

**ANPEC ELECTRONICS CORPORATION
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL
STATEMENTS AND INDEPENDENT
AUDITORS' REVIEW REPORT
MARCH 31, 2025 AND 2024**

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, 2025 AND 2024

Table of Contents

Item	Page
1. Cover Page	1
2. Table of Contents	2 ~ 3
3. Independent Auditors' Review Report	4
4. Consolidated Balance Sheets	5 ~ 6
5. Consolidated Statements of Comprehensive Income	7
6. Consolidated Statements of Changes in Equity	8
7. Consolidated Statements of Cash Flows	9 ~ 10
8. Notes to the Consolidated Financial Statements	11 ~ 43
(1) History and Organization	11
(2) The Date of Authorization for Issuance of the Financial Statements	11
(3) Application of New Standards, Amendments and Interpretations	11 ~ 12
(4) Summary of Material Accounting Policies	13 ~ 15
(5) Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty	15
(6) Details of Significant Accounts	16 ~ 34
(7) Related Party Transactions	34
(8) Pledged Assets	34
(9) Significant Contingent Liabilities and Unrecognised Contract Commitments	34
(10) Significant Disaster Loss	35
(11) Significant Events after the Balance Sheet Date	35
(12) Others	35 ~ 42
(13) Supplementary Disclosures	42 ~ 43
(14) Segment Information	43

INDEPENDENT AUDITORS' REVIEW REPORT

(2025) Cai-Shen-Bao No. 25000219

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, 2025 and 2024, 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, 2025 and 2024, 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.

Tien-Yi Li

Shu-Chien Pai

For and on behalf of PricewaterhouseCoopers, Taiwan

May 9, 2025

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, 2025, DECEMBER 31, 2024 AND MARCH 31, 2024
(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	March 31, 2025		December 31, 2024		March 31, 2024		
		Amount	%	Amount	%	Amount	%	
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 671,067	10	\$ 716,882	12	\$ 1,321,364	21
1110	Financial assets at fair value	6(2)						
	through profit or loss - current		194,201	3	193,472	3	187,068	3
1136	Current financial assets at	6(3)						
	amortised cost		1,765,000	28	1,320,000	22	821,990	13
1150	Notes receivable, net	6(4)	-	-	-	-	110	-
1170	Accounts receivable, net	6(4)	1,216,587	19	1,150,714	19	1,019,050	17
1200	Other receivables		26,360	-	17,790	-	33,242	1
130X	Inventories	6(5)	965,092	15	1,052,039	17	1,108,075	18
1410	Prepayments		106,475	2	107,820	2	117,185	2
11XX	Total current assets		<u>4,944,782</u>	<u>77</u>	<u>4,558,717</u>	<u>75</u>	<u>4,608,084</u>	<u>75</u>
Non-current assets								
1535	Non-current financial assets at	6(3) and 8						
	amortised cost		38,668	-	38,506	1	5,263	-
1600	Property, plant and equipment	6(6)	772,685	12	763,829	12	746,891	12
1755	Right-of-use assets	6(7)	108,654	2	115,330	2	117,132	2
1780	Intangible assets	6(8)	43,951	1	44,818	1	33,544	-
1840	Deferred income tax assets		52,607	1	52,607	1	58,055	1
1900	Other non-current assets	6(9)(14)	463,092	7	492,017	8	599,852	10
15XX	Total non-current assets		<u>1,479,657</u>	<u>23</u>	<u>1,507,107</u>	<u>25</u>	<u>1,560,737</u>	<u>25</u>
1XXX	Total assets		<u>\$ 6,424,439</u>	<u>100</u>	<u>\$ 6,065,824</u>	<u>100</u>	<u>\$ 6,168,821</u>	<u>100</u>

(Continued)

ANPEC ELECTRONICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2025, DECEMBER 31, 2024 AND MARCH 31, 2024
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	March 31, 2025		December 31, 2024		March 31, 2024		
		Amount	%	Amount	%	Amount	%	
Current liabilities								
2100	Short-term borrowings	6(10)	\$ -	-	\$ -	-	\$ 110,000	2
2150	Notes payable		3,582	-	3,582	-	1,152	-
2170	Accounts payable		631,805	10	557,460	9	632,790	10
2200	Other payables	6(11))	1,270,746	20	491,685	8	978,729	16
2230	Current income tax liabilities		314,986	5	259,064	4	294,875	5
2280	Current lease liabilities		3,565	-	4,621	-	3,619	-
2399	Other current liabilities - others		5,501	-	19,934	1	21,437	-
21XX	Total current liabilities		<u>2,230,185</u>	<u>35</u>	<u>1,336,346</u>	<u>22</u>	<u>2,042,602</u>	<u>33</u>
Non-current liabilities								
2540	Long-term borrowings	6(12)	-	-	-	-	133,250	2
2570	Deferred income tax liabilities		7,331	-	7,331	-	6,112	-
2580	Non-current lease liabilities		110,483	2	115,953	2	118,230	2
2600	Other non-current liabilities	6(13)	80,886	1	81,721	1	85,166	2
25XX	Total non-current liabilities		<u>198,700</u>	<u>3</u>	<u>205,005</u>	<u>3</u>	<u>342,758</u>	<u>6</u>
2XXX	Total liabilities		<u>2,428,885</u>	<u>38</u>	<u>1,541,351</u>	<u>25</u>	<u>2,385,360</u>	<u>39</u>
Equity attributable to owners of the parent								
Share capital								
3110	Common stock	6(16)	751,485	12	751,485	12	750,495	12
Capital surplus								
3200	Capital surplus	6(17)	857,504	14	902,302	15	880,086	15
Retained earnings								
3310	Legal reserve	6(18)	661,699	10	661,699	11	610,559	10
3320	Special reserve		5,597	-	5,597	-	5,597	-
3350	Unappropriated retained earnings		985,952	15	1,393,257	23	888,101	14
Other equity interest								
3400	Other equity interest	6(19)	(44,095)	(1)	(65,975)	(1)	(121,278)	(2)
3500	Treasury stocks	6(16)	(83,750)	(1)	(57,674)	(1)	(57,774)	(1)
31XX	Total equity attributable to owners of the parent		<u>3,134,392</u>	<u>49</u>	<u>3,590,691</u>	<u>59</u>	<u>2,955,786</u>	<u>48</u>
36XX	Non-controlling interest	4(3)	<u>861,162</u>	<u>13</u>	<u>933,782</u>	<u>16</u>	<u>827,675</u>	<u>13</u>
3XXX	Total equity		<u>3,995,554</u>	<u>62</u>	<u>4,524,473</u>	<u>75</u>	<u>3,783,461</u>	<u>61</u>
Significant Contingent Liabilities and 9								
Unrecognised Contract								
Commitments								
Significant Events after the Balance 11								
Sheet Date								
3X2X	Total liabilities and equity		<u>\$ 6,424,439</u>	<u>100</u>	<u>\$ 6,065,824</u>	<u>100</u>	<u>\$ 6,168,821</u>	<u>100</u>

