

**ANPEC ELECTRONICS CORPORATION  
AND SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REVIEW REPORT  
JUNE 30, 2023 AND 2022**

---

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

PWCR23000097

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, 2023 and 2022, 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” that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

### ***Scope of Review***

We conducted our reviews in accordance with the Standard on Review Engagements 2410, “Review of Financial Information Performed by the Independent Auditor of the Entity” in the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## ***Conclusion***

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2023 and 2022, 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” that came into effect as endorsed by the Financial Supervisory Commission.

---

Li, Tien-Yi

---

Shu-Chien Pai

For and on behalf of PricewaterhouseCoopers, Taiwan

August 9, 2023

---

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, 2023, DECEMBER 31, 2022 AND JUNE 30, 2022  
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	June 30, 2023		December 31, 2022		June 30, 2022	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
<b>Current assets</b>								
1100	Cash and cash equivalents	6(1)	\$ 1,704,608	27	\$ 1,932,356	32	\$ 2,454,026	36
1110	Financial assets at fair value	6(2)						
	through profit or loss - current		176,095	3	175,095	3	174,447	3
1136	Current financial assets at	6(3)						
	amortised cost		524,000	8	-	-	-	-
1170	Accounts receivable, net	6(4)	924,604	15	739,470	12	1,522,323	22
1200	Other receivables		23,945	-	20,714	1	19,220	-
130X	Inventories	6(5)	1,361,206	22	1,592,919	26	1,129,808	16
1410	Prepayments		137,059	2	70,989	1	93,060	1
11XX	<b>Total current assets</b>		<u>4,851,517</u>	<u>77</u>	<u>4,531,543</u>	<u>75</u>	<u>5,392,884</u>	<u>78</u>
<b>Non-current assets</b>								
1600	Property, plant and equipment	6(6)	716,773	11	688,612	11	586,847	9
1755	Right-of-use assets	6(7)	134,332	2	135,100	2	139,637	2
1760	Investment property - net	6(8)	-	-	-	-	67,340	1
1780	Intangible assets	6(9)	24,053	-	29,197	1	9,660	-
1840	Deferred income tax assets		58,233	1	58,233	1	60,694	1
1900	Other non-current assets	6(10)	539,874	9	621,002	10	637,050	9
15XX	<b>Total non-current assets</b>		<u>1,473,265</u>	<u>23</u>	<u>1,532,144</u>	<u>25</u>	<u>1,501,228</u>	<u>22</u>
1XXX	<b>Total assets</b>		<u>\$ 6,324,782</u>	<u>100</u>	<u>\$ 6,063,687</u>	<u>100</u>	<u>\$ 6,894,112</u>	<u>100</u>

(Continued)

**ANPEC ELECTRONICS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**JUNE 30, 2023, DECEMBER 31, 2022 AND JUNE 30, 2022**  
**(Expressed in thousands of New Taiwan dollars)**

