategies	862	24,626
			<u>\$ 57,774</u>

		March 31, 2023	
Name of company holding the shares	Reason for repurchases	Number of shares (thousands of shares)	Book value
The Company	To be transferred to employees	485	\$ 33,148
Subsidiary - Sinopower Semiconductor Inc.	In consideration of business strategies	862	24,995
			<u>\$ 58,143</u>

- (b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury stock should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.
- (c) Pursuant to the R.O.C. Securities and Exchange Act, treasury stocks should not be pledged as collateral and is not entitled to dividends before it is reissued.



- (d) Pursuant to the R.O.C. Securities and Exchange Act, treasury stocks should be reissued to the employees within five years from the reacquisition date and shares not reissued within the five-year period are to be retired. Treasury stocks to enhance the Company's credit rating and the stockholders' equity should be retired within six months of acquisition.
- (e) The subsidiary, Sinopower Semiconductor Inc., whose shares are less than 50% held by the Company but was substantially controlled by the Company, due to business strategies acquired the Company's shares, which were treated as treasury stocks. The costs of the treasury stocks were calculated based on the carrying amount of the Company's shares held by Sinopower Semiconductor Inc. in each period and the share ownership of Sinopower Semiconductor Inc. held by the Company. As of March 31, 2024, December 31, 2023, and March 31, 2023, the Company's shares held by Sinopower Semiconductor Inc. amounted to 862 thousand shares, at the average carrying amount of NT\$66.79 (in dollars) per share and the fair value per share amounted to NT\$202 (in dollars), NT\$221.5 (in dollars), and NT\$157 (in dollars), respectively.

(17) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	2024						
	Share premium	Treasury stock	Employee restricted shares	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Changes in ownership interests in subsidiaries	Others	Total
At January 1	\$ 352,964	\$ 26,574	\$ 66,125	\$ 279,915	\$ 46,788	\$ 22,856	\$ 795,222
Issuance of employee restricted shares	-	-	84,864	-	-	-	84,864
At March 31	\$ 352,964	\$ 26,574	\$ 150,989	\$ 279,915	\$ 46,788	\$ 22,856	\$ 880,086

	2023						
	Share premium	Treasury stock	Employee restricted shares	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Changes in ownership interests in subsidiaries	Others	Total
At January 1	\$ 289,025	\$ 23,206	\$ 64,317	\$ 279,915	\$ 31,867	\$ 22,856	\$ 711,186
Employee restricted shares vested	35,132	-	( 35,132)	-	-	-	-
Employee restricted shares retired	-	-	20	-	-	-	20
Compensation cost of employee restricted shares	-	-	( 231)	-	-	-	( 231)
At March 31	<u>\$ 324,157</u>	<u>\$ 23,206</u>	<u>\$ 28,974</u>	<u>\$ 279,915</u>	<u>\$ 31,867</u>	<u>\$ 22,856</u>	<u>\$ 710,975</u>

(18) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. After that, special reserve shall be set aside or reversed in accordance with the related laws or the regulations made by the regulatory authority. The remainder shall be proposed as the dividend or bonus distribution by the Board of Directors and resolved by the shareholders. In accordance with Article 240 of the Company Act, the Company may authorize the distributable dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders during their meeting. The provisions of the resolution of the shareholders during their meeting are not applicable.
- B. The Company's dividend policy is summarised below: To meet future capital requirements and long-term financial plan, and meeting shareholders' needs for cash inflows, earnings can be distributed to shareholders as dividends. Cash dividends shall account for at least 10% of the total dividends distributed, provided that the type and rate of such dividends may be adjusted by resolution of the shareholders during their meeting depending on the actual net income and funds status.
- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to

their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

- D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings. When the Company adopted IFRSs for the first time in 2013, a special reserve of \$5,597 was provided at the same amount according to the exemptions regulation of IFRS 1 elected by the Company to transfer the cumulative translation effect to the retained earnings portion at the transition date.
- E. The appropriation of 2023 earnings as resolved by the Board of Directors on February 26, 2024 and the appropriation of 2022 earnings as resolved by the shareholders' meeting on June 21, 2023, are as follows:

	Year ended December 31			
	2023 (Note)		2022	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 51,141		\$ 96,740	
Cash dividends	444,939	\$ 6.00	662,243	\$ 9.00
	<u>\$ 496,080</u>		<u>\$ 758,983</u>	

Note: The aforementioned appropriations of 2023 earnings had not yet been resolved at the shareholders' meeting.