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, 2025 AND 2024

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

Item	Notes	Three months ended March 31				
		2025		2024		
		Amount	%	Amount	%	
4000	Operating revenue	6(20)	\$ 1,775,798	100	\$ 1,513,842	100
5000	Operating costs	6(5)	(1,170,576)	(66)	(994,812)	(66)
5900	Gross profit		<u>605,222</u>	<u>34</u>	<u>519,030</u>	<u>34</u>
	Operating expenses	6(25)(26)				
6100	Selling expenses		(102,365)	(6)	(104,125)	(7)
6200	General and administrative expenses		(61,489)	(3)	(48,995)	(3)
6300	Research and development expenses		(175,814)	(10)	(164,534)	(11)
6000	Total operating expenses		<u>(339,668)</u>	<u>(19)</u>	<u>(317,654)</u>	<u>(21)</u>
6900	Operating profit		<u>265,554</u>	<u>15</u>	<u>201,376</u>	<u>13</u>
	Non-operating income and expenses					
7100	Interest income	6(21)	10,086	1	11,171	1
7010	Other income	6(22)	397	-	836	-
7020	Other gains and losses	6(24)	22,435	1	42,266	3
7050	Finance costs	6(23)	(432)	-	(1,957)	-
7000	Total non-operating income and expenses		<u>32,486</u>	<u>2</u>	<u>52,316</u>	<u>4</u>
7900	Profit before income tax		<u>298,040</u>	<u>17</u>	<u>253,692</u>	<u>17</u>
7950	Income tax expense	6(27)	(57,460)	(3)	(50,437)	(3)
8200	Profit for the period		<u>\$ 240,580</u>	<u>14</u>	<u>\$ 203,255</u>	<u>14</u>
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Cumulative translation differences of foreign operations	6(19)	\$ 958	-	\$ 840	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(27)	(192)	-	(168)	-
8300	Total other comprehensive income for the period		<u>\$ 766</u>	<u>-</u>	<u>\$ 672</u>	<u>-</u>
8500	Total comprehensive income for the period		<u>\$ 241,346</u>	<u>14</u>	<u>\$ 203,927</u>	<u>14</u>
	Profit attributable to:					
8610	Owners of the parent		<u>\$ 190,003</u>	<u>11</u>	<u>\$ 170,178</u>	<u>12</u>
8620	Non-controlling interest		<u>\$ 50,577</u>	<u>3</u>	<u>\$ 33,077</u>	<u>2</u>
	Comprehensive income attributable to:					
8710	Owners of the parent		<u>\$ 190,769</u>	<u>11</u>	<u>\$ 170,850</u>	<u>12</u>
8720	Non-controlling interest		<u>\$ 50,577</u>	<u>3</u>	<u>\$ 33,077</u>	<u>2</u>
	Earnings per share (in dollars)					
9750	Basic earnings per share	6(28)	<u>\$ 2.60</u>		<u>\$ 2.34</u>	
	Diluted earnings per share (in dollars)					
9850	Diluted earnings per share	6(28)	<u>\$ 2.56</u>		<u>\$ 2.31</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, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Equity attributable to owners of the parent										
		Retained earnings					Other equity interest			Total	Non-controlling interest	Total equity
		Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial Statements translation differences of foreign operations	Other equity	Treasury stocks			
<u>2024</u>												
Balance at January 1, 2024		\$ 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
Profit for the period		-	-	-	-	170,178	-	-	-	170,178	33,077	203,255
Other comprehensive income for the period	6(19)	-	-	-	-	-	672	-	-	672	-	672
Total comprehensive income for the period		-	-	-	-	170,178	672	-	-	170,850	33,077	203,927
Appropriation of 2023 earnings:	6(18)											
Cash dividends		-	-	-	-	(444,939)	-	-	-	(444,939)	-	(444,939)
Compensation cost of employee restricted shares	6(15)(19)	-	-	-	-	-	-	23,653	-	23,653	4,570	28,223
Issuance of employee restricted shares	6(15)(16)(17)(19)	4,080	84,864	-	-	-	-	(88,944)	-	-	-	-
Cash dividends paid by a subsidiary to non-controlling interests		-	-	-	-	-	-	-	-	-	(59,810)	(59,810)
Balance at March 31, 2024		<u>\$ 750,495</u>	<u>\$ 880,086</u>	<u>\$ 610,559</u>	<u>\$ 5,597</u>	<u>\$ 888,101</u>	<u>(\$ 1,706)</u>	<u>(\$ 119,572)</u>	<u>(\$ 57,774)</u>	<u>\$ 2,955,786</u>	<u>\$ 827,675</u>	<u>\$ 3,783,461</u>
<u>2025</u>												
Balance at January 1, 2025		\$ 751,485	\$ 902,302	\$ 661,699	\$ 5,597	\$ 1,393,257	(\$ 1,117)	(\$ 64,858)	(\$ 57,674)	\$ 3,590,691	\$ 933,782	\$ 4,524,473
Profit for the period		-	-	-	-	190,003	-	-	-	190,003	50,577	240,580
Other comprehensive income for the period	6(19)	-	-	-	-	-	766	-	-	766	-	766
Total comprehensive income for the period		-	-	-	-	190,003	766	-	-	190,769	50,577	241,346
Appropriation of 2024 earnings:	6(18)											
Cash dividends		-	-	-	-	(597,308)	-	-	-	(597,308)	-	(597,308)
Cash distribution from capital surplus	6(17)	-	(44,798)	-	-	-	-	-	-	(44,798)	-	(44,798)
Compensation cost of employee restricted shares	6(15)(19)	-	-	-	-	-	-	21,114	-	21,114	4,434	25,548
Cash dividends paid by a subsidiary to non-controlling interests		-	-	-	-	-	-	-	-	-	(92,496)	(92,496)
Shares in the parent company held by subsidiaries treated as treasury stock	6(16)	-	-	-	-	-	-	-	(26,076)	(26,076)	(35,135)	(61,211)
Balance at March 31, 2025		<u>\$ 751,485</u>	<u>\$ 857,504</u>	<u>\$ 661,699</u>	<u>\$ 5,597</u>	<u>\$ 985,952</u>	<u>(\$ 351)</u>	<u>(\$ 43,744)</u>	<u>(\$ 83,750)</u>	<u>\$ 3,134,392</u>	<u>\$ 861,162</u>	<u>\$ 3,995,554</u>

