ANPEC ELECTRONICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REVIEW REPORT

June 30, 2022 AND 2021

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.

INDEPENDENT AUDITORS' REVIEW REPORT

PWCR22000105

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 June 30, 2022 and 2021, and the related consolidated statements of comprehensive income for the three months and six months then ended, as well as the consolidated statements of changes in equity and of cash flows for the six months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard 34, "Interim Financial Reporting" 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 Statement of Auditing Standards No. 65 "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 June 30, 2022 and 2021, and of its consolidated financial performance for the three months and six months then ended and its consolidated cash flows for the six months then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission.

Cheng, Ya-Huei	Li, Tien-Yi

For and on behalf of PricewaterhouseCoopers, Taiwan

August 10, 2022

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' 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
JUNE 30, 2022, DECEMBER 31, 2021 AND JUNE 30, 2021
(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of June 30, 2022 and 2021 are reviewed, not audited)

	Assets	Notes	June 30, 2022 AMOUNT	%	December 31, 2021 AMOUNT	%	June 30, 2021 AMOUNT	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$ 2,454,026	36	$ 1,860,233	33	$ 1,401,763	30
1110	Financial assets at fair value through profit or loss - current	6(2)	174,447	3	174,186	3	174,015	4
1136	Current financial assets at amortised cost	6(3)	-	-	370,000	6	270,000	6
1150	Notes receivable, net	6(4)	-	-	19	-	1,614	-
1170	Accounts receivable, net	6(4)	1,522,323	22	1,400,518	25	1,289,000	27
1200	Other receivables		19,220	-	16,843	-	19,795	-
130X	Inventories	6(5)	1,129,808	16	774,517	14	559,800	12
1410	Prepayments		93,060	1	55,114	1	33,422	1
11XX	**Total current assets**		5,392,884	78	4,651,430	82	3,749,409	80
	Non-current assets							
1600	Property, plant and equipment	6(6)	586,847	9	570,955	10	565,489	12
1755	Right-of-use assets	6(7)	139,637	2	140,223	3	145,080	3
1760	Investment property - net	6(9)	67,340	1	68,277	1	69,316	2
1780	Intangible assets	6(10)	9,660	-	13,095	-	16,799	-
1840	Deferred income tax assets		60,694	1	49,156	1	44,387	1
1900	Other non-current assets	6(11)	637,050	9	194,081	3	105,856	2
15XX	**Total non-current assets**		1,501,228	22	1,035,787	18	946,927	20
1XXX	**Total assets**		$ 6,894,112	100	$ 5,687,217	100	$ 4,696,336	100

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ANPEC ELECTRONICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2022, DECEMBER 31, 2021 AND JUNE 30, 2021
(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of June 30, 2022 and 2021 are reviewed, not audited)

			June 30, 2022		December 31, 2021		June 30, 2021	
	Liabilities and Equity	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%
	Current liabilities							
2150	Notes payable		$ 3,582	-	$ 1,152	-	$ -	-
2170	Accounts payable		698,828	10	728,715	13	602,251	13
2200	Other payables	6(12)	1,547,935	23	577,746	10	872,196	19
2230	Current income tax liabilities		311,493	5	275,372	5	153,783	3
2280	Current lease liabilities		7,851	-	6,357	-	8,341	-
2300	Other current liabilities		24,014	-	8,676	-	15,608	-
21XX	**Total current liabilities**		2,593,703	38	1,598,018	28	1,652,179	35
	Non-current liabilities							
2570	Deferred income tax liabilities		7,250	-	4,411	-	4,048	-
2580	Total non-current lease liabilities		135,096	2	136,748	3	139,170	3
2600	Other non-current liabilities		427,430	6	344,825	6	64,457	2
25XX	**Total non-current liabilities**		569,776	8	485,984	9	207,675	5
2XXX	**Total liabilities**		3,163,479	46	2,084,002	37	1,859,854	40
	Equity attributable to owners of parent							
	Share capital	6(15)						
3110	Common stock		740,725	11	741,125	13	737,845	16
	Capital surplus	6(16)						
3200	Capital surplus		708,126	10	703,829	12	643,306	13
	Retained earnings	6(17)						
3310	Legal reserve		513,819	8	420,700	7	375,163	8
3320	Special reserve		5,597	-	5,597	-	5,597	-
3350	Unappropriated retained earnings		1,115,830	16	1,199,948	21	681,415	14
	Other equity interest	6(18)						
3400	Other equity interest		(43,780)	(1)	(90,775)	(1)	(67,663)	(1)
3500	Treasury stocks	6(15)	(58,143)	(1)	(58,143)	(1)	(58,233)	(1)
31XX	**Total equity attributable to owners of the parent**		2,982,174	43	2,922,281	51	2,317,430	49
36XX	Non-controlling interest		748,459	11	680,934	12	519,052	11
3XXX	**Total equity**		3,730,633	54	3,603,215	63	2,836,482	60
3X2X	**Total liabilities and equity**		$ 6,894,112	100	$ 5,687,217	100	$ 4,696,336	100

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

ANPEC ELECTRONICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)
(Reviewed, not audited)

			Three months ended June 30				Six months ended June 30			
			2022		2021		2022		2021	
	Items	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(19)	$ 2,050,806	100	$ 1,610,061	100	$ 3,990,391	100	$ 3,120,974	100
5000	Operating costs	6(5)	(1,162,791)	(57)	(1,028,749)	(64)	(2,296,474)	(58)	(2,071,511)	(66)
5900	Gross profit		888,015	43	581,312	36	1,693,917	42	1,049,463	34
	Operating expenses									
6100	Selling expenses		(123,513)	(6)	(108,008)	(7)	(247,754)	(6)	(194,717)	(6)
6200	General and administrative expenses		(61,829)	(3)	(41,131)	(2)	(126,014)	(3)	(80,666)	(3)
6300	Research and development expenses		(171,541)	(8)	(130,926)	(8)	(334,755)	(8)	(245,629)	(8)
6000	Total operating expenses		(356,883)	(17)	(280,065)	(17)	(708,523)	(17)	(521,012)	(17)
6500	Other income and expenses - net	6(20)	4,398	-	3,932	-	8,796	-	7,859	-
6900	Operating profit		535,530	26	305,179	19	994,190	25	536,310	17
	Non-operating income and expenses									
7100	Interest income	6(21)	2,507	-	1,221	-	3,916	-	2,053	-
7010	Other income	6(22)	241	-	2,085	-	1,619	-	2,946	-
7020	Other gains and losses	6(24)	47,311	2	8,248	1	98,519	2	23,548	1
7050	Finance costs	6(23)	(545)	-	(549)	-	(1,076)	-	(1,101)	-
7000	Total non-operating income and expenses		49,514	2	11,005	1	102,978	2	27,446	1
7900	**Profit (loss) before income tax**		585,044	28	316,184	20	1,097,168	27	563,756	18
7950	Income tax expense	6(27)	(116,508)	(6)	(58,803)	(4)	(220,641)	(6)	(102,218)	(3)
8200	**Profit (loss) for the period**		$ 468,536	22	$ 257,381	16	$ 876,527	21	$ 461,538	15
	Components of other comprehensive income that will not be reclassified to profit or loss									
8361	Cumulative translation differences of foreign operations		($ 660)	-	($ 445)	-	$ 1,447	-	($ 753)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(27)	132	-	89	-	(289)	-	151	-
8300	**Total other comprehensive income (loss) for the period**		($ 528)	-	($ 356)	-	$ 1,158	-	($ 602)	-
8500	**Total comprehensive income for the period**		$ 468,008	22	$ 257,025	16	$ 877,685	21	$ 460,936	15
	Profit attributable to:									
8610	Owners of the parent		$ 364,355	17	$ 202,408	13	$ 672,787	16	$ 367,124	12
8620	Non-controlling interest		$ 104,181	5	$ 54,973	3	$ 203,740	5	$ 94,414	3
	Comprehensive income attributable to:									
8710	Owners of the parent		$ 363,827	17	$ 202,052	13	$ 673,945	16	$ 366,522	12
8720	Non-controlling interest		$ 104,181	5	$ 54,973	3	$ 203,740	5	$ 94,414	3
	Earnings per share (in dollars)	6(28)								
9750	Basic earnings per share		$	5.03	$	2.81	$	9.30	$	5.10
9850	Diluted earnings per share		$	4.97	$	2.79	$	9.03	$	5.03

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

ANPEC ELECTRONICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
SIX MONTHS ENDED JUNE 30, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(UNAUDITED)