Liabilities and Equity		Notes	June 30, 2023		December 31, 2022		June 30, 2022	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
<b>Current liabilities</b>								
2100	Short-term borrowings	6(11)	\$ 304,000	5	\$ 125,000	2	\$ -	-
2150	Notes payable		3,582	-	2,367	-	3,582	-
2170	Accounts payable		560,661	9	388,926	7	698,828	10
2200	Other payables	6(12)	1,259,433	20	627,756	10	1,547,935	23
2230	Current income tax liabilities		188,630	3	254,233	4	311,493	5
2280	Current lease liabilities		7,111	-	5,847	-	7,851	-
2300	Other current liabilities		6,475	-	11,398	-	24,014	-
21XX	<b>Total current liabilities</b>		<u>2,329,892</u>	<u>37</u>	<u>1,415,527</u>	<u>23</u>	<u>2,593,703</u>	<u>38</u>
<b>Non-current liabilities</b>								
2570	Deferred income tax liabilities		3,317	-	3,317	-	7,250	-
2580	Non-current lease liabilities		131,355	2	132,989	2	135,096	2
2600	Other non-current liabilities	6(13)	233,775	4	401,656	7	427,430	6
25XX	<b>Total non-current liabilities</b>		<u>368,447</u>	<u>6</u>	<u>537,962</u>	<u>9</u>	<u>569,776</u>	<u>8</u>
2XXX	<b>Total liabilities</b>		<u>2,698,339</u>	<u>43</u>	<u>1,953,489</u>	<u>32</u>	<u>3,163,479</u>	<u>46</u>
<b>Equity attributable to owners of parent</b>								
	Share capital	6(16)						
3110	Common stock		740,665	12	740,695	12	740,725	11
	Capital surplus	6(17)						
3200	Capital surplus		710,808	11	711,186	12	708,126	10
	Retained earnings	6(18)						
3310	Legal reserve		610,559	10	513,819	9	513,819	8
3320	Special reserve		5,597	-	5,597	-	5,597	-
3350	Unappropriated retained earnings		846,729	13	1,410,440	23	1,115,830	16
	Other equity interest	6(19)						
3400	Other equity interest		( 9,376)	-	( 16,224)	-	( 43,780)	( 1)
3500	Treasury stocks	6(16)	( 58,143)	( 1)	( 58,143)	( 1)	( 58,143)	( 1)
31XX	<b>Total equity attributable to owners of the parent</b>		<u>2,846,839</u>	<u>45</u>	<u>3,307,370</u>	<u>55</u>	<u>2,982,174</u>	<u>43</u>
36XX	Non-controlling interest		779,604	12	802,828	13	748,459	11
3XXX	<b>Total equity</b>		<u>3,626,443</u>	<u>57</u>	<u>4,110,198</u>	<u>68</u>	<u>3,730,633</u>	<u>54</u>
Significant contingent liabilities and 9 unrecognised contract commitments								
3X2X	<b>Total liabilities and equity</b>		<u>\$ 6,324,782</u>	<u>100</u>	<u>\$ 6,063,687</u>	<u>100</u>	<u>\$ 6,894,112</u>	<u>100</u>

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

ANPEC ELECTRONICS CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

Items	Notes	Three months ended June 30				Six months ended June 30			
		2023		2022		2023		2022	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(20)	\$ 1,318,082	100	\$ 2,050,806	100	\$ 2,426,193	100	\$ 3,990,391	100
5000 Operating costs	6(5)	( 905,358)	( 69)	( 1,162,791)	( 57)	( 1,677,678)	( 69)	( 2,296,474)	( 58)
5900 Gross profit		412,724	31	888,015	43	748,515	31	1,693,917	42
Operating expenses	6(26)(27)								
6100 Selling expenses		( 91,219)	( 7)	( 123,513)	( 6)	( 163,768)	( 7)	( 247,754)	( 6)
6200 General and administrative expenses		( 38,239)	( 3)	( 61,829)	( 3)	( 73,174)	( 3)	( 126,014)	( 3)
6300 Research and development expenses		( 136,278)	( 10)	( 171,541)	( 8)	( 261,027)	( 11)	( 334,755)	( 8)
6000 Total operating expenses		( 265,736)	( 20)	( 356,883)	( 17)	( 497,969)	( 21)	( 708,523)	( 17)
6500 Other income and expenses - net	6(21)	-	-	4,398	-	-	-	8,796	-
6900 Operating profit		146,988	11	535,530	26	250,546	10	994,190	25
Non-operating income and expenses									
7100 Interest income	6(22)	8,536	1	2,507	-	14,244	-	3,916	-
7010 Other income	6(23)	1,021	-	241	-	1,219	-	1,619	-
7020 Other gains and losses	6(25)	26,865	2	47,311	3	18,898	1	98,519	2
7050 Finance costs	6(24)	( 1,651)	-	( 545)	-	( 2,961)	-	( 1,076)	-
7000 Total non-operating income and expenses		34,771	3	49,514	3	31,400	1	102,978	2
7900 Profit before income tax		181,759	14	585,044	29	281,946	11	1,097,168	27
7950 Income tax expense	6(28)	( 38,734)	( 3)	( 116,508)	( 6)	( 53,142)	( 2)	( 220,641)	( 6)
8200 Profit for the period		\$ 143,025	11	\$ 468,536	23	\$ 228,804	9	\$ 876,527	21
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>									
8361 Cumulative translation differences of foreign operations		( \$ 1,352)	-	( \$ 660)	-	( \$ 1,185)	-	\$ 1,447	-
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(28)	270	-	132	-	237	-	( 289)	-
8300 Total other comprehensive income (loss) for the period		( \$ 1,082)	-	( \$ 528)	-	( \$ 948)	-	\$ 1,158	-
8500 Total comprehensive income for the period		\$ 141,943	11	\$ 468,008	23	\$ 227,856	9	\$ 877,685	21
Profit attributable to:									
8610 Owners of the parent		\$ 122,763	9	\$ 364,355	18	\$ 195,272	8	\$ 672,787	16
8620 Non-controlling interest		\$ 20,262	2	\$ 104,181	5	\$ 33,532	1	\$ 203,740	5
Comprehensive income attributable to:									
8710 Owners of the parent		\$ 121,681	9	\$ 363,827	18	\$ 194,324	8	\$ 673,945	16
8720 Non-controlling interest		\$ 20,262	2	\$ 104,181	5	\$ 33,532	1	\$ 203,740	5
Earnings per share (in dollars)									
9750 Basic earnings per share	6(29)	\$ 1.68		\$ 5.03		\$ 2.68		\$ 9.30	
Diluted earnings per share (in dollars)									
9850 Diluted earnings per share	6(29)	\$ 1.67		\$ 4.97		\$ 2.64		\$ 9.03	