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, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Three months ended March 31	
		2025	2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 298,040	\$ 253,692
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation charge	6(6)(7)(25)	48,662	43,906
Amortization	6(8)(25)	6,867	6,390
Share-based payments	6(15)(26)	25,548	28,223
Net gain on financial assets at fair value	6(2)(24)		
through profit or loss		(729)	(583)
Gain (loss) on disposal of property, plant and	6(24)		
equipment		(78)	37
Interest income	6(21)	(10,086)	(11,171)
Interest expense	6(23)	432	1,957
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		(65,873)	(3,952)
Other receivables		(8,570)	(19,232)
Inventories		86,947	18,630
Prepayments (including long-term			
prepayments)		23,552	27,848
Net defined benefit asset		(187)	(41)
Changes in operating liabilities			
Accounts payable		74,345	113,560
Other payables		47,994	14,552
Other current liabilities		(14,433)	2,581
Cash inflow generated from operations		512,431	467,033
Interest received		10,086	11,171
Interest paid		(432)	(1,957)
Income tax paid		(1,730)	(14,187)
Net cash flows from operating activities		<u>520,355</u>	<u>462,060</u>

(Continued)

ANPEC ELECTRONICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Three months ended March 31	
		2025	2024
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Increase in financial assets at amortised cost		(\$ 725,162)	(\$ 83,795)
Decrease in financial assets at amortised cost		280,000	-
Acquisition of property, plant and equipment	6(29)	(61,193)	(47,664)
Proceeds from disposal of property, plant and equipment		78	-
Acquisition of intangible assets	6(8)	(6,000)	(737)
Decrease (increase) in refundable deposits	6(9)	8,955	(74)
Net cash flows used in investing activities		(503,322)	(132,270)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from short-term borrowings	6(30)	-	120,000
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)	(835)	(147,323)
Repayments of principal portion of lease liabilities	6(30)	(1,680)	(1,693)
Subsidiary's purchase of parent company's stock		(61,211)	-
Net cash flows used in financing activities		(63,726)	(211,016)
Effect of exchange rate changes		878	756
(Decrease) increase in cash and cash equivalents		(45,815)	119,530
Cash and cash equivalents at beginning of period		716,882	1,201,834
Cash and cash equivalents at end of period		\$ 671,067	\$ 1,321,364

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, 2025 AND 2024

(Expressed in thousands of NTD, 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 9, 2025.

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 the FSC from 2025 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IAS 21, “Lack of exchangeability”	January 1, 2025

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

New standards, interpretations and amendments endorsed by the FSC from 2025 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Partial amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026

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

(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>
Partial amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts for Nature-dependent Electricity”	January 1, 2026
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
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026

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:

A. Partial amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”

The FSC has endorsed certain parts of the amendments. The parts that have not yet been endorsed are stated separately below:

- (A) It clarifies the dates of recognition and derecognition of certain financial assets and liabilities. A new clause is added, stating that when an electronic payment system is used to settle financial liabilities (or parts thereof) with cash, an enterprise is permitted to consider the financial liability discharged before the settlement date if and only if the enterprise initiates the payment instruction that results in the following:
- The enterprise lacks the ability to revoke, stop, or cancel the payment instruction;
 - Due to the payment instruction, the enterprise does not have the practical ability to access the cash used for settlement.
 - The settlement risk associated with the electronic payment system is insignificant.

- (B) The update requires that the fair value of equity instruments designated as measured at fair value through other comprehensive income (FVOCI) via an irrevocable election disclosed by each type, without needing to disclose fair value information for each individual underlying asset. In addition, the amount of fair value gains or losses recognized in other comprehensive income during the reporting period should be disclosed, separately presenting the amount of fair value gains or losses related to investments derecognized during the reporting period and the amount of fair value gains or losses related to investments still held at the end of the reporting period; as well as the cumulative gains or losses transferred to equity during the reporting period upon derecognition of investments.

B. IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 “Presentation and Disclosure in Financial Statements” replaced IAS 1, updated the structure of the statement of comprehensive income, added a requirement for the disclosure of management-defined performance measures, and enhanced the aggregation and disaggregation principles that 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, 2024. 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 2024 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 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 2024 consolidated financial statements.

- B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			March 31, 2025	December 31, 2024	March 31, 2024	
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	42.6	42.6	42.773	Note
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	

Note 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.

- 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, 2025, December 31, 2024, and March 31, 2024, the non-controlling interest amounted to \$861,162, \$933,782 and \$827,675, 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, 2025		December 31, 2024		
		Amount	Ownership (%)	Amount	Ownership (%)	
Sinopower Semiconductor Inc.	Taiwan	\$ 861,162	57.4	\$ 933,782	57.4	

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

Summarised financial information of the subsidiary:

Balance sheets

	Sinopower Semiconductor Inc.		
	March 31, 2025	December 31, 2024	March 31, 2024
Current assets	\$ 1,596,982	\$ 1,491,455	\$ 1,536,642
Non-current assets	912,620	879,487	1,017,938
Current liabilities	(764,530)	(548,000)	(749,761)
Non-current liabilities	(31,989)	(33,777)	(170,710)
Total net assets	\$ 1,713,083	\$ 1,789,165	\$ 1,634,109

Statements of comprehensive income

	Sinopower Semiconductor Inc.	
	Three months ended March 31	
	2025	2024
Revenue	\$ 911,524	\$ 694,727
Profit before income tax	107,454	72,250
Income tax expense	(19,342)	(14,450)
Profit for the period	88,112	57,800
Other comprehensive (loss) income, net of tax	(7,480)	(16,811)
Total comprehensive income for the period	\$ 80,632	\$ 40,989
Comprehensive income attributable to non- controlling interest	\$ 50,577	\$ 33,077
Dividends paid to non- controlling interest	\$ 92,496	\$ 59,810

Statements of cash flows

	Sinopower Semiconductor Inc.	
	Three months ended March 31	
	2025	2024
Net cash flows from operating activities	\$ 237,929	\$ 192,148
Net cash flows used in investing activities	(259,972)	(2,829)
Net cash flows used in financing activities	(2,436)	(212,195)
Decrease in cash and cash equivalents	(24,479)	22,876
Cash and cash equivalents at beginning of period	(243,188)	(270,362)
Cash and cash equivalents at end of period	\$ 218,709	\$ 247,486