(19) Other equity items

	2024		
	Foreign currency translation	Unearned employee compensation	Total
At January 1	(\$ 2,378)	(\$ 54,281)	(\$ 56,659)
Issuance of employee restricted shares	-	( 88,944)	( 88,944)
Compensation cost of employee restricted shares	-	23,653	23,653
Currency translation differences:			
- Group	672	-	672
At March 31	<u>(\$ 1,706)</u>	<u>(\$ 119,572)</u>	<u>(\$ 121,278)</u>

	2023		
	Foreign currency translation	Unearned employee compensation	Total
At January 1	(\$ 1,932)	(\$ 14,292)	(\$ 16,224)
Compensation cost of employee restricted shares	-	3,898	3,898
Currency translation differences:			
- Group	134	-	134
At March 31	(\$ 1,798)	(\$ 10,394)	(\$ 12,192)

(20) Operating revenue

	Three months ended March 31	
	2024	2023
Revenue from contracts with customers		
-Power MOSFET IC	\$ 687,522	\$ 607,276
-Power transfer and management IC	456,494	271,714
-Amplifier and Driver IC	369,556	229,098
-Others	270	23
	<u>\$ 1,513,842</u>	<u>\$ 1,108,111</u>

(21) Interest income

	Three months ended March 31	
	2024	2023
Interest income from bank deposits	\$ 7,758	\$ 5,708
Interest income from financial assets at amortised cost	3,413	-
	<u>\$ 11,171</u>	<u>\$ 5,708</u>

(22) Other income

	Three months ended March 31	
	2024	2023
Rental revenue	\$ 198	\$ 120
Other income, others	638	78
	<u>\$ 836</u>	<u>\$ 198</u>

(23) Finance costs

	Three months ended March 31	
	2024	2023
Interest expense	\$ 1,482	\$ 793
Interest expense on lease liabilities	475	517
	<u>\$ 1,957</u>	<u>\$ 1,310</u>

(24) Other gains and losses

	Three months ended March 31	
	2024	2023
Net foreign exchange gains (losses)	\$ 47,480	(\$ 6,876)
Gain on financial assets (liabilities) at fair value through profit or loss	583	480
Loss on disposal of property, plant and equipment	( 37)	-
Miscellaneous disbursements	( 5,760)	( 1,571)
	<u>\$ 42,266</u>	<u>(\$ 7,967)</u>

(25) Expenses by nature

	Three months ended March 31	
	2024	2023
Employee benefit expenses	\$ 228,650	\$ 152,363
Depreciation charge	43,906	38,695
Amortisation charge	6,390	5,996
	<u>\$ 278,946</u>	<u>\$ 197,054</u>

(26) Employee benefit expense

	Three months ended March 31	
	2024	2023
Wages and salaries	\$ 170,138	\$ 125,122
Share-based payment	28,223	3,667
Labour and health insurance fees	10,777	10,433
Pension costs	5,919	5,644
Directors' remuneration	6,870	2,078
Other employee benefit expenses	6,723	5,419
	<u>\$ 228,650</u>	<u>\$ 152,363</u>

- A. In accordance with the Articles of Incorporation of the Company, the Company should distribute the employees' compensation and directors' remuneration in the following method, based on the current year's pre-tax profit excluding employees' compensation and directors' remuneration distributed.
- (a) Distribute employees' compensation from 10% to 25%
- (b) Distribute directors' remuneration not higher than 3%
- B. For the three months ended March 31, 2024 and 2023, employees' compensation and directors' remuneration accrued amounts are as follows:

	Three months ended March 31	
	2024	2023
Employees' compensation	\$ 32,938	\$ 12,950
Directors' remuneration	\$ 4,880	\$ 1,918

The aforementioned amounts were recognised in salary expenses based on distributable profit of current period for the three months ended March 31, 2024 and 2023.