		Equity attributable to owners of the parent										
				Retained Earnings			Other equity interest					
	Notes	Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Total unappropriated retained earnings (accumulated deficit)	Financial statements translation differences of foreign operations	Other equity	Treasury stocks	Total	Non-controlling interest	Total equity
2021												
Balance at January 1, 2021		$ 730,485	$ 566,520	$ 375,163	$ 5,597	$ 695,521	($ 2,661)	($ 2,883)	($ 76,095)	$ 2,291,647	$ 518,632	$ 2,810,279
Profit for the period		-	-	-	-	367,124	-	-	-	367,124	94,414	461,538
Other comprehensive income for the period	6(18)	-	-	-	-	-	(602)	-	-	(602)	-	(602)
Total comprehensive income		-	-	-	-	367,124	(602)	-	-	366,522	94,414	460,936
Appropriation of 2020 earnings:	6(17)											
Cash dividends		-	-	-	-	(381,230)	-	-	-	(381,230)	-	(381,230)
Employee restricted shares retired	6(14)(15)(16)	(140)	140	-	-	-	-	-	-	-	-	-
Issuance of employee restricted shares	6(14)(15)(16)	7,500	71,762	-	-	-	-	(79,262)	-	-	-	-
Compensation cost of employee restricted shares	6(14)(16)	-	(119)	-	-	-	-	17,745	-	17,626	-	17,626
New Item		-	-	-	-	-	-	-	17,862	17,862	-	17,862
Treasury stocks transferred to employees	6(14)(16)	-	5,003	-	-	-	-	-	-	5,003	-	5,003
Compensation cost of reissuing the treasury stocks to employees	6(14)(16)	-	-	-	-	-	-	-	-	-	(93,994)	(93,994)
Balance at June 30, 2021		$ 737,845	$ 643,306	$ 375,163	$ 5,597	$ 681,415	($ 3,263)	($ 64,400)	($ 58,233)	$ 2,317,430	$ 519,052	$ 2,836,482
2022												
Balance at January 1, 2022		$ 741,125	$ 703,829	$ 420,700	$ 5,597	$ 1,199,948	($ 2,957)	($ 87,818)	($ 58,143)	$ 2,922,281	$ 680,934	$ 3,603,215
Profit for the period		-	-	-	-	672,787	-	-	-	672,787	203,740	876,527
Other comprehensive income for the period	6(18)	-	-	-	-	-	1,158	-	-	1,158	-	1,158
Total comprehensive income		-	-	-	-	672,787	1,158	-	-	673,945	203,740	877,685
Appropriation of 2021 earnings:	6(17)											
Legal reverse		-	-	93,119	-	(93,119)	-	-	-	-	-	-
Cash dividends		-	-	-	-	(663,786)	-	-	-	(663,786)	-	(663,786)
Employee restricted shares retired	6(14)(15)(16)	(400)	4,297	-	-	-	-	(3,897)	-	-	-	-
Compensation cost of employee restricted shares	6(14)(16)(18)	-	-	-	-	-	-	49,734	-	49,734	-	49,734
Cash dividends paid by a subsidiary to noncontrolling interests		-	-	-	-	-	-	-	-	-	(136,215)	(136,215)
Balance at June 30, 2022		$ 740,725	$ 708,126	$ 513,819	$ 5,597	$ 1,115,830	($ 1,799)	($ 41,981)	($ 58,143)	$ 2,982,174	$ 748,459	$ 3,730,633

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

ANPEC ELECTRONICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)
(Review, not audited)

	Notes	Six months ended June 30 2022	Six months ended June 30 2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 1,097,168	$ 563,756
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(25)	66,987	63,220
Amortization	6(25)	3,435	5,011
Share-based payments	6(24)(26)	49,734	22,629
Net gain on financial assets and liabilities at fair value through profit or loss	6(2)(24)	(261)	(219)
(Gain) loss on disposal of property, plant and equipment	6(24)	(1,578)	60
Interest income	6(21)	(3,916)	(2,053)
Interest expense	6(23)	1,076	1,101
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		19	338
Accounts receivable		(121,805)	(184,687)
Other receivables		(2,377)	2,577
Inventories		(355,291)	165,455
Prepayments (including long-term prepayments)		(312,198)	(70,608)
Changes in operating liabilities			
Notes payable		2,430	(2,214)
Accounts payable		(29,887)	53,904
Other payables		159,592	49,375
Other current liabilities		15,338	3,366
Net defined benefit liability - non-current		(442)	(434)
Cash inflow generated from operations		568,024	670,577
Interest received		3,916	2,053
Interest paid		(1,076)	(1,101)
Income tax paid		(193,507)	(48,292)
Net cash flows from operating activities		377,357	623,237

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ANPEC ELECTRONICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)
(Review, not audited)

	Notes	Six months ended June 30 2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in financial assets at amortised cost	6(3)	$ -	($ 270,000)
Decrease in financial assets at amortised cost		370,000	-
Acquisition of property, plant and equipment	6(29)	(67,701)	(70,834)
Acquisition of intangible assets	6(10)	-	(3,160)
Proceeds from disposal of property, plant and equipment		2,674	288
(Increase) decrease in refundable deposits		(168,721)	7,963
Net cash flows from (used in) investing activities		136,252	(335,743)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in guarantee deposits received	6(30)	83,048	17,208
Repayment of principal portion of lease liabilities		(4,231)	(4,519)
Proceeds from treasury stocks transferred to employees		-	17,862
Net cash flows from financing activities		78,817	30,551
Effect of exchange rate changes		1,367	(704)
Net increase in cash and cash equivalents		593,793	317,341
Cash and cash equivalents at beginning of period		1,860,233	1,084,422
Cash and cash equivalents at end of period		$ 2,454,026	$ 1,401,763

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 SIX MONTHS ENDED JUNE 30, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(Reviewed, not audited)

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 authorised for issuance by the Board of Directors on August 10, 2022.

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") as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC effective from 2022 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
Amendments to IAS 16, 'Property, plant and equipment: proceeds before intended use'	January 1, 2022
Amendments to IAS 37, 'Onerous contracts – cost of fulfilling a contract'	January 1, 2022
Annual improvements to IFRS Standards 2018–2020	January 1, 2022

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 IFRSs as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

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 IFRSs issued by IASB but not yet endorsed by the FSC

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2023

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

4. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

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 the International Accounting Standard 34, 'Interim financial reporting' as endorsed by the FSC.

(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 liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the "IFRSs") 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:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%) June 30, 2022	Ownership (%) December 31, 2021	Ownership (%) June 30, 2021	Description
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	43.413	43.413	43.569	Note 1
Anpec International Holding Ltd.	Supec International Holding Ltd.	Investment	100	100	100	
Supec International Holding Ltd.	Supec (Suzhou) Co., Ltd.	International trade of keyboard, mouse, electronic calculator,color image monitor, color image projector and components of toy instruments and consulting service	100	100	100	
Supec International Holding Ltd.	Powertek Electronics International Limited	General trade	100	100	100	
Sinopower Semiconductor Inc.	Sincere Semiconductor Inc.	Manufacturing of electronic components and wholesale and retail sale of electronic materials	100	100	100	Note 2

Note 1: As the Company held more than half of the seats in the Board of Directors of Sinpower Semiconductor Inc., the Company has substantial control over the subsidiary.

Note 2: Newly invested company in the second quarter of 2021.