(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, 2024.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand and petty cash	\$ 359	\$ 385	\$ 260
Checking accounts and demand deposits	298,156	244,655	312,400
Time deposits	372,552	471,842	912,734
Cash equivalents - Repurchase bonds (RP)	-	-	95,970
Total	<u>\$ 671,067</u>	<u>\$ 716,882</u>	<u>\$ 1,321,364</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

Item	March 31, 2025	December 31, 2024	March 31, 2024
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Beneficiary certificates	\$ 185,000	\$ 185,000	\$ 180,000
Valuation adjustment	9,201	8,472	7,068
Total	<u>\$ 194,201</u>	<u>\$ 193,472</u>	<u>\$ 187,068</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	
	2025	2024
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	<u>\$ 729</u>	<u>\$ 583</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

Item	March 31, 2025	December 31, 2024	March 31, 2024
Current items:			
Time deposits maturing in excess of three months	<u>\$ 1,765,000</u>	<u>\$ 1,320,000</u>	<u>\$ 821,990</u>
Non-current items:			
Pledged time deposits	\$ 5,263	\$ 5,263	\$ 5,263
Corporate bonds	<u>\$ 33,405</u>	<u>\$ 33,243</u>	<u>\$ -</u>
Total	<u>\$ 38,668</u>	<u>\$ 38,506</u>	<u>\$ 5,263</u>

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

	Three months ended March 31	
	2025	2024
Interest income	\$ 6,404	\$ 3,413

- B. As at March 31, 2025, December 31, 2024, and March 31, 2024, 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 \$1,803,668, \$1,358,506 and \$827,253, 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, 2025	December 31, 2024	March 31, 2024
Notes receivable	\$ -	\$ -	\$ 110
Accounts receivable	1,216,587	1,150,714	1,019,050
Less: Allowance for uncollectible accounts	-	-	-
	<u>\$ 1,216,587</u>	<u>\$ 1,150,714</u>	<u>\$ 1,019,160</u>

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

	March 31, 2025	December 31, 2024	March 31, 2024
	Notes and accounts receivable	Notes and accounts receivable	Notes and accounts receivable
Not past due	\$ 1,216,580	\$ 1,148,785	\$ 1,018,199
Up to 30 days	7	1,929	961
31 to 90 days	-	-	-
91 to 180 days	-	-	-
	<u>\$ 1,216,587</u>	<u>\$ 1,150,714</u>	<u>\$ 1,019,160</u>

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

- B. As of March 31, 2025, December 31, 2024, and March 31, 2024, the balances of notes and accounts receivable were all from contracts with customers. As of January 1, 2024, the balance of notes and accounts receivable from contracts with customers amounted to \$1,015,142.
- C. As of March 31, 2025, December 31, 2024, and March 31, 2024, without taking into account any collateral held or other credit enhancements, the amounts that best represent the Group's maximum exposure to credit risk for notes and accounts receivable were \$1,216,587, \$1,150,714 and \$1,019,160, respectively.
- D. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(5) Inventories

	March 31, 2025		
	Cost	Allowance for market value decline and loss on obsolete and slow-moving inventories	Book value
Raw materials	\$ 20,683	(\$ 6,113)	\$ 14,570
Work in progress	675,480	(62,367)	613,113
Finished goods	388,834	(51,425)	337,409
Total	<u>\$ 1,084,997</u>	<u>(\$ 119,905)</u>	<u>\$ 965,092</u>

	December 31, 2024		
	Cost	Allowance for market value decline and loss on obsolete and slow-moving inventories	Book value
Raw materials	\$ 34,778	(\$ 5,400)	\$ 29,378
Work in progress	663,464	(46,959)	616,505
Finished goods	469,124	(62,968)	406,156
Total	<u>\$ 1,167,366</u>	<u>(\$ 115,327)</u>	<u>\$ 1,052,039</u>

	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	438,438	(75,266)	363,172
Total	<u>\$ 1,241,957</u>	<u>(\$ 133,882)</u>	<u>\$ 1,108,075</u>

The cost of inventories recognised as expense for the period:

	Three months ended March 31	
	2025	2024
Cost of goods sold	\$ 1,146,624	\$ 975,437
Loss on market value decline and obsolete and slow-moving inventories	4,578	-
Others	24,398	18,617
	<u>\$ 1,175,600</u>	<u>\$ 994,054</u>

(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, 2025</u>										
Cost	\$ 113,120	\$ 552,196	\$ 328,609	\$ 82,869	\$ 3,191	\$ 10,406	\$ 11,651	\$ 860,567	\$ 20,012	\$ 1,982,621
Accumulated depreciation	-	(302,044)	(208,907)	(58,721)	(2,548)	(8,890)	(9,753)	(627,929)	-	(1,218,792)
	<u>\$ 113,120</u>	<u>\$ 250,152</u>	<u>\$ 119,702</u>	<u>\$ 24,148</u>	<u>\$ 643</u>	<u>\$ 1,516</u>	<u>\$ 1,898</u>	<u>\$ 232,638</u>	<u>\$ 20,012</u>	<u>\$ 763,829</u>
<u>2025</u>										
Opening net book amount as at										
January 1	\$ 113,120	\$ 250,152	\$ 119,702	\$ 24,148	\$ 643	\$ 1,516	\$ 1,898	\$ 232,638	\$ 20,012	\$ 763,829
Additions	-	-	2,636	3,368	-	56	200	32,874	16,474	55,608
Transfers	-	-	7,890	-	-	-	-	-	(7,890)	-
Depreciation charge	-	(2,140)	(5,027)	(2,066)	(125)	(86)	(371)	(37,017)	-	(46,832)
Net exchange differences	-	-	27	-	12	16	25	-	-	80
Closing net book amount as at										
March 31	<u>\$ 113,120</u>	<u>\$ 248,012</u>	<u>\$ 125,228</u>	<u>\$ 25,450</u>	<u>\$ 530</u>	<u>\$ 1,502</u>	<u>\$ 1,752</u>	<u>\$ 228,495</u>	<u>\$ 28,596</u>	<u>\$ 772,685</u>
<u>At March 31, 2025</u>										
Cost	\$ 113,120	\$ 552,196	\$ 337,389	\$ 86,003	\$ 3,003	\$ 10,497	\$ 11,924	\$ 883,392	\$ 28,596	\$ 2,026,120
Accumulated depreciation	-	(304,184)	(212,161)	(60,553)	(2,473)	(8,995)	(10,172)	(654,897)	-	(1,253,435)
	<u>\$ 113,120</u>	<u>\$ 248,012</u>	<u>\$ 125,228</u>	<u>\$ 25,450</u>	<u>\$ 530</u>	<u>\$ 1,502</u>	<u>\$ 1,752</u>	<u>\$ 228,495</u>	<u>\$ 28,596</u>	<u>\$ 772,685</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, 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>