Employees' compensation and directors' remuneration for 2023 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2023 financial statements, and the employees' compensation and directors' remuneration will be distributed in the form of cash.

- C. For the three months ended March 31, 2024 and 2023, the Company's subsidiary, Sinopower Semiconductor Inc., employees' compensation and directors' remuneration accrued amounts are as follows:

	Three months ended March 31	
	2024	2023
Employees' compensation	\$ 11,543	\$ 4,683
Directors' remuneration	\$ 1,710	\$ 694

The aforementioned amounts were recognised in salary expenses based on distributable profit of current period for the three months ended March 31, 2024 and 2023.

Employees' compensation and directors' remuneration for 2023 as resolved by the Board of Directors were in agreement with those amounts recognized in the 2023 financial statements. The 2023 employees' compensation and directors' remuneration will both be distributed in the form of cash.

- D. Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(27) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Three months ended March 31	
	2024	2023
Current tax:		
Current tax on profits for the period	\$ 50,437	\$ 14,408
Total current tax	50,437	14,408
Deferred tax:		
Origination and reversal of temporary differences	-	-
Total deferred tax	-	-
Income tax expense	\$ 50,437	\$ 14,408

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	Three months ended March 31	
	2024	2023
Currency translation differences	\$ 168	\$ 33

B. The Company's income tax returns through 2022 have been assessed and approved by the Tax Authority.

C. The income tax returns filed by Sinopower Semiconductor Inc., a subsidiary of the Company, up to 2021 have been assessed and approved by the Tax Authority.

(28) Earnings per share

	Three months ended March 31, 2024		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	\$ 170,178	72,719	\$ 2.34
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	\$ 170,178	72,719	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	436	
Employee restricted stock	-	416	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 170,178	73,571	\$ 2.31

	Three months ended March 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	\$ 72,509	72,732	\$ 1.00
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	\$ 72,509	72,732	
Less: Assumed conversion of all dilutive potential ordinary shares issued by the investment company accounted for using equity method	( 1,037)		
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	826	
Employee restricted stock	-	451	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 71,472	74,009	\$ 0.97

(29) Supplemental cash flow information

Investing activities with partial cash payments:

	Three months ended March 31	
	2024	2023
Purchase of property, plant and equipment	\$ 43,565	\$ 43,390
Add: Opening balance of payable on equipment	29,042	45,386
Less: Prepayments for equipment at the beginning of the period	( 1,905)	-
Less: Ending balance of payable on equipment	( 23,038)	( 22,907)
Cash paid during the period	\$ 47,664	\$ 65,869

Financing activities with partial cash payments:

	Three months ended March 31	
	2024	2023
Cash dividends declared	\$ 444,939	\$ 662,243
Less: "Dividends payable" and "Other payables"	( 444,939)	( 662,243)
Cash paid during the period	\$ -	\$ -



	Three months ended March 31	
	2024	2023
Cash dividends announced to be paid by a subsidiary to non-controlling interests	\$ 59,810	\$ 56,756
Less: "Other payables"	( 59,810)	( 56,756)
Cash paid during the period	\$ -	\$ -