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 June 30, 2022, December 31, 2021 and June 30, 2021, the non-controlling interest amounted to $748,459, $680,934 and $519,052, respectively. The information of non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest June 30, 2022 Amount	Non-controlling interest June 30, 2022 Ownership (%)	Non-controlling interest December 31, 2021 Amount	Non-controlling interest December 31, 2021 Ownership (%)	Description
Sinopower Semiconductor Inc.	Taiwan	$ 748,459	56.587	$ 680,934	56.587	

Name of subsidiary	Principal place of business	Non-controlling interest June 30, 2021 Amount	Non-controlling interest June 30, 2021 Ownership (%)	Description
Sinopower Semiconductor Inc.	Taiwan	$ 519,052	56.431	

Summarised financial information of the subsidiary:

Balance sheets

	SINOPOWER SEMICONDUCTOR INC. and subsidiaries June 30, 2022	December 31, 2021	June 30, 2021
Current assets	$ 1,846,714	$ 1,801,168	$ 1,288,717
Non-current assets	974,571	664,083	476,993
Current liabilities	(999,292)	(724,045)	(688,824)
Non-current liabilities	(376,472)	(297,772)	(18,688)
Total net assets	$ 1,445,521	$ 1,443,434	$ 1,058,198

Statements of comprehensive income

	SINOPOWER SEMICONDUCTOR INC. and subsidiaries Three months ended June 30 2022	2021
Revenue	$ 970,755	$ 733,940
Profit before income tax	230,135	117,369
Income tax expense	(46,027)	(19,953)
Profit for the period	184,108	97,416
Other comprehensive (loss) income, net of tax	(98,277)	10,345
Total comprehensive income for the period	$ 85,831	$ 107,761
Comprehensive income attributable to non-controlling interest	$ 104,181	$ 54,973
Dividends paid to non-controlling interest	$ -	$ -

	SINOPOWER SEMICONDUCTOR INC. and subsidiaries	
	Six months ended June 30	
	2022	2021
Revenue	$ 1,940,025	$ 1,460,879
Profit before income tax	450,060	201,577
Income tax expense	(90,012)	(34,268)
Profit for the period	360,048	167,309
Other comprehensive (loss) income, net of tax	(117,243)	65,605
Total comprehensive income for the period	$ 242,805	$ 232,914
Comprehensive income attributable to non-controlling interest	$ 203,740	$ 94,414
Dividends paid to non-controlling interest	$ 136,215	$ 93,994

Statements of cash flows

	SINOPOWER SEMICONDUCTOR INC. and subsidiaries	
	Six months ended June 30	
	2022	2021
Net cash (used in) provided by operating activities	($ 272,014)	$ 169,629
Net cash used in investing activities	(158,055)	(20,758)
Net cash provided by (used in) financing activities	76,801	(136)
(Decrease) increase in cash and cash equivalents	(353,268)	148,735
Cash and cash equivalents, beginning of period	703,351	286,292
Cash and cash equivalents, end of period	$ 350,083	$ 435,027

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

The operating results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

(b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

(c) All resulting exchange differences are recognised in other comprehensive income.

(5) <u>Classification of current and non-current items</u>

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realised within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be settled within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settled within twelve months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

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

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) Financial assets at amortised cost

The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(9) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(10) Impairment of financial assets

At each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(12) Leasing arrangements (lessor)－lease receivables / operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(13) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, other direct costs and related production overheads. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(14) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	10 ~ 50 years
Machinery and equipment	3 ~ 10 years
Computer and telecommunication equipment	3 ~ 10 years
Transportation equipment	5 ~ 10 years
Office equipment	5 ~ 10 years
Leasehold improvements	5 ~ 6 years
Other equipment	3 ~ 10 years

(15) Leasing arrangements (lessee)－right-of-use assets / lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate.

Lease payments are comprised of the following:

(a) Fixed payments, less any lease incentives receivable;

(b) Variable lease payments that depend on an index or a rate;

(c) The exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and

(d) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

(a) The amount of the initial measurement of lease liability; and

(b) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset’s useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(16) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 10 ~ 50 years.

(17) Intangible assets

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 3 to 5 years.

(18) Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(19) Notes and accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(20) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(21) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(22) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.

ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

iii. Past service costs are recognised immediately in profit or loss.

iv. Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(23) Employee share-based payment

A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

B. Restricted stocks:

(a) Restricted stocks issued to employees are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period.

(b) For restricted stocks where those stocks do not restrict distribution of dividends to employees and employees are not required to return the dividends received if they resign during the vesting period, the Group recognises the fair value of the dividends received by the employees who are expected to resign during the vesting period as compensation cost at the date of dividends declared.

(c) For restricted stocks where employees do not need to pay to acquire those stocks, if the employees resign or pass away due to non-occupational accident before fulfilling the vesting condition, the Company will recover the shares without compensation and make retirement registration.

(24) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from research and development expenditures to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

G. 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.

H. 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.

(25) Share capital

A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(26) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders or Board of Directors. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(27) Revenue recognition

Sales of goods

A. The Group manufactures and sells products such as power IC, component and its module, wireless and network communication IC and photoelectric driver IC. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

B. Revenue from these sales is recognised based on the price specified in the contract. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(28) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group's chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

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

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors; and the related information is addressed below:

(1) Critical judgements in applying the Group’s accounting policies

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of June 30, 2022, the carrying amount of inventories was $1,129,808.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	June 30, 2022	December 31, 2021	June 30, 2021
Cash on hand and petty cash	$ 429	$ 433	$ 641
Checking accounts and demand deposits	747,889	400,269	403,082
Time deposits	1,616,503	1,326,685	998,040
Cash equivalents - Repurchase bonds (RP)	89,205	132,846	-
	$ 2,454,026	$ 1,860,233	$ 1,401,763

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

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

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

Items	June 30, 2022	December 31, 2021	June 30, 2021
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Beneficiary certificates	$ 170,000	$ 170,000	$ 170,000
Valuation adjustment	4,447	4,186	4,015
	$ 174,447	$ 174,186	$ 174,015

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

Items	Three months ended June 30 2022	Three months ended June 30 2021
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	$ 158	$ 96

Items	Six months ended June 30 2022	Six months ended June 30 2021
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	$ 261	$ 219

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

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

(3) Financial assets at amortised cost

Items	June 30, 2022	December 31, 2021	June 30, 2021
Current items:			
Time deposits maturing in excess of three months	$ -	$ 370,000	$ 270,000

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

	Three months ended June 30 2022	Three months ended June 30 2021
Interest income	$ 20	$ 221

	Six months ended June 30 2022	Six months ended June 30 2021
Interest income	$ 253	$ 283

B. As at June 30, 2022, December 31, 2021 and June 30, 2021, 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 $0, $370,000 and $270,000, respectively.

C. The Group has no financial assets at amortised cost pledged to others as collateral.

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

	June 30, 2022	December 31, 2021	June 30, 2021
Notes receivable	$ -	$ 19	$ 1,614
Less: Allowance for uncollectible accounts	-	-	-
	$ -	$ 19	$ 1,614
Accounts receivable	$ 1,522,323	$ 1,400,518	$ 1,289,000
Accounts receivable due from related parties	-	-	-
Less: Allowance for uncollectible accounts	-	-	-
	$ 1,522,323	$ 1,400,518	$ 1,289,000

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

	June 30, 2022		December 31, 2021	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	$ 1,520,487	$ -	$ 1,399,254	$ 19
Up to 30 days	1,836	-	550	-
31 to 90 days	-	-	714	-
91 to 180 days	-	-	-	-
	$ 1,522,323	$ -	$ 1,400,518	$ 19

	June 30, 2021	
	Accounts receivable	Notes receivable
Not past due	$ 1,284,723	$ 1,614
Up to 30 days	4,277	-
31 to 90 days	-	-
91 to 180 days	-	-
	$ 1,289,000	$ 1,614

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 June 30, 2022, December 31, 2021 and June 30, 2021, accounts receivable and notes receivable were all from contracts with customers. As of January 1, 2021, the balance of receivables from contracts with customers amounted to $1,106,265.

C. As of June 30, 2022, December 31, 2021 and June 30, 2021, the Group holds bank deposits, promissory notes, real estate and checks as collaterals for accounts receivable, and the fair value amounted to $1,458,387, $1,677,321 and $,1,359,067, respectively.

D. As at June 30, 2022, December 31, 2021 and June 30, 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes receivable and accounts receivable were $0, $19 and $1,614; $1,522,323, $1,400,518 and $1,289,000, respectively.

E. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(5) Inventories

	June 30, 2022		
	Cost	Allowance for market value decline and loss on obsolete and slow-moving inventories	Book value
Raw materials	$ 77,692	($ 17,742)	$ 59,950
Work in progress	690,270	(30,254)	660,016
Finished goods	486,879	(77,037)	409,842
	$ 1,254,841	($ 125,033)	$ 1,129,808

	December 31, 2021		
	Cost	Allowance for market value decline and loss on obsolete and slow-moving inventories	Book value
Raw materials	$ 69,170	($ 17,211)	$ 51,959
Work in progress	445,361	(28,921)	416,440
Finished goods	383,926	(77,808)	306,118
	$ 898,457	($ 123,940)	$ 774,517

	June 30, 2021		
	Cost	Allowance for market value decline and loss on obsolete and slow-moving inventories	Book value
Raw materials	$ 63,532	($ 9,574)	$ 53,958
Work in progress	427,200	(22,369)	404,831
Finished goods	174,027	(73,016)	101,011
	$ 664,759	($ 104,959)	$ 559,800

The cost of inventories recognised as expense for the period:

	Three months ended June 30	
	2022	2021
Cost of goods sold	$ 1,151,792	$ 1,033,749
Loss on market value decline and obsolete and slow-moving inventories (Gain on reversal) (Note)	10,999	(5,000)
Others	(1,593)	(8,645)
	$ 1,161,198	$ 1,020,104

	Six months ended June 30	
	2022	2021
Cost of goods sold	$ 2,269,974	$ 2,077,511
Loss on market value decline and obsolete and slow-moving inventories (Gain on reversal) (Note)	26,500	(6,000)
Others	(3,998)	(13,036)
	$ 2,292,476	$ 2,058,475

Note: The Group reversed from a previous inventory write-down and accounted for as reduction of loss on decline in market value because the inventories were actively disposed for the three months and six months ended June 30, 2021.