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 amounts of right-of-use assets and the depreciation expense recognized are as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
	Carrying amount	Carrying amount	Carrying amount
Land	\$ 108,023	\$ 113,752	\$ 116,519
Buildings	631	1,578	613
	<u>\$ 108,654</u>	<u>\$ 115,330</u>	<u>\$ 117,132</u>

	Three months ended March 31	
	2025	2024
	Depreciation charge	Depreciation charge
Land	\$ 883	\$ 951
Buildings	947	919
	<u>\$ 1,830</u>	<u>\$ 1,870</u>

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

	Three months ended March 31	
	2025	2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 432	\$ 475
Expense on short-term lease contracts	1,394	1,345

- D. For the three months ended March 31, 2025 and 2024, the Group's total cash outflow for leases were \$3,506 and \$3,513, respectively.

(8) Intangible assets

	<u>Computer software</u>
<u>At January 1, 2025</u>	
Cost	\$ 178,510
Accumulated amortisation	(133,692)
	<u>\$ 44,818</u>
 <u>2025</u>	
Opening net book amount as at January 1	\$ 44,818
Additions - acquired separately	6,000
Amortisation charge	(6,867)
Closing net book amount as at March 31	<u>\$ 43,951</u>
 <u>At March 31, 2025</u>	
Cost	\$ 183,781
Accumulated amortisation	(139,830)
	<u>\$ 43,951</u>
 <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>

Details of amortisation on intangible assets are as follows:

	Three months ended March 31	
	2025	2024
Selling expenses	\$ 47	\$ 47
General and administrative expenses	841	802
Research and development expenses	5,979	5,541
	<u>\$ 6,867</u>	<u>\$ 6,390</u>

(9) Other non-current assets

	March 31, 2025	December 31, 2024	March 31, 2024
Refundable deposits	\$ 169,094	\$ 178,049	\$ 220,771
Net defined benefit asset - non-current	11,625	11,438	3,307
Long-term prepayments	280,323	302,530	375,774
Prepayments for equipment	2,050	-	-
	<u>\$ 463,092</u>	<u>\$ 492,017</u>	<u>\$ 599,852</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

March 31, 2025, and December 31, 2024: None.

Type of borrowings	March 31, 2024	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	<u>\$ 110,000</u>	1.74%~1.81%	None

Interest expenses on long- and short-term borrowings recognized in profit or loss amounted to \$0 and \$1,482 for the three months ended March 31, 2025 and 2024, respectively.

(11) Other payables

	March 31, 2025	December 31, 2024	March 31, 2024
Accrued expenses - bonus	\$ 96,828	\$ 137,533	\$ 96,898
Dividends payable	734,602	-	504,749
Employees' compensation and directors' remuneration payable	270,868	209,313	219,590
Payables for machinery and equipment	23,359	26,894	23,038
Other accrued expenses	145,089	117,945	134,454
	<u>\$ 1,270,746</u>	<u>\$ 491,685</u>	<u>\$ 978,729</u>

(12) Long-term borrowings

March 31, 2025, and December 31, 2024: None.

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>

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

(13) Other non-current liabilities

Item	March 31, 2025	December 31, 2024	March 31, 2024
Guarantee deposits received	<u>\$ 80,886</u>	<u>\$ 81,721</u>	<u>\$ 85,166</u>

(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, 2025 and 2024 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, 2025 and 2024 was both 16%. 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, 2025 and 2024 were \$6,063 and \$5,919, respectively.

(15) Share-based payment

- A. For the three months ended March 31, 2025 and 2024, the Company's share-based payment arrangements are as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Restricted stocks to employees	2023.08.09	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%
Restricted stocks to employees	2024.11.11	130	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 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).

The Board of Directors on November 11, 2024 has resolved to issue employee restricted stock of 130 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\$171.5 (in dollars).

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

	Three months ended March 31	
	2025	2024
	Number of shares (in thousands)	Number of shares (in thousands)
Balance at the beginning of the period	805	575
Issued during the period	-	408
Vested during the period	(198)	-
Balance at the end of the period	<u>607</u>	<u>983</u>

- C. For the three months ended March 31, 2025 and 2024, the 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%
Restricted stocks to employees	2024.11.11	150	2 years	1 year vested 50% 2 years vested 50%

The restricted stocks issued by the 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).

The Board of Directors of Sinopower Semiconductor Inc. November 11, 2024 has resolved to issue employee restricted stock of 150 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\$103.5 (in dollars).

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

	Three months ended March 31	
	2025	2024
	Number of shares (in thousands)	Number of shares (in thousands)
Opening balance/ Closing balance	<u>275</u>	<u>250</u>

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

	Three months ended March 31	
	2025	2024
Equity-settled	<u>\$ 25,548</u>	<u>\$ 28,223</u>

(16) Share capital

- A. As of March 31, 2025, 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 \$751,485 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)

	2025	2024
Outstanding ordinary shares at January 1	73,802	73,295
Issuance of employee restricted stocks	-	408
Subsidiary's purchase of parent company's stock	(346)	-
Outstanding ordinary shares at March 31	73,456	73,703
Treasury stocks	1,693	1,347
Issued shares at March 31	<u>75,149</u>	<u>75,050</u>

B. Treasury stocks

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

Name of company holding the shares	Reason for repurchases	March 31, 2025	
		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	1,208	50,602
			<u>\$ 83,750</u>

Name of company holding the shares	Reason for repurchases	December 31, 2024	
		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	24,526
			<u>\$ 57,674</u>

Name of company holding the shares	Reason for repurchases	March 31, 2024	
		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>

- (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 realized 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, 2025, December 31, 2024, and March 31, 2024, the Company's shares held by Sinopower Semiconductor Inc. amounted to 1,208 thousand shares, 862 thousand shares, and 862 thousand shares, respectively. The average book value per share was NT\$98.33 for all periods, and the fair value per share was \$166.5, \$171, and \$202, 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.