(30) Changes in liabilities from financing activities

	2024				Liabilities from financing activities-gross
	Short-term borrowings	Long-term borrowings	Guarantee deposits received	Lease liabilities	
At January 1	\$ 202,000	\$ 118,000	\$ 232,489	\$ 134,527	\$ 687,016
Changes in case flow from financing activities	( 92,000)	30,000	( 147,323)	( 2,168)	( 211,491)
Changes in other non-cash items	-	-	-	( 10,510)	( 10,510)
At March 31	<u>\$ 110,000</u>	<u>\$ 148,000</u>	<u>\$ 85,166</u>	<u>\$ 121,849</u>	<u>\$ 465,015</u>

  

	2023				Liabilities from financing activities-gross
	Short-term borrowings	Long-term borrowings	Guarantee deposits received	Lease liabilities	
At January 1	\$ 125,000	\$ -	\$ 401,656	\$ 138,836	\$ 665,492
Changes in case flow from financing activities	110,000	-	( 181,630)	( 2,540)	( 74,170)
Changes in other non-cash items	-	-	-	517	517
At March 31	<u>\$ 235,000</u>	<u>\$ -</u>	<u>\$ 220,026</u>	<u>\$ 136,813</u>	<u>\$ 591,839</u>

7. Related Party Transactions

Key management compensation

	Three months ended March 31	
	2024	2023
Salaries and other short-term employee benefits	\$ 18,771	\$ 11,754
Post-employment benefits	134	133
Share-based payment	2,732	638
	<u>\$ 21,637</u>	<u>\$ 12,525</u>

- (1) Salaries and other short-term employee benefits includes salaries, functions-related allowances, employee compensation, various allowances and bonuses, etc. Except for the employees' compensation and year-end bonuses which were estimated, others were paid actual amounts.
- (2) Post-employment benefits arose from pensions.

#### 8. Pledged Assets

Assets	Book value			Purpose
	March 31, 2024	December 31, 2023	March 31, 2023	
Time deposits (shown as "Non-Current financial assets at amortised cost")	\$ 5,263	\$ 5,263	\$ -	Guarantee deposits for land lease
Land, buildings and structures	167,542	168,118	-	Long-term borrowings

#### 9. Significant Contingent Liabilities and Unrecognised Contract Commitments

##### (1) Contingencies

None.

##### (2) Commitments

Please refer to Note 6(9).

#### 10. Significant Disaster Loss

None.

#### 11. Significant Events after the Balance Sheet Date

None.

#### 12. Others

##### (1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain a healthy capital base, the Group considers future operating capital needs, capital expenditures and dividend expenditures through financial analysis, monitoring the Group's capital structure in order to fulfill capital management objectives.

(2) Financial instruments

A. Financial instruments by category

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Financial assets</u>			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	\$ 187,068	\$ 177,187	\$ 175,575
Financial assets at amortised cost			
Cash and cash equivalents	1,321,364	1,201,834	1,680,503
Financial assets at amortised cost	827,253	743,458	362,000
Notes receivable	110	44	-
Accounts receivable	1,019,050	1,015,098	776,761
Other receivables	33,242	14,010	22,348
Guarantee deposits paid	220,771	220,697	235,688
	<u>\$ 3,608,858</u>	<u>\$ 3,372,328</u>	<u>\$ 3,252,875</u>
	March 31, 2024	December 31, 2023	March 31, 2023
<u>Financial liabilities</u>			
Financial liabilities at amortised cost			
Short-term borrowings	\$ 110,000	\$ 202,000	\$ 235,000
Notes payable	1,152	1,152	1,152
Accounts payable	632,790	519,230	458,351
Other payables	978,729	465,432	1,269,991
Long-term borrowings (including long-term borrowings due within one year)	148,000	118,000	-
Guarantee deposits received	85,166	232,489	220,026
	<u>\$ 1,955,837</u>	<u>\$ 1,538,303</u>	<u>\$ 2,184,520</u>
Lease liabilities	<u>\$ 121,849</u>	<u>\$ 134,527</u>	<u>\$ 136,813</u>

B. Risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial position and financial performance.

- (b) Risk management is carried out by a central finance department (Group finance) under policies approved by the Board of Directors. Group finance identifies, evaluates and hedges financial risks. The Board provides written principles for written policies covering specific areas and matters, such as foreign exchange risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. Each company treasury hedges by using capital requirements of various currencies and foreign currency assets and certain net liabilities.
- iii. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	March 31, 2024		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 47,859	31.99	\$ 1,531,009
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	20,692	31.99	661,937

December 31, 2023			
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 52,100	30.71	\$ 1,599,991
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	17,955	30.71	551,398
March 31, 2023			
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 39,298	30.44	\$ 1,196,231
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	15,947	30.44	485,427

- iv. The unrealized exchange gains arising from significant foreign exchange variation on the monetary items held by the Group for the three months ended March 31, 2024 and 2023, amounted to \$8,139 and \$2,910, respectively.

- v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

Three months ended March 31, 2024				
Sensitivity analysis				
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income	
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$ 15,310	\$	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%	6,619		-
Three months ended March 31, 2023				
Sensitivity analysis				
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income	
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$ 11,962	\$	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%	4,854		-

#### Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- ii. The Group's investments in equity securities comprise shares and open-end funds issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held

constant, post-tax profit for the three months ended March 31, 2024 and 2023 would have increased/decreased by \$1,871 and \$1,756, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss.

Cash flow and fair value Interest rate risk

- i. The Group's main interest rate risk arises from borrowings. The Group manages its interest rate risk by using an appropriate combination of fixed and floating interest rate to ensure that the most cost-effective hedging strategy is adopted. Therefore, interest rate risk has no significant impact to the Group.
- ii. If the borrowing interest rate had increased/decreased by 0.25% with all other variables held constant, profit, net of tax for the three months ended March 31, 2024 and 2023 would have increased/decreased by \$516 and \$470, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.
- ii. The Group manages their credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with optimise credit quality are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the finance department. The utilisation of credit limits is regularly monitored.
- iii. The Group adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are past due over 180 days.
- iv. The Group classifies customers' accounts receivable and notes receivable in accordance with customer types. The Group applies the modified approach using a provision matrix based on the loss rate methodology to estimate expected credit loss.

- v. The Group adjusts historical and timely information to assess the default possibility of accounts receivable and notes receivable. As of March 31, 2024, December 31, 2023, and March 31, 2023, the provision matrix is as follows:

	Not past due	Up to 30 days past due	31~90 days past due	91~180 days past due
<u>At March 31, 2024</u>				
Expected loss rate	0%	0%	0%	0%
Total book value	\$ 1,018,199	\$ 961	\$ -	\$ -
Loss allowance	\$ -	\$ -	\$ -	\$ -
	181~270 days past due	271~360 days past due	Over 361 days past due	Total
Expected loss rate	10%	50%	100%	
Total book value	\$ -	\$ -	\$ -	\$ 1,019,160
Loss allowance	\$ -	\$ -	\$ -	\$ -
	Not past due	Up to 30 days past due	31~90 days past due	91~180 days past due
<u>At December 31, 2023</u>				
Expected loss rate	0%	0%	0%	0%
Total book value	\$ 1,014,214	\$ 928	\$ -	\$ -
Loss allowance	\$ -	\$ -	\$ -	\$ -
	181~270 days past due	271~360 days past due	Over 361 days past due	Total
Expected loss rate	10%	50%	100%	
Total book value	\$ -	\$ -	\$ -	\$ 1,015,142
Loss allowance	\$ -	\$ -	\$ -	\$ -
	Not past due	Up to 30 days past due	31~90 days past due	91~180 days past due
<u>At March 31, 2023</u>				
Expected loss rate	0%	0%	0%~2.9%	0%~5.5%
Total book value	\$ 776,678	\$ -	\$ 83	\$ -
Loss allowance	\$ -	\$ -	\$ -	\$ -
	181~270 days past due	271~360 days past due	Over 361 days past due	Total
Expected loss rate	10%	50%	100%	
Total book value	\$ -	\$ -	\$ -	\$ 776,761
Loss allowance	\$ -	\$ -	\$ -	\$ -