(6) Property, plant and equipment

	Land	Buildings and structures	Machinery and equipment	Computers and telecommunication equipment	Transportation equipment	Office equipment	Leasehold improvements	Other equipments	Unfinished construction and equipment to be inspected	Total
At January 1, 2022										
Cost	$ 113,120	$ 396,726	$ 238,275	$ 69,023	$ 3,690	$ 9,322	$ 7,277	$ 677,367	$ 7,134	$ 1,521,934
Accumulated depreciation	-	(189,465)	(178,997)	(38,760)	(1,329)	(8,499)	(6,766)	(527,163)	-	(950,979)
	$ 113,120	$ 207,261	$ 59,278	$ 30,263	$ 2,361	$ 823	$ 511	$ 150,204	$ 7,134	$ 570,955
2022										
Opening net book amount as at January 1	$ 113,120	$ 207,261	$ 59,278	$ 30,263	$ 2,361	$ 823	$ 511	$ 150,204	$ 7,134	$ 570,955
Additions	-	158	8,333	3,869	-	500	-	62,293	3,144	78,297
Disposals	-	-	-	-	-	(8)	-	(1,088)	-	(1,096)
Transfers	-	(50)	3,666	-	-	-	-	-	(3,666)	(50)
Depreciation expense	-	(3,287)	(6,241)	(4,264)	(272)	(152)	(97)	(47,026)	-	(61,339)
Net exchange differences	-	-	25	-	50	5	-	-	-	80
Closing net book amount as at June 30	$ 113,120	$ 204,082	$ 65,061	$ 29,868	$ 2,139	$ 1,168	$ 414	$ 164,383	$ 6,612	$ 586,847
At June 30, 2022										
Cost	$ 113,120	$ 396,834	$ 250,367	$ 70,233	$ 3,764	$ 9,769	$ 7,277	$ 670,448	$ 6,612	$ 1,528,424
Accumulated depreciation	-	(192,752)	(185,306)	(40,365)	(1,625)	(8,601)	(6,863)	(506,065)	-	(941,577)
	$ 113,120	$ 204,082	$ 65,061	$ 29,868	$ 2,139	$ 1,168	$ 414	$ 164,383	$ 6,612	$ 586,847

	Land	Buildings and structures	Machinery and equipment	Computers and telecommunication equipment	Transportation equipment	Office equipment	Leasehold improvements	Other equipments	Unfinished construction and equipment to be inspected	Total
At January 1, 2021										
Cost	$ 113,120	$ 383,193	$ 219,989	$ 53,275	$ 3,048	$ 9,617	$ 7,035	$ 589,603	$ 16,908	$ 1,395,788
Accumulated depreciation	-	(183,389)	(172,459)	(33,144)	(1,601)	(8,483)	(6,464)	(437,532)	-	(843,072)
	$ 113,120	$ 199,804	$ 47,530	$ 20,131	$ 1,447	$ 1,134	$ 571	$ 152,071	$ 16,908	$ 552,716
2021										
Opening net book amount as at January 1	$ 113,120	$ 199,804	$ 47,530	$ 20,131	$ 1,447	$ 1,134	$ 571	$ 152,071	$ 16,908	$ 552,716
Additions	-	-	3,034	7,525	1,653	-	70	46,491	11,585	70,358
Disposals	-	-	-	-	(348)	-	-	-	-	(348)
Transfers	-	-	-	-	-	-	-	-	-	-
Depreciation expense	-	(2,791)	(4,617)	(3,259)	(125)	(181)	(184)	(46,032)	-	(57,189)
Net exchange differences	-	-	(23)	-	(20)	(5)	-	-	-	(48)
Closing net book amount as at June 30	$ 113,120	$ 197,013	$ 45,924	$ 24,397	$ 2,607	$ 948	$ 457	$ 152,530	$ 28,493	$ 565,489
At June 30, 2021										
Cost	$ 113,120	$ 383,193	$ 222,412	$ 60,555	$ 3,662	$ 9,592	$ 7,105	$ 636,066	$ 28,493	$ 1,464,198
Accumulated depreciation	-	(186,180)	(176,488)	(36,158)	(1,055)	(8,644)	(6,648)	(483,536)	-	(898,709)
	$ 113,120	$ 197,013	$ 45,924	$ 24,397	$ 2,607	$ 948	$ 457	$ 152,530	$ 28,493	$ 565,489

(7) Leasing arrangements－lessee

A. The Group leases various assets including land, buildings and transportation equipment. Rental contracts are typically made for periods of 2 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

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

	June 30, 2022	December 31, 2021	June 30, 2021
	Carrying amount	Carrying amount	Carrying amount
Land	$ 134,509	$ 135,964	$ 137,974
Buildings	3,218	1,468	3,281
Transportation equipment	1,910	2,791	3,825
	$ 139,637	$ 140,223	$ 145,080

	Three months ended June 30	
	2022	2021
	Depreciation charge	Depreciation charge
Land	$ 1,014	$ 1,004
Buildings	880	880
Transportation equipment	442	556
	$ 2,336	$ 2,440

	Six months ended June 30	
	2022	2021
	Depreciation charge	Depreciation charge
Land	$ 2,018	$ 2,009
Buildings	1,761	1,754
Transportation equipment	882	1,198
	$ 4,661	$ 4,961

C. For the three months and six months ended June 30, 2022 and 2021, the additions to right-of-use assets were $4,074, $3,579, $4,074 and $3,579, respectively.

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

	Three months ended June 30	
	2022	2021
Items affecting profit or loss		
Interest expense on lease liabilities	$ 536	$ 549
Expense on short-term lease contracts	610	760

	Six months ended June 30	
	2022	2021
Items affecting profit or loss		
Interest expense on lease liabilities	$ 1,067	$ 1,101
Expense on short-term lease contracts	1,268	1,724

E. For the six months ended June 30, 2022 and 2021, the Group's total cash outflow for leases were $6,567 and $7,344, respectively.

(8) Leasing arrangements – lessor

A. The Group leases various assets including buildings and structures. Rental contracts are typically made for periods of 1 and 3 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To secure the use of leased assets, the lessee would usually be required to provide a security deposit, and as of June 30, 2022, the Group had received a security deposit of $2,660.

B. For the three months and six months ended June 30, 2022 and 2021, the Group recognised rent income in the amounts of $4,892, $4,465, $9,795 and $9,156, respectively, based on the operating lease agreement, which does not include variable lease payments.

C. The maturity analysis of the lease payments under the operating leases is as follows:

	June 30, 2022	December 31, 2021	June 30, 2021
2021	$ -	$ -	$ 9,641
2022	1,631	11,414	11,414
	$ 1,631	$ 11,414	$ 21,055

(9) Investment property

	Buildings and structures
At January 1, 2022	
Cost	$ 155,188
Accumulated depreciation	(86,911)
	$ 68,277
2022	
Opening net book amount as at January 1	$ 68,277
Transfers	50
Depreciation expense	(987)
Closing net book amount as at June 30	$ 67,340
At June 30, 2022	
Cost	$ 155,238
Accumulated depreciation	(87,898)
	$ 67,340

	Buildings and structures
At January 1, 2021	
Cost	$ 155,188
Accumulated depreciation	(84,802)
	$ 70,386
2021	
Opening net book amount as at January 1	$ 70,386
Depreciation expense	(1,070)
Closing net book amount as at June 30	$ 69,316
At June 30, 2021	
Cost	$ 155,188
Accumulated depreciation	(85,872)
	$ 69,316

A. Rental income from investment property and direct operating expenses arising from investment property are shown below:

	Three months ended June 30	
	2022	2021
Rental income from investment property	$ 4,892	$ 4,465
Direct operating expenses arising from the investment property that generated rental income during the period	($ 494)	($ 533)

	Six months ended June 30	
	2022	2021
Rental income from investment property	$ 9,795	$ 8,950
Direct operating expenses arising from the investment property that generated rental income during the period	($ 999)	($ 1,091)