The Board of Directors of the Company resolved on February 21, 2025, to distribute NT\$44,798 from the capital surplus, derived from the premium received from shares issued in excess of par value, in cash to shareholders at NT\$0.6 per share.

	2025						
	Share premium	Treasury stock	Employee restricted stock	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Changes in ownership interests in subsidiaries	Others	Total
At January 1	\$ 384,819	\$ 28,775	\$ 135,448	\$ 279,915	\$ 50,489	\$ 22,856	\$ 902,302
Cash distribution from capital surplus (	44,798)	-	-	-	-	-	(44,798)
Employee restricted shares vested	41,184	-	(41,184)	-	-	-	-
At March 31	<u>\$ 381,205</u>	<u>\$ 28,775</u>	<u>\$ 94,264</u>	<u>\$ 279,915</u>	<u>\$ 50,489</u>	<u>\$ 22,856</u>	<u>\$ 857,504</u>

	2024						
	Share premium	Treasury stock	Employee restricted stock	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	<u>\$ 352,964</u>	<u>\$ 26,574</u>	<u>\$ 150,989</u>	<u>\$ 279,915</u>	<u>\$ 46,788</u>	<u>\$ 22,856</u>	<u>\$ 880,086</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 2024 earnings as resolved by the Board of Directors on February 21, 2025 and the appropriation of 2023 earnings as resolved by the shareholders' meeting on June 21, 2024, are as follows:

	Year ended December 31			
	2024 (Note)		2023	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 72,647		\$ 51,140	
Cash dividends	597,308	\$ 8.00	444,939	\$ 6.00
Total	<u>\$ 669,955</u>		<u>\$ 496,079</u>	

Note: The aforementioned appropriations of 2024 earnings had not yet been resolved at the shareholders' meeting.

(19) Other equity items

	2025		
	Foreign currency translation	Unearned employee compensation	Total
At January 1	(\$ 1,117)	(\$ 64,858)	(\$ 65,975)
Compensation cost of employee restricted shares	-	21,114	21,114
Currency translation differences:			
- Group	766	-	766
At March 31	<u>(\$ 351)</u>	<u>(\$ 43,744)</u>	<u>(\$ 44,095)</u>

	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	(\$ 1,706)	(\$ 119,572)	(\$ 121,278)

(20) Operating revenue

	Three months ended March 31	
	2025	2024
Revenue from contracts with customers		
-Power MOSFET IC	\$ 902,958	\$ 687,522
-Power converter and management IC	422,511	456,494
-Amplifier and Driver IC	450,329	369,556
-Others	-	270
Total	\$ 1,775,798	\$ 1,513,842

(21) Interest income

	Three months ended March 31	
	2025	2024
Interest income from bank deposits	\$ 3,682	\$ 7,758
Interest income from financial assets at amortised cost	6,404	3,413
	\$ 10,086	\$ 11,171

(22) Other income

	Three months ended March 31	
	2025	2024
Rental revenue	\$ 209	\$ 198
Other income, others	188	638
	\$ 397	\$ 836

(23) Finance costs

	Three months ended March 31	
	2025	2024
Interest expense	\$ -	\$ 1,482
Interest expense on lease liabilities	432	475
	<u>\$ 432</u>	<u>\$ 1,957</u>

(24) Other gains and losses

	Three months ended March 31	
	2025	2024
Net foreign exchange gains	\$ 21,754	\$ 47,480
Gain on financial assets (liabilities) at fair value through profit or loss	729	583
Gain (loss) on disposal of property, plant and equipment	78 (	37)
Miscellaneous disbursements	(126)	(5,760)
	<u>\$ 22,435</u>	<u>\$ 42,266</u>

(25) Expenses by nature

	Three months ended March 31	
	2025	2024
Employee benefit expenses	\$ 247,618	\$ 228,650
Depreciation charge	48,662	43,906
Amortisation charge	6,867	6,390
Total	<u>\$ 303,147</u>	<u>\$ 278,946</u>

(26) Employee benefit expense

	Three months ended March 31	
	2025	2024
Wages and salaries	\$ 185,606	\$ 170,138
Share-based payment	25,548	28,223
Labour and health insurance fees	15,052	10,777
Pension costs	6,063	5,919
Directors' remuneration	8,213	6,870
Other employee benefit expenses	7,136	6,723
Total	<u>\$ 247,618</u>	<u>\$ 228,650</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, 2025 and 2024, employees' compensation and directors' remuneration accrued amounts are as follows:

	Three months ended March 31	
	2025	2024
Employees' compensation	\$ 36,446	\$ 32,938
Directors' remuneration	\$ 5,399	\$ 4,880

The aforementioned amounts were recognised in salary expenses based on distributable profit of current period for the three months ended March 31, 2025 and 2024.

Employees' compensation and directors' remuneration for 2024 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2024 financial statements, and the employees' compensation and directors' remuneration are both distributed in the form of cash.

- C. For the three months ended March 31, 2025 and 2024, the Company's subsidiary, Sinopower Semiconductor Inc., employees' compensation and directors' remuneration accrued amounts are as follows:

	Three months ended March 31	
	2025	2024
Employees' compensation	\$ 17,167	\$ 11,543
Directors' remuneration	\$ 2,543	\$ 1,710

The aforementioned amounts were recognised in salary expenses based on distributable profit of current period for the three months ended March 31, 2025 and 2024.

Employees' compensation and directors' remuneration for 2024 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2024 financial statements, and the employees' compensation and directors' remuneration are both 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	
	2025	2024
Current tax:		
Current tax on profits for the period	\$ 57,460	\$ 50,437
Total current tax	57,460	50,437
Deferred tax:		
Origination and reversal of temporary differences	-	-
Total deferred tax	-	-
Income tax expense	\$ 57,460	\$ 50,437

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

	Three months ended March 31	
	2025	2024
Currency translation differences	\$ 192	\$ 168

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

C. The income tax returns of the subsidiary, Sinopower Semiconductor Inc., through 2022 have been assessed and approved by the Tax Authority.