(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group. Group finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times.
- ii. The Group invests surplus cash in interest bearing current accounts, time deposits and marketable securities (funds), and the chooses instruments with appropriate maturities or sufficient liquidity.
- iii. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

March 31, 2024			
Non-derivative financial liabilities	Less than 1 year	Over 1 year	Book value
Short-term borrowings	\$ 110,146	\$ -	\$ 110,146
Notes payable	1,152	-	1,152
Accounts payable	632,790	-	632,790
Other payables	978,729	-	978,729
Guarantee deposits received	85,166	-	85,166
Lease liabilities	5,880	160,960	166,840
Long-term borrowings (including borrowings due within one year)	15,446	139,619	155,065

December 31, 2023			
Non-derivative financial liabilities	Less than 1 year	Over 1 year	Book value
Short-term borrowings	\$ 202,724	\$ -	\$ 202,724
Notes payable	1,152	-	1,152
Accounts payable	519,230	-	519,230
Other payables	465,432	-	465,432
Guarantee deposits received	232,489	-	232,489
Lease liabilities	6,805	162,276	169,081
Long-term borrowings	-	124,088	124,088

March 31, 2023			
Non-derivative financial liabilities	Less than 1 year	Over 1 year	Book value
Short-term borrowings	\$ 235,544	\$ -	\$ 235,544
Notes payable	1,152	-	1,152
Accounts payable (including related parties)	458,351	-	458,351
Other payables	1,269,991	-	1,269,991
Guarantee deposits received	71,026	149,000	220,026
Lease liabilities	6,676	166,223	172,899

- iv. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

- A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in beneficiary certificates and derivative instruments with quoted market prices is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

- B. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

- (a) The related information on the nature of the assets and liabilities is as follows:

<u>March 31, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	\$ 187,068	\$ -	\$ -	\$ 187,068
	<u>\$ 187,068</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 187,068</u>
 <u>December 31, 2023</u>	 <u>Level 1</u>	 <u>Level 2</u>	 <u>Level 3</u>	 <u>Total</u>
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	\$ 177,187	\$ -	\$ -	\$ 177,187
	<u>\$ 177,187</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 177,187</u>

<u>March 31, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	\$ 175,575	\$ -	\$ -	\$ 175,575
	<u>\$ 175,575</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 175,575</u>

(b) The methods and assumptions the Group used to measure fair value are as follows:

- i. The instruments the Group used market quoted prices as their fair values (that is, Level 1), closed-end fund is based on the closing price and the open-end fund is based on the net assets value as the fair value.
- ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes.

C. For the three months ended March 31, 2024 and 2023, there was no transfer between Level 1 and Level 2.

D. For the three months ended March 31, 2024 and 2023, there was no transfer into or out from Level 3.

### 13. Supplementary Disclosures

#### (1) Significant transactions information

- A. Loans to others: None.
- B. Provision of endorsements and guarantees to others: None.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to table 1.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: None.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: None.
- I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Refer to table 2.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 3.

(3) Information on investments in Mainland China

A. Basic information: Refer to table 4.

B. The significant transactions between the Company and the Mainland China investees:

(a) The Company entered into the sales agent contract with Supec (Suzhou) Co., Ltd., a subsidiary of Supec International Holding Ltd. Under the contract, the Company's commission expense was calculated based on 5% of the monthly sales volume in Mainland China. For the three months ended March 31, 2024 and 2023, the commission expense amounted to \$7,676 and \$4,397, respectively.

(b) As of March 31, 2024 and 2023, the balance of other payables to Supec (Suzhou) Co., Ltd. were \$2,555 and \$0, respectively.

(4) Major shareholders information

As of March 31, 2024, the Company has no shareholders whose shareholding ratio is more than 5%.