B. The fair value of the investment property held by the Group as at June 30, 2022, December 31, 2021 and June 30, 2021 were $95,668, $95,668 and $101,822, respectively, which was valued by independent valuers. Valuations were made using the cost approach and income approach which is categorised within Level 3 in the fair value hierarchy. Key assumptions are as follows:

	June 30, 2022	December 31, 2021	June 30, 2021
Vacant loss rate	24.00%	24.00%	23.00%
Net income capitalization rate	11.74%	11.74%	11.74%

(10) Intangible assets

	Computer software
At January 1, 2022	
Cost	$ 85,260
Accumulated amortisation	(72,165)
	$ 13,095
2022	
Opening net book amount as at January 1	$ 13,095
Amortisation charge	(3,435)
Closing net book amount as at June 30	$ 9,660
At June 30, 2022	
Cost	$ 85,260
Accumulated amortisation	(75,600)
	$ 9,660

	Computer software
At January 1, 2021	
Cost	$ 81,645
Accumulated amortisation	(62,995)
	$ 18,650
2021	
Opening net book amount as at January 1	$ 18,650
Additions－acquired separately	3,160
Amortisation charge	(5,011)
Closing net book amount as at June 30	$ 16,799
At June 30, 2021	
Cost	$ 84,805
Accumulated amortisation	(68,006)
	$ 16,799

Details of amortisation on intangible assets are as follows:

	Three months ended June 30	
	2022	2021
Manufacturing expense	$ -	$ 4
Selling expenses	-	97
General and administrative expenses	330	391
Research and development expenses	1,347	2,092
	$ 1,677	$ 2,584

	Six months ended June 30	
	2022	2021
Manufacturing expense	$ -	$ 9
Selling expenses	-	242
General and administrative expenses	742	707
Research and development expenses	2,693	4,053
	$ 3,435	$ 5,011

(11) Other non-current assets

	June 30, 2022	December 31, 2021	June 30, 2021
Refundable deposits	$ 245,998	$ 77,278	$ 9,392
Long-term prepayments	391,052	116,803	96,464
	$ 637,050	$ 194,081	$ 105,856

The subsidiary – Sinpower 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. prepaid capacity guarantee deposits to reserve the supplier’s production capacity, and the deposits will be returned upon the fulfillment of contractual obligations.

(12) Other payables

	June 30, 2022	December 31, 2021	June 30, 2021
Dividend payable	$ 800,001	$ -	$ 475,224
Employees’ compensation payable	435,868	262,770	212,712
Accrued expenses - bonus	117,539	110,208	57,080
Payables for machinery and equipment	30,173	19,577	13,107
Directors’ remuneration payable	29,668	38,929	15,069
Other accrued expenses	134,686	146,262	99,004
	$ 1,547,935	$ 577,746	$ 872,196

(13) 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) For the aforementioned pension plan, the Group recognised pension costs of $0, $0, $23 and $34 for the three months and six months ended June 30, 2022 and 2021, respectively.

(c) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2022 amount to $1,057.

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 six months ended June 30, 2022 and 2021 was 15%. Other than the monthly contributions, the Group has no further obligations.

(c) The pension costs under the defined contribution pension plan of the Group for the three months and six months ended June 30, 2022 and 2021, were $5,601, $5,248, $10,930 and $10,364, respectively.

(14) Share-based payment

A. For the six months ended June 30, 2022 and 2021, the Group's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Restricted stocks to employees	2019.05.13	470	2 years	1 year vested 50% 2 years vested 50%
Restricted stocks to employees	2021.03.23	750	2 years	1 year vested 50% 2 years vested 50%
Restricted stocks to employees	2021.11.09	350	2 years	1 year vested 50% 2 years vested 50%
Treasury stock transferred to employees	2021.02.04	283	-	Vested immediately

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 resign or die 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. As of June 30, 2022, December 31, 2021 and June 30, 2021, there are no options outstanding.

C. The Board of Directors on May 13, 2019 has resolved to issue employee restricted stock of 470 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 $59.4 (in dollars).

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

The shareholders' during their meeting on August 30, 2021 adopted a resolution to issue employee restricted ordinary shares of 450 thousand shares without consideration, voting right and dividend participation are not restricted on these stocks. The application has been approved to be effective by the Financial Supervisory Commission.

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

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

	Six months ended June 30	
	2022	2021
	No. of shares (in thousands)	No. of shares (in thousands)
Balance at the beginning of the year	1,066	220
Issued during the period	-	750
Vested during the period	(341)	(218)
Retrieved during the period	(40)	(14)
Balance at the end of the period	685	738

D. The Company transferred the treasury stock to employees, and the measurement of fair value was based on the closing price of the Company's share on the grant date. Relevant information is as follows:

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Fair value per unit (in dollars)
Treasury stock transferred to employees	2021.02.04	$80.80	$63.12	17.68

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

	Three months ended June 30	
	2022	2021
Equity-settled	$ 24,735	$ 15,896

	Six months ended June 30	
	2022	2021
Equity-settled	$ 49,734	$ 22,629

(15) Share capital

A. As of June 30, 2022, 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 $740,725 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)

	Six months ended June 30	
	2022	2021
Outstanding ordinary shares at January 1	73,254	71,905
Issuance of employee restricted stocks	-	750
Employee restricted shares retired	(40)	(14)
Treasury stocks transferred to employees	-	283
Outstanding ordinary shares at June 30	73,214	72,924
Employee restricted shares retired	-	14
Treasury stocks	859	861
Issued shares at June 30	74,073	73,799

B. Treasury stocks

(a) Reason for share reacquisition and the number of the Company’s treasury stocks are as follows:

		June 30, 2022	
Name of company holding the shares	Reason for reacquisition	Number of shares	Book value
The Company	To be transferred to employees	485	$ 33,148
Subsidiaries - Sinopower Semiconductor Inc.	In consideration of business strategies	374	24,995
			$ 58,143

		December 31, 2021	
Name of company holding the shares	Reason for reacquisition	Number of shares	Book value
The Company	To be transferred to employees	485	$ 33,148
Subsidiaries - Sinopower Semiconductor Inc.	In consideration of business strategies	374	24,995
			$ 58,143

Name of company holding the shares	Reason for reacquisition	June 30, 2021 Number of shares	Book value
The Company	To be transferred to employees	485	$ 33,148
Subsidiaries - Sinopower Semiconductor Inc.	In consideration of business strategies	376	25,085
			$ 58,233

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

(c) Pursuant to the R.O.C. Securities and Exchange Act, treasury stocks should not be pledged as collateral and is not entitled to dividends before it is reissued.

(d) Pursuant to the R.O.C. Securities and Exchange Act, treasury stocks should be reissued to the employees within five years from the reacquisition date and shares not reissued within the five-year period are to be retired. Treasury stocks to enhance the Company's credit rating and the stockholders' equity should be retired within six months of acquisition.

(e) The subsidiary, Sinopower Semiconductor Inc. whose shares are less than 50% held by the Company but was substantially controlled by the Company, due to business strategies acquired the Company's shares, which were treated as treasury stocks. The costs of the treasury stocks were calculated based on the carrying amount of the Company's shares held by Sinopower Semiconductor Inc. in each period and the share ownership of Sinopower Semiconductor Inc. held by the Company. As of June 30, 2022, December 31, 2021 and June 30, 2021, the Company's shares held by Sinopower Semiconductor Inc. both amounted to 862 thousand shares, at the average carrying amount of $66.79 (in dollars) per share and the fair value per share amounted to $142.5 (in dollars), $278.5 (in dollars) and $161.5 (in dollars), respectively.

(16) 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.