(28) Earnings per share

Three months ended March 31, 2025			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 190,003	73,008	\$ 2.60
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 190,003	73,008	
Less: Assumed conversion of all dilutive potential ordinary shares issued by the investment company accounted for using equity method	(176)		
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	522	
Employee restricted stock	-	499	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 189,827	74,029	\$ 2.56

Three months ended March 31, 2024			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 170,178	72,719	\$ 2.34
<u>Diluted earnings per share</u>			
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

(29) Supplemental cash flow information

Investing activities with partial cash payments:

	Three months ended March 31	
	2025	2024
Purchase of property, plant and equipment	\$ 55,608	\$ 43,565
Add: Opening balance of payable on equipment	26,894	29,042
Add: Ending balance of prepayments for equipment	2,050	-
Less: Opening balance of prepayments for equipment	- (	1,905)
Less: Ending balance of payable on equipment	(23,359)	(23,038)
Cash paid during the period	<u>\$ 61,193</u>	<u>\$ 47,664</u>

Financing activities with partial cash payments:

	Three months ended March 31	
	2025	2024
Cash dividends declared	\$ 597,308	\$ 444,939
Cash distribution from capital surplus	44,798	-
Less: "Other payables"	(642,106)	(444,939)
Cash paid during the period	<u>\$ -</u>	<u>\$ -</u>

	Three months ended March 31	
	2025	2024
Cash dividends announced to be paid by a subsidiary to non-controlling interests	\$ 92,496	\$ 59,810
Less: "Other payables"	(92,496)	(59,810)
Cash paid during the period	<u>\$ -</u>	<u>\$ -</u>

(30) Changes in liabilities from financing activities

	2025					
	Guarantee deposits		Lease liabilities	Liabilities from		
	received			financing activities-gross		
At January 1	\$	81,721	\$	120,574	\$	202,295
Changes in cash flow from financing activities	(	835)	(	2,112)	(	2,947)
Changes in other non-cash items		-	(	4,414)	(	4,414)
At March 31	\$	80,886	\$	114,048	\$	194,934

	2024									
	Short-term borrowings	Long-term borrowings	Guarantee deposits received	Lease liabilities	Liabilities from					
					financing activities-gross					
At January 1	\$	202,000	\$	118,000	\$	232,489	\$	134,527	\$	687,016
Changes in cash 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	\$	110,000	\$	148,000	\$	85,166	\$	121,849	\$	465,015

7. Related Party Transactions

Key management compensation

	Three months ended March 31			
	2025	2024		
Salaries and other short-term employee benefits	\$	21,964	\$	18,771
Post-employment benefits		135		134
Share-based payments		7,639		2,732
Total	\$	29,738	\$	21,637

- (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, 2025	December 31, 2024	March 31, 2024	
Time deposits (shown as “Non-Current financial assets at amortised cost”)	\$ 5,263	\$ 5,263	\$ 5,263	Guarantee deposits for land lease
Property, plant and equipment	165,236	165,813	167,542	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

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Financial assets</u>			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	\$ 194,201	\$ 193,472	\$ 187,068
Financial assets at amortised cost			
Cash and cash equivalents	671,067	716,882	1,321,364
Financial assets at amortised cost	1,803,668	1,358,506	827,253
Notes receivable	-	-	110
Accounts receivable	1,216,587	1,150,714	1,019,050
Other receivables	26,360	17,790	33,242
Refundable deposits	169,094	178,049	220,771
	<u>\$ 4,080,977</u>	<u>\$ 3,615,413</u>	<u>\$ 3,608,858</u>
	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Financial liabilities</u>			
Financial liabilities at amortised cost			
Short-term borrowings	\$ -	\$ -	\$ 110,000
Notes payable	3,582	3,582	1,152
Accounts payable	631,805	557,460	632,790
Other payables	1,270,746	491,685	978,729
Long-term borrowings (including long-term borrowings, current portion)	-	-	148,000
Guarantee deposits received	80,886	81,721	85,166
	<u>\$ 1,987,019</u>	<u>\$ 1,134,448</u>	<u>\$ 1,955,837</u>
Lease liabilities	<u>\$ 114,048</u>	<u>\$ 120,574</u>	<u>\$ 121,849</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

- a. 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.
- b. 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.
- c. 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, 2025		
				Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
	USD:NTD	\$	43,007	33.18	\$	1,426,972
<u>Financial liabilities</u>						
<u>Monetary items</u>						
	USD:NTD		19,158	33.18		635,662

December 31, 2024			
(Foreign currency: functional currency)	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 42,039	32.78	\$ 1,378,038
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	17,763	32.78	582,271

March 31, 2024			
(Foreign currency: functional currency)	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
<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

- d. 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, 2025 and 2024, amounted to \$12,732 and \$8,139, respectively.
- e. Analysis of foreign currency market risk arising from significant foreign exchange variation:

Three months ended March 31, 2025			
Sensitivity analysis			
(Foreign currency: functional currency)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 14,270	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	6,357	-

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	-

Price risk

- a. 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.
- b. 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, 2025 and 2024 would have increased/decreased by \$1,942 and \$1,871, 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

- a. 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.
- b. 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, 2025 and 2024 would have increased/decreased by \$0 and \$516, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(B) Credit risk

- a. 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.
- b. 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.
- c. The Group adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are past due over 180 days.
- d. 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.
- e. Please refer to Note 6(4) for the aging analysis of the Group's accounts receivable from customers. The Group takes into account each transaction counterparty's financial position and past transaction experience, current economic environment, and the Company's internal rating standards, while taking advantage of the right for prepayments or provision of collateral or other guarantees according to the risk. The Company groups accounts receivable from customers according to their risk characteristics and estimates expected credit losses using a simplified approach based on the loss ratio method, while reviewing the recoverable amount of the accounts receivable one by one on the balance sheet date to ensure that impairment losses have been recognized as appropriate for unrecoverable accounts receivable. With that, the Group had no allowance for losses recognized as of March 31, 2025, December 31, 2024, and March 31, 2024.

- f. The information on the credit risks of the debt instruments invested in by the Group and measured at amortised cost is as follows:

		March 31, 2025			
		Lifetime			
		12 months	Significant increase in credit risk	Impairment of credit	Total
Financial assets at amortised cost					
Group 1		\$ 1,770,263	\$ -	\$ -	\$ 1,770,263
Group 2		33,405	-	-	33,405
		<u>\$ 1,803,668</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,803,668</u>
		December 31, 2024			
		Lifetime			
		12 months	Significant increase in credit risk	Impairment of credit	Total
Financial assets at amortised cost					
Group 1		\$ 1,325,263	\$ -	\$ -	\$ 1,325,263
Group 2		33,243	-	-	33,243
		<u>\$ 1,358,506</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,358,506</u>
		March 31, 2024			
		Lifetime			
		12 months	Significant increase in credit risk	Impairment of credit	Total
Financial assets at amortised cost					
Group 1		\$ 827,253	\$ -	\$ -	\$ 827,253
Group 2		-	-	-	-
		<u>\$ 827,253</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 827,253</u>

Group 1: They are time deposits with an initial duration of more than three months with financial institutions with good credit quality.