14. Segment Information

(1) General information

The Group operates business only in a single industry. The chief operating decision-maker who allocates resources and assesses performance of the Group as a whole, has identified that the Group has only one reportable operating segment.

(2) Measurement of segment information

The Group is a single reportable segment. The Group's operating decision makers use the net income after tax in the financial statements as the basis for evaluating performance, so the operating segment information is consistent with that in the main financial statements.

(3) Reconciliation for segment income (loss)

Reportable segments income (loss) reviewed by the chief operating decision-maker was consistent with continuing operations segments income (loss), thus there is no reconciliation.

Anpec Electronics Corporation and Subsidiaries  
Holding of Marketable Securities at the End of the Period (Not Including Subsidiaries, Associates and Joint Ventures)  
Three Months Ended March 31, 2024

Table 1

Expressed in thousands of NTD  
(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of March 31, 2024				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Anpec Electronics Corporation	Stocks, Bigbest Solutions, Inc.	None	Financial assets at fair value through profit or loss	646,800	\$ -	0.924	\$ -	
Anpec Electronics Corporation	Stocks, Grenergy, Inc.	None	Financial assets at fair value through profit or loss	892,630	-	4.46	-	
Anpec Electronics Corporation	Beneficiary certificates, Jih Sun Money Market Fund	None	Financial assets at fair value through profit or loss	4,752,467.34	72,736	-	72,736	
Anpec Electronics Corporation	Beneficiary certificates, Mega Diamond Money Market Fund	None	Financial assets at fair value through profit or loss	6,049,040.46	78,284	-	78,284	
Anpec Electronics Corporation	Beneficiary certificates, Prudential Financial Money Market Fund	None	Financial assets at fair value through profit or loss	958,668.60	15,636	-	15,636	
Anpec Electronics Corporation	Beneficiary certificates, TCB Taiwan Money Market Fund	None	Financial assets at fair value through profit or loss	1,954,193.70	20,412	-	20,412	
Sinopower Semiconductor Inc.	Stocks, Anpec Electronics Corporation	Parent company	Financial assets at fair value through other comprehensive income	862,088	174,142	1.16	174,142	Note 1

Note 1: The stocks of the Company held by SINOPOWER SEMICONDUCTOR INC. are accounted for as treasury stocks.

Anpec Electronics Corporation and Subsidiaries  
Significant Inter-Company Transactions during the Reporting Period  
Three Months Ended March 31, 2024

Table 2

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	Anpec Electronics Corporation	Supec (Suzhou) Co., Ltd.	1	Commissions expense	\$ 7,676	Based on the agreed sales agency contracts	0.51%
0	Anpec Electronics Corporation	Supec (Suzhou) Co., Ltd.	1	Other payables	2,555	Based on the price lists in force and terms that would be available to third parties	0.04%
0	Anpec Electronics Corporation	Sinopower Semiconductor Inc.	1	Purchases	6,891	The payment term was 60 days after monthly closing	0.46%
0	Anpec Electronics Corporation	Sinopower Semiconductor Inc.	1	Accounts payable	7,399	The payment term was 60 days after monthly closing	0.12%
0	Anpec Electronics Corporation	Sinopower Semiconductor Inc.	1	Guarantee deposits received	832	Based on the price lists in force and terms that would be available to third parties	0.01%
0	Anpec Electronics Corporation	Sinopower Semiconductor Inc.	1	Other income	1,523	Based on the price lists in force and terms that would be available to third parties	0.10%
0	Anpec Electronics Corporation	Sinopower Semiconductor Inc.	1	Other expenses	13	Based on the price lists in force and terms that would be available to third parties	0.00%
0	Anpec Electronics Corporation	Sinopower Semiconductor Inc.	1	Advance receipts	498	Based on the price lists in force and terms that would be available to third parties	0.01%
1	Sinopower Semiconductor Inc.	Anpec Electronics Corporation	2	Right-of-use assets	10,929	Based on the price lists in force and terms that would be available to third parties	0.18%
1	Sinopower Semiconductor Inc.	Anpec Electronics Corporation	2	Lease liabilities	10,588	Based on the price lists in force and terms that would be available to third parties	0.17%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

- (1) Parent company is "0".
- (2) The subsidiaries are numbered in order starting from "1".