	2022						
	Share premium	Treasury stock	Employee restricted shares	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Changes in ownership interests in subsidiaries	Others	Total
At January 1	$ 224,075	$ 19,830	$ 125,286	$ 279,915	$ 31,867	$ 22,856	$ 703,829
Employee restricted shares vested	35,975	-	(35,975)	-	-	-	-
Employee restricted shares retired	-	-	4,297	-	-	-	4,297
Compensation cost of employee restricted shares	-	-	-	-	-	-	-
At June 30	$ 260,050	$ 19,830	$ 93,608	$ 279,915	$ 31,867	$ 22,856	$ 708,126

	2021						
	Share premium	Treasury stock	Employee restricted shares	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Changes in ownership interests in subsidiaries	Others	Total
At January 1	$ 213,306	$ 12,880	$ 10,868	$ 279,915	$ 26,695	$ 22,856	$ 566,520
Employee restricted shares	-	-	71,762	-	-	-	71,762
Employee restricted shares vested	10,769		(10,769)	-	-	-	-
Employee restricted shares retired	-	-	140	-	-	-	140
Compensation cost of employee restricted shares	-	-	(119)	-	-	-	(119)
Compensation cost of reissuing the treasury stocks to employees	-	5,003	-	-	-	-	5,003
At June 30	$ 224,075	$ 17,883	$ 71,882	$ 279,915	$ 26,695	$ 22,856	$ 643,306

(17) 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 the Company Act Article 240, 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 appropriations of 2021 earnings as resolved by the shareholders on June 23, 2022 and the appropriations of 2020 earnings as resolved by the shareholders during their meeting on August 30, 2021 are as follows:

	Year ended December 31			
	2021		2020	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	$ 93,119		$ 45,537	
Cash dividends	663,786	$ 9.02	381,230	$ 5.20
	$ 756,905		$ 426,767	

(18) Other equity items

	2022		
	Foreign currency translation	Unearned employee compensation	Total
At January 1	($ 2,957)	($ 87,818)	($ 90,775)
Compensation cost of employee restricted stocks	-	49,734	49,734
Employee restricted shares retired	-	(3,897)	(3,897)
Currency translation differences:			
–Group	1,158	-	1,158
At June 30	($ 1,799)	($ 41,981)	($ 43,780)

	2021		
	Foreign currency translation	Unearned employee compensation	Total
At January 1	($ 2,661)	($ 2,883)	($ 5,544)
Issuance of employee restricted shares	-	(79,262)	(79,262)
Compensation cost of employee restricted stocks	-	17,745	17,745
Currency translation differences:			
–Group	(602)	-	(602)
At June 30	($ 3,263)	($ 64,400)	($ 67,663)

(19) Operating revenue

Revenue from contracts with customers - Disaggregation of revenue from products:

	Three months ended June 30	
	2022	2021
Power MOSFET IC	$ 967,004	$ 726,569
Power transfer and management IC	556,060	452,651
Amplifier and Driver IC	525,523	427,591
Others	2,219	3,250
	$ 2,050,806	$ 1,610,061

	Six months ended June 30	
	2022	2021
Power MOSFET IC	$ 1,927,425	$ 1,446,409
Power transfer and management IC	1,043,479	828,319
Amplifier and Driver IC	1,016,621	839,857
Others	2,866	6,389
	$ 3,990,391	$ 3,120,974

(20) Other income and expenses – net

	Three months ended June 30	
	2022	2021
Other income		
Rental revenue	$ 4,892	$ 4,465
Other expenses		
Depreciation expense	(494)	(533)
Others	-	-
	$ 4,398	$ 3,932

	Six months ended June 30	
	2022	2021
Other income		
Rental revenue	$ 9,795	$ 8,950
Other expenses		
Depreciation expense	(987)	(1,070)
Others	(12)	(21)
	$ 8,796	$ 7,859

(21) Interest income

	Three months ended June 30	
	2022	2021
Interest income from bank deposits	$ 2,487	$ 1,000
Interest income from financial assets at amortised cost	20	221
	$ 2,507	$ 1,221

	Six months ended June 30	
	2022	2021
Interest income from bank deposits	$ 3,663	$ 1,770
Interest income from financial assets at amortised cost	253	283
	$ 3,916	$ 2,053

(22) Other income

	Three months ended June 30	
	2022	2021
Rental revenue	$ 120	$ 159
Other income, others	121	1,926
	$ 241	$ 2,085

	Six months ended June 30	
	2022	2021
Rental revenue	$ 243	$ 366
Other income, others	1,376	2,580
	$ 1,619	$ 2,946

(23) Finance costs

	Three months ended June 30	
	2022	2021
Interest expense of short-term loan	$ 9	$ -
Interest expense of lease liabilities	536	549
	$ 545	$ 549

	Six months ended June 30	
	2022	2021
Interest expense of short-term loan	$ 9	$ -
Interest expense of lease liabilities	1,067	1,101
	$ 1,076	$ 1,101

(24) Other gains and losses

	Three months ended June 30	
	2022	2021
Gain (loss) on disposal of property, plant and equipment	$ 1,578	($ 60)
Foreign exchange gains	45,599	8,214
Gain on financial assets (liabilities) at fair value through profit or loss	158	96
Miscellaneous disbursements	(24)	(2)
	$ 47,311	$ 8,248

	Six months ended June 30	
	2022	2021
Gain (loss) on disposal of property, plant and equipment	$ 1,578	($ 60)
Foreign exchange gains	96,691	23,414
Gain on financial assets (liabilities) at fair value through profit or loss	261	219
Miscellaneous disbursements	(11)	(25)
	$ 98,519	$ 23,548

(25) Expenses by nature

	Three months ended June 30	
	2022	2021
Employee benefit expenses	$ 298,170	$ 219,746
Depreciation charge	33,505	31,835
Amortisation charge	1,677	2,584
	$ 333,352	$ 254,165

	Six months ended June 30	
	2022	2021
Employee benefit expenses	$ 590,537	$ 396,547
Depreciation charge	66,987	63,220
Amortisation charge	3,435	5,011
	$ 660,959	$ 464,778

(26) Employee benefit expense

	Three months ended June 30			
	2022		2021	
Wages and salaries	$	250,182	$	183,455
Share-based payment		24,735		15,896
Labour and health insurance fees		10,936		8,650
Pension costs		5,601		5,248
Other personnel expenses		6,716		6,497
	$	298,170	$	219,746

	Six months ended June 30			
	2022		2021	
Wages and salaries	$	492,537	$	333,493
Share-based payment		49,734		22,629
Labour and health insurance fees		23,564		17,272
Pension costs		10,953		10,398
Other personnel expenses		13,749		12,755
	$	590,537	$	396,547

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 and six months ended June 30, 2022 and 2021, employees' compensation were accrued at $69,470, $38,544, $128,354 and $69,509, respectively; while directors' remuneration were accrued at $10,291, $5,711, $19,015 and $10,298, respectively. The aforementioned amounts were recognised in salary expenses based on distributable profit of current period for the six months ended June 30, 2022 and 2021.

Employees' compensation and directors' remuneration for 2021 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2021 financial statements, and the employees' compensation and directors' remuneration will be distributed in the form of cash. As of June 30, 2022, the employees' compensation for 2021 had not been distributed.

C. For the three months and six months ended June 30, 2022 and 2021, the Company's subsidiary, Sinopower Semiconductor Inc., employees' compensation were accrued at $36,767, $18,752, $71,903 and $32,205, respectively; while directors' remuneration were accrued at $5,447, $2,778, $10,652 and $4,771, respectively. The aforementioned amounts were recognised in salary expenses based on distributable profit of current period for the six months ended June 30, 2022 and 2021.

Employees' compensation and directors' remuneration for 2021 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2021 financial statements. The employees' compensation and directors' remuneration for 2021 will be distributed in the form of cash. As of June 30, 2022, the employees' compensation for 2021 had not been distributed.

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 June 30	
	2022	2021
Current tax:		
Current tax on profits for the period	$ 118,926	$ 64,942
Prior year income tax overestimation	1,292	(6,096)
Tax on undistributed surplus earnings	7,639	2,179
Effect from investment tax credits	(6,277)	(4,976)
Total current tax	121,580	56,049
Deferred tax:		
Origination and reversal of temporary differences	(5,072)	2,754
Total deferred tax	(5,072)	2,754
Income tax expense	$ 116,508	$ 58,803

	Six months ended June 30	
	2022	2021
Current tax:		
Current tax on profits for the period	$ 226,973	$ 107,243
Prior year income tax overestimation	1,292	(6,096)
Tax on undistributed surplus earnings	7,639	2,179
Effect from investment tax credits	(6,277)	(4,976)
Total current tax	229,627	98,350
Deferred tax:		
Origination and reversal of temporary differences	(8,986)	3,868
Total deferred tax	(8,986)	3,868
Income tax expense	$ 220,641	$ 102,218

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

	Three months ended June 30	
	2022	2021
Currency translation differences	($ 132)	($ 89)

	Six months ended June 30	
	2022	2021
Currency translation differences	$ 289	($ 151)

B. The Company's income tax returns through 2020 have been assessed and approved by the Tax

Authority.