Group 2: Those rated as A by S&P, Fitch, or Moody.

(C) Liquidity risk

- a. 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. The Group's undrawn borrowing facilities as of March 31, 2025, December 31, 2024, and March 31, 2024 were \$910,000 thousand, \$910,000 thousand, and \$889,000 thousand, respectively.

- b. The Group invests surplus cash in interest bearing current accounts, time deposits and marketable securities (bonds and funds), and the chooses instruments with appropriate maturities or sufficient liquidity.
- c. 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, 2025

Non-derivative financial liabilities	Less than 1 year	Over 1 year	Book value
Notes payable	3,582	\$ -	\$ 3,582
Accounts payable	631,805	-	631,805
Other payables	1,270,746	-	1,270,746
Guarantee deposits received	-	80,886	80,886
Lease liabilities	5,267	137,000	142,267

December 31, 2024

Non-derivative financial liabilities	Less than 1 year	Over 1 year	Book value
Notes payable	3,582	\$ -	\$ 3,582
Accounts payable	557,460	-	557,460
Other payables	491,685	-	491,685
Guarantee deposits received	-	81,721	81,721
Lease liabilities	6,406	143,722	150,128

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, current portion)	15,446	139,619	155,065

- d. 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, 2025</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	\$ 194,201	\$ -	\$ -	\$ 194,201
Total	<u>\$ 194,201</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 194,201</u>
<u>December 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	\$ 193,472	\$ -	\$ -	\$ 193,472
Total	<u>\$ 193,472</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 193,472</u>
<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
Total	<u>\$ 187,068</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 187,068</u>

- (B) The methods and assumptions the Group used to measure fair value are as follows:
 - a. 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.
 - b. 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, 2025 and 2024, there was no transfer between Level 1 and Level 2.
- D. For the three months ended March 31, 2025 and 2024, 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. Significant marketable securities held at the end of the period (excluding investments in subsidiaries, associates, and joint venture equity): Please refer to Table 1.
- D. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: None.
- E. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: None.
- F. Business relationships and significant transaction activities between the parent company and subsidiaries: Please 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, 2025 and 2024, the commission expense amounted to \$8,224 and \$7,676, respectively.
 - (B) As of March 31, 2025 and 2024, the balance of other payables to Supec (Suzhou) Co., Ltd. were \$2,882 and \$2,555, respectively.

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
Significant marketable securities held at the end of the period (excluding investments in subsidiaries, associates, and joint venture equity)
Three months ended March 31, 2025

Table 1

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of March 31, 2025				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Anpec Electronics Corporation	Stocks, Biggest Solutions, Inc.	None	Financial assets at fair value through profit or loss	646,800	\$ -	0.924	\$ -	
Anpec Electronics Corporation	Stocks, Greenergy, 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	73,801	Not applicable	73,801	
Anpec Electronics Corporation	Beneficiary certificates, Mega Diamond Money Market Fund	None	Financial assets at fair value through profit or loss	6,049,040.46	79,422	Not applicable	79,422	
Anpec Electronics Corporation	Beneficiary certificates, TCB Taiwan Money Market Fund	None	Financial assets at fair value through profit or loss	1,954,193.70	20,706	Not applicable	20,706	
Anpec Electronics Corporation	Beneficiary certificates, Franklin Templeton Sinoam Money Market Fund	None	Financial assets at fair value through profit or loss	1,873,132.73	20,272	Not applicable	20,272	
Anpec Electronics Corporation	Corporate bonds, JPMorgan Chase & Co.	None	Financial assets at amortised cost	-	13,405	Not applicable	13,552	
Anpec Electronics Corporation	Corporate bonds, E.SUN Commercial Bank, Ltd	None	Financial assets at amortised cost	-	20,000	Not applicable	20,000	
Sinopower Semiconductor Inc.	Stocks, Anpec Electronics Corporation	Parent company	Financial assets at fair value through other comprehensive income	1,208,088	201,147	1.62	201,147	Note

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

Anpec Electronics Corporation and subsidiaries
Business relationships and significant transaction activities between the parent company and subsidiaries
Three months ended March 31, 2025

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	\$ 8,224	Based on the agreed sales agency contracts	0.46%
0	Anpec Electronics Corporation	Supec (Suzhou) Co., Ltd.	1	Other payables	2,882	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	8,471	The payment term was 60 days after monthly closing	0.48%
0	Anpec Electronics Corporation	Sinopower Semiconductor Inc.	1	Accounts payable	5,251	The payment term was 60 days after monthly closing	0.08%
0	Anpec Electronics Corporation	Sinopower Semiconductor Inc.	1	Guarantee deposits received	1,119	Based on the price lists in force and terms that would be available to third parties	0.02%
0	Anpec Electronics Corporation	Sinopower Semiconductor Inc.	1	Other income	1,667	Based on the price lists in force and terms that would be available to third parties	0.09%
0	Anpec Electronics Corporation	Sinopower Semiconductor Inc.	1	Advance receipts	637	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	8,296	Based on the price lists in force and terms that would be available to third parties	0.13%
1	Sinopower Semiconductor Inc.	Anpec Electronics Corporation	2	Lease liabilities	7,742	Based on the price lists in force and terms that would be available to third parties	0.12%

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 disclosed a transaction with a subsidiary, the subsidiary does not need to disclose the same transaction again; 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, 2025

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, 2025 (Note 2(2))	Investment income (loss) recognised by the Company for the three months ended March 31, 2025 (Note 2(3))	Footnote
				Balance as at March 31, 2025	Balance as at December 31, 2024	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	\$ 46,510	\$ 479	\$ 479	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	42.60	719,520	88,112	37,581	Subsidiary
Anpec International Holding Ltd.	Supec International Holding Ltd.	Mauritius	Investment	98,998	98,998	10,001,667	100	46,515	479	479	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, 2025" 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, 2025" 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, 2025

Table 4

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, 2025		Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2025	Net profit (loss) of the investee for the three months ended March 31, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the three months ended March 31, 2025 (Note 2)	Expressed in thousands of NTD (Except as otherwise indicated)		Footnote
					Remitted to Mainland China	Remitted back to Taiwan					Book value of investments in Mainland China as of March 31, 2025	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2025	
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	\$ 479	100%	\$ 479	\$ 44,875	\$ -	

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, 2025	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	\$ 2,397,332