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction;

for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: The Company may decide to disclose or not to disclose transaction details in this table based on the Materiality Principle.

Anpec Electronics Corporation and Subsidiaries  
Information on Investees  
Three months ended March 31, 2024

Table 3

Expressed in thousands of NTD  
(Except as otherwise indicated)

Name of investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at the end of the period			Net profit (loss) of the investee for the three months ended March 31, 2024 (Note 2(2))	Investment income (loss) recognised by the Company for the three months ended March 31, 2024 (Note 2(3))	Footnote
				Balance as at March 31, 2024	Balance as at December 31, 2023	Number of shares	Ownership (%)	Book value			
Anpec Electronics Corporation	Anpec International Holding Ltd.	British Virgin Islands	Investment	\$ 98,998	\$ 98,998	3,000,500	100	\$ 44,955	(\$ 102)	(\$ 102)	Subsidiary
Anpec Electronics Corporation	Sinopower Semiconductor Inc.	Taiwan	Research, design, manufacturing and sales of power IC, high voltage IC and its module	135,061	135,061	15,965,615	42.773	677,073	57,800	24,742	Subsidiary
Anpec International Holding Ltd.	Supec International Holding Ltd.	Mauritius	Investment	98,998	98,998	10,001,667	100	44,960	( 102)	( 102)	Indirect subsidiary

Note 1: If a public company is equipped with an overseas holding company and takes consolidated financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

Note 2: If situation does not belong to Note 1, fill in the columns according to the following regulations:

- (1) The columns of “Investee”, “Location”, “Main business activities”, “Initial investment amount”, and “Shares held as at the end of the period” should be entered orderly in the Company’s (public company’s) information on investees and every directly or indirectly controlled investee’s investment information, and note the relationship between the Company (public company) and each of its investees (e.g. a subsidiary or a sub-subsidiary) in the “Remarks” column.
- (2) The “Net profit (loss) of the investee for the three months ended March 31, 2024” column should fill in amount of net profit (loss) of the investee for this period.
- (3) The “Investment income (loss) recognised by the Company for the three months ended March 31, 2024” column should fill in the Company (public company) recognised investment income (loss) of its direct subsidiary and recognised investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognised investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary’s net profit (loss) for this period has included its investment income (loss) which shall be recognised by regulations.

Anpec Electronics Corporation and Subsidiaries  
Information on Investments in Mainland China  
Three months ended March 31, 2024

Table 4

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2024	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the three months ended March 31, 2024		Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2024	Net profit (loss) of the investee for the three months ended March 31, 2024	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the three months ended March 31, 2024 (Note 2)	Book value of investments in Mainland China as of March 31, 2024	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2024	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Supec (Suzhou) Co., Ltd.	International trade of keyboard, mouse, electronic calculator, color image monitor, color image projector and components of toy instruments and consulting service	\$ 98,993	(2)	\$ 98,993	\$ -	\$ -	\$ 98,993	(\$ 102)	100%	(\$ 102)	\$ 43,400	\$ -	

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in Supec International Holding Ltd., an existing company in the third area, which then invested in the investee in Mainland China.
- (3) Others

Note 2: The basis for investment income (loss) recognition is the financial statements of the investee that were reviewed by R.O.C. parent company's CPA.

Note 3: The numbers in this table are expressed in New Taiwan Dollars.

Note 4: Ceiling on investments was calculated based on the limit (60% of net assets) specified in "Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China" amended by the Ministry of Economic Affairs.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2024	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 4)
Anpec Electronics Corporation	\$ 98,993	\$ 98,993	\$ 2,270,077