(28) Earnings per share

	Three months ended June 30, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousand)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholder of the parent	$ 364,355	72,375	$ 5.03
Diluted earnings per share			
Profit attributable to ordinary shareholder of the parent	$ 364,355	72,375	
Less: Assumed conversion of all dilutive potential ordinary shares issued by the investment company accounted for using equity method	(679)		
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	488	
Employee restricted stock	-	373	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 363,676	73,236	$ 4.97

	Three months ended June 30, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousand)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholder of the parent	$ 202,408	71,915	$ 2.81
Diluted earnings per share			
Profit attributable to ordinary shareholder of the parent	$ 202,408	71,915	
Less: Assumed conversion of all dilutive potential ordinary shares issued by the investment company accounted for using equity method	(352)		
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	239	
Employee restricted stock	-	308	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 202,056	72,462	$ 2.79

	Six months ended June 30, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousand)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholder of the parent	$ 672,787	72,375	$ 9.30
Diluted earnings per share			
Profit attributable to ordinary shareholder of the parent	$ 672,787	72,375	
Less: Assumed conversion of all dilutive potential ordinary shares issued by the investment company accounted for using equity method	(3,764)		
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	1,246	
Employee restricted stock	-	462	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 669,023	74,083	$ 9.03

	Six months ended June 30, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousand)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholder of the parent	$ 367,124	71,920	$ 5.10
Diluted earnings per share			
Profit attributable to ordinary shareholder of the parent	$ 367,124	71,920	
Less: Assumed conversion of all dilutive potential ordinary shares issued by the investment company accounted for using equity method	(759)		
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	745	
Employee restricted stock	-	216	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 366,365	72,881	$ 5.03

(29) Supplemental cash flow information

Investing activities with partial cash payments:

	Six months ended June 30	
	2022	2021
Purchase of property, plant and equipment	$ 78,297	$ 70,358
Add: Opening balance of payable on equipment	19,577	13,583
Less: Ending balance of payable on equipment	(30,173)	(13,107)
Cash paid during the period	$ 67,701	$ 70,834

Financing activities with partial cash payments:

	Six months ended June 30	
	2022	2021
Cash dividends declared	$ 663,786	$ 381,230
Less: Shown as ' other payables'	(663,786)	(381,230)
Cash paid during the period	$ -	$ -

	Six months ended June 30	
	2022	2021
Cash dividends paid to non-controlling interest declared by subsidiaries	$ 136,215	$ 93,994
Less: Shown as ‘ other payables’	(136,215)	(93,994)
Cash paid during the period	$ -	$ -

(30) Changes in liabilities from financing activities

	2022		
	Guarantee deposits received	Lease liabilities	Liabilities from financing activities-gross
At January 1	$ 341,213	$ 143,105	$ 484,318
Changes in cash flow from financing activities	83,048	(5,299)	77,749
Changes in other non-cash items	-	5,141	5,141
At June 30	$ 424,261	$ 142,947	$ 567,208

	2021		
	Guarantee deposits received	Lease liabilities	Liabilities from financing activities-gross
At January 1	$ 38,525	$ 148,451	$ 186,976
Changes in cash flow from financing activities	17,208	(5,620)	11,588
Changes in other non-cash items	-	4,680	4,680
At June 30	$ 55,733	$ 147,511	$ 203,244

7. Related Party Transactions

Key management compensation

	Three months ended June 30	
	2022	2021
Salaries and other short-term employee benefits	$ 36,976	$ 24,473
Post-employment benefits	179	181
Share-based payments	1,567	1,149
	$ 38,722	$ 25,803

	Six months ended June 30	
	2022	2021
Salaries and other short-term employee benefits	$ 73,514	$ 44,623
Post-employment benefits	310	351
Share-based payments	3,481	1,572
	$ 77,305	$ 46,546

A. 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.

B. Post-employment benefits are arose from pensions.

8. Pledged Assets

None.

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

None.

(2) Commitments

None.

10. Significant Disaster Loss

None.

11. Significant Events after the Reporting Period

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 fulfil capital management objectives.

(2) Financial instruments

A. Financial instruments by category

	June 30, 2022	December 31, 2021	June 30, 2021
Financial assets			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	$ 174,447	$ 174,186	$ 174,015
Financial assets at amortised cost			
Cash and cash equivalents	2,454,026	1,860,233	1,401,763
Financial assets at amortised cost	-	370,000	270,000
Notes receivable	-	19	1,614
Accounts receivable	1,522,323	1,400,518	1,289,000
Other receivables	19,220	16,843	19,795
Guarantee deposits paid	245,998	77,278	9,392
	$ 4,416,014	$ 3,899,077	$ 3,165,579

Financial liabilities			
Financial liabilities at amortised cost			
Notes payable	$ 3,582	$ 1,152	$ -
Accounts payable (including related parties)	698,828	728,715	602,251
Other payables	1,547,935	577,746	872,196
Guarantee deposits received	424,261	341,213	55,733
	$ 2,674,606	$ 1,648,826	$ 1,530,180
Lease liabilities	$ 142,947	$ 143,105	$ 147,511

B. Financial risk management policies

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

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

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. Each company treasury hedged by using capital requirements of various currencies and foreign currency assets and certain net liabilities, or by using forward foreign exchange contracts. Exchange rate risk is measured through a forecast of highly probable USD and RMB expenditures. Forward foreign exchange contracts are adopted to minimise the volatility of the exchange rate affecting cost of forecast inventory purchases.

iii. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	June 30, 2022		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 59,306	29.71	$ 1,761,981
Financial liabilities			
Monetary items			
USD:NTD	24,776	29.71	736,095

	December 31, 2021		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 70,868	27.67	$ 1,960,918
Financial liabilities			
Monetary items			
USD:NTD	27,552	27.67	762,364

	June 30, 2021		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 47,763	27.86	$ 1,330,677
Financial liabilities			
Monetary items			
USD:NTD	22,181	27.86	617,963

iv. The unrealised exchange gain arising from significant foreign exchange variation on the monetary items held by the Group for the three months and six months ended June 30, 2022 and 2021, amounted to ($6,777), ($757), $13,723 and $13,082, respectively.

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

	Six months ended June 30, 2022		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 17,620	$ -
Financial liabilities			
Monetary items			
USD:NTD	1%	7,361	-

	Six months ended June 30, 2021		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 13,307	$ -
Financial liabilities			
Monetary items			
USD:NTD	1%	6,180	-

Price risk

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) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.

ii. The Group manages their credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with optimise credit quality are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the finance department. The utilisation of credit limits is regularly monitored.

iii. The Group adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are past due over 180 days.

iv. The Group classifies customers' accounts receivable and notes receivable in accordance with customer types. The Group applies the modified approach using a provision matrix based on the loss rate methodology to estimate expected credit loss.

v. The Group adjusts historical and timely information to assess the default possibility of accounts receivable and notes receivable. As of June 30, 2022, December 31, 2021 and June 30, 2021, the provision matrix is as follows:

	Not past due	Up to 30 days past due	31~90 days past due	91~180 days past due
At June 30, 2022				
Expected loss rate	0%	0%	0%~3.2%	0%~4.9%
Total book value	$ 1,520,487	$ 1,836	$ -	$ -
Loss allowance	$ -	$ -	$ -	$ -

	181~270 days past due	271~360 days past due	Over 361 days past due	Total
Expected loss rate	10%	50%	100%	
Total book value	$ -	$ -	$ -	$ 1,522,323
Loss allowance	$ -	$ -	$ -	$ -

	Not past due	Up to 30 days past due	31~90 days past due	91~180 days past due
At December 31, 2021				
Expected loss rate	0%	0%	0%	0.%~2.9%
Total book value	$ 1,399,273	$ 550	$ 714	$ -
Loss allowance	$ -	$ -	$ -	$ -

	181~270 days past due	271~360 days past due	Over 361 days past due	Total
Expected loss rate	10%	50%	100%	
Total book value	$ -	$ -	$ -	$ 1,400,537
Loss allowance	$ -	$ -	$ -	$ -

	Not past due	Up to 30 days past due	31~90 days past due	91~180 days past due
At June 30, 2021				
Expected loss rate	0%	0%	0%	0.%~2.9%
Total book value	$ 1,286,337	$ 4,277	$ -	$ -
Loss allowance	$ -	$ -	$ -	$ -

	181~270 days past due	271~360 days past due	Over 361 days past due	Total
Expected loss rate	10%	50%	100%	
Total book value	$ -	$ -	$ -	$ 1,290,614
Loss allowance	$ -	$ -	$ -	$ -

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group. Group finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times.

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

iii. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

June 30, 2022	Less than 1 year	Over 1 year	Book value
Non-derivative financial liabilities			
Notes payable	$ 3,582	$ -	$ 3,582
Accounts payable	698,828	-	698,828
Other payables	1,547,935	-	1,547,935
Guarantee deposits	275,261	149,000	424,261
Lease liabilities	9,929	169,982	179,911

December 31, 2021	Less than 1 year	Over 1 year	Book value
Non-derivative financial liabilities			
Notes payable	$ 1,152	$ -	$ 1,152
Accounts payable	728,715	-	728,715
Other payables	577,746	-	577,746
Guarantee deposits	341,213	-	341,213
Lease liabilities	8,464	173,200	181,664

June 30, 2021	Less than 1 year	Over 1 year	Book value
Non-derivative financial liabilities			
Accounts payable	$ 602,251	$ -	602,251
Other payables	872,196	-	872,196
Guarantee deposits	55,733	-	55,733
Lease liabilities	10,499	176,670	187,169

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

(d) Impact of the COVID-19 pandemic to the Group's operations

Base on the Group's assessment, the Group has no significant impact on the Group's ability to continue as a going concern, assets impairment and financing risks.

(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. The fair value of the Group's investment in most derivative instruments is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity investment without active market is included in Level 3.

B. Fair value information on investment property at cost is provided in Note 6(9).

C. The related information of 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 are as follows:

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

June 30, 2022	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 174,447	$ -	$ -	$ 174,447

December 31, 2021	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 174,186	$ -	$ -	$ 174,186

June 30, 2021	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 174,015	$ -	$ -	$ 174,015

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

i. The instruments the Group used market quoted prices as their fair values (that is, Level 1), closed-end fund is based on the closing price and the open-end fund is based on the net assets value as the fair value.

ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes.

D. For the six months ended June 30, 2022 and 2021, there was no transfer between Level 1 and Level 2.

E. For the six months ended June 30, 2022 and 2021, there was no transfer into or out from Level 3.

13. Supplementary Disclosures

(1) Significant transactions information

A. Loans to others: None.

B. Provision of endorsements and guarantees to others: None.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to table 1.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: None.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: None.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: None.

I. Trading in derivative instruments undertaken during the reporting periods: None.

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

(2) Information on investees

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

(3) Information on investments in Mainland China

A. Basic information: Refer to table 4.

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

(a) The Company entered into the sales agent contract with Supec (Suzhou) Co., Ltd., a subsidiary of Supec International Holding Ltd. Under the contract, the Company's commission expense was calculated based on the 5% of the monthly sales volume in Mainland China. For the three months and six months ended June 30, 2022 and 2021, the commission expense amounted to $6,619, $11,947, $13,524 and $26,150, respectively.

(b) As of June 30, 2022 and 2021, the balance of other payables to Supec (Suzhou) Co., Ltd. were $2,226 and $3,712, respectively.

(4) Major shareholders information

Major shareholders information:None.

14. Segment Information

(1) General information

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

(2) Measurement of segment information

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

(3) Reconciliation for segment income (loss)

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

Anpec Electronics Corporation and subsidiaries

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

June 30, 2022

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of March 31, 2022 Number of shares	Book value	Ownership (%)	Fair value	Footnote
Anpec Electronics Corporation	Stocks, Bigbest Solutions, Inc.	None	Financial assets at fair value through profit or loss	646,800	$ -	0.924	$ -	
Anpec Electronics Corporation	Stocks, Grenergy Opto, 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	71,338	-	71,338	
Anpec Electronics Corporation	Beneficiary certificates, Mega Diamond Money Market Fund	None	Financial assets at fair value through profit or loss	4,114,819.45	52,214	-	52,241	
Anpec Electronics Corporation	Beneficiary certificates, Eastspring Investments Well Pool Money Market Fund	None	Financial assets at fair value through profit or loss	1,122,502.40	15,446	-	15,446	
Anpec Electronics Corporation	Beneficiary certificates, Prudential Financial Money Market Fund	None	Financial assets at fair value through profit or loss	958,668.60	15,352	-	15,352	
Anpec Electronics Corporation	Beneficiary certificates, TCB Taiwan Money Market Fund	None	Financial assets at fair value through profit or loss	1,954,193.70	20,070	-	20,070	
Sinopower Semiconductor Inc.	Stocks, Anpec Electronics Corporation	Parent company	Financial assets at fair value through other comprehensive income	862,088	122,847	1.17	122,847	Note

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

Anpec Electronics Corporation and subsidiaries

Significant inter-company transactions during the reporting period

Six months ended June 30, 2022

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Anpec Electronics Corporation	Supec (Suzhou) Co., Ltd.	1	Commissions expense	$ 13,524	Based on the agreed sales agency contracts	0.34%
0	Anpec Electronics Corporation	Supec (Suzhou) Co., Ltd.	1	Other payables	2,226	Based on the price lists in force and terms that would be available to third parties	0.03%
0	Anpec Electronics Corporation	Sinopower Semiconductor Inc.	1	Purchases	11,983	The payment term was 60 days after monthly closing	0.30%
0	Anpec Electronics Corporation	Sinopower Semiconductor Inc.	1	Accounts payable	2,358	The payment term was 60 days after monthly closing	0.03%
0	Anpec Electronics Corporation	Sinopower Semiconductor Inc.	1	Guarantee deposits received	150	Based on the price lists in force and terms that would be available to third parties	0.00%
0	Anpec Electronics Corporation	Sinopower Semiconductor Inc.	1	Other income	2,663	Based on the price lists in force and terms that would be available to third parties	0.07%
0	Anpec Electronics Corporation	Sinopower Semiconductor Inc.	1	Other expenses	1	Based on the price lists in force and terms that would be available to third parties	0.00%
0	Anpec Electronics Corporation	Sinopower Semiconductor Inc.	1	Advance receipts	1,173	Based on the price lists in force and terms that would be available to third parties	0.02%

Anpec Electronics Corporation and subsidiaries

Significant inter-company transactions during the reporting period

Six months ended June 30, 2022

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction				
				General ledger account	Amount		Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Anpec Electronics Corporation	Sinopower Semiconductor Inc.	1	Other income		7,211	Based on the price lists in force and terms that would be available to third parties	0.18%
1	Sinopower Semiconductor Inc.	Anpec Electronics Corporation	2	Right-of-use assets	$	4,077	Based on the price lists in force and terms that would be available to third parties	0.08%
1	Sinopower Semiconductor Inc.	Anpec Electronics Corporation	2	Lease liabilities		3,088	Based on the price lists in force and terms that would be available to third parties	0.06%

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

(1) Parent company is ‘0’.

(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to

(If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice.

For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction;

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

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

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

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

Anpec Electronics Corporation and subsidiaries

Information on investees

Six months ended June 30, 2022

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

				Initial investment amount		Shares held as at March 31, 2022					
Investor	Investee (Notes 1 and 2)	Location	Main business activities	Balance as at March 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the six months ended June 30, 2022 (Note 2(2))	Investment income (loss) recognised by the Company for the six months ended June 30, 2022 (Note 2(3))	Footnote
Anpec Electronics Corporation	Anpec International Holding Ltd.	British Virgin Islands	Investment	$ 102,627	$ 102,627	3,110,500	100	$ 58,286	($ 481)	($ 481)	Subsidiary
Anpec Electronics Corporation	Sinopower Semiconductor Inc.	Taiwan	Research, design, manufacturing and sales of power IC, high voltage power IC and its module	135,061	135,061	14,514,196	43.413	678,764	360,048	156,308	Subsidiary
Anpec International Holding Ltd.	Supec International Holding Ltd.	Mauritius	Investment	102,627	102,627	10,368,333	100	58,291	(481)	(481)	Indirect subsidiary
Supec International Holding Ltd.	Powertek Electronics International Limited	Hong Kong	General trade	3,618	3,618	110,000	100	3,327	(3)	(3)	Third-tier subsidiary
Sinopower Semiconductor Inc.	Sincere Semiconductor Inc.	Taiwan	Manufacturing of electronic components and wholesale and retail sale of electronic materials	10,000	10,000	1,000,000	100	9,148	(570)	(570)	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 March 31, 2022’ should fill 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 its investee each (ex. direct subsidiary or indirect subsidiary) in the ‘footnote’ column.

(2) The ‘Net profit (loss) of the investee for the three months ended March 31, 2022’ 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, 2022’ 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

Six months ended June 30, 2022

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2022	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the three months ended March 31, — Remitted to Mainland China	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the three months ended March 31, — Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2022	Net income of investee as of June 30, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the six months ended June 30, 2022 (Note 2)	Book value of investments in Mainland China as of June 30, 2022	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2022	Footnote
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	($ 480)	100%	($ 480)	$ 53,591	$ -	

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: In the ‘Investment income (loss) recognised by the Company for the year ended December 31, 2021’ column:

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.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2022	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
Anpec Electronics Corporation	$ 98,993	$ 98,993	$ 2,238,380

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.