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, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent											
Notes	Retained Earnings					Other equity interest			Total	Non-controlling interest	Total equity
	Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Other equity	Treasury stocks			
<u>2022</u>											
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	-	-	-	-	-	1,158	-	-	1,158	-	1,158
Total comprehensive income	-	-	-	-	672,787	1,158	-	-	673,945	203,740	877,685
Appropriation of 2021 earnings:	6(18)										
Legal reserve	-	-	93,119	-	( 93,119 )	-	-	-	-	-	-
Cash dividends	-	-	-	-	( 663,786 )	-	-	-	( 663,786 )	-	( 663,786 )
Employee restricted shares retired	6(15)(16)(17)	( 400 )	400	-	-	-	-	-	-	-	-
Compensation cost of employee restricted shares	6(15)(17)(19)	-	3,897	-	-	-	45,837	-	49,734	-	49,734
Cash dividends paid by a subsidiary to non-controlling interests		-	-	-	-	-	-	-	-	( 136,215 )	( 136,215 )
Balance at June 30, 2022	<u>\$ 740,725</u>	<u>\$ 708,126</u>	<u>\$ 513,819</u>	<u>\$ 5,597</u>	<u>\$ 1,115,830</u>	<u>(\$ 1,799 )</u>	<u>(\$ 41,981 )</u>	<u>(\$ 58,143 )</u>	<u>\$ 2,982,174</u>	<u>\$ 748,459</u>	<u>\$ 3,730,633</u>
<u>2023</u>											
Balance at January 1, 2023	\$ 740,695	\$ 711,186	\$ 513,819	\$ 5,597	\$ 1,410,440	(\$ 1,932 )	(\$ 14,292 )	(\$ 58,143 )	\$ 3,307,370	\$ 802,828	\$ 4,110,198
Profit for the period	-	-	-	-	195,272	-	-	-	195,272	33,532	228,804
Other comprehensive loss for the period	-	-	-	-	-	( 948 )	-	-	( 948 )	-	( 948 )
Total comprehensive income(loss)	-	-	-	-	195,272	( 948 )	-	-	194,324	33,532	227,856
Appropriation of 2022 earnings:	6(18)										
Legal reserve	-	-	96,740	-	( 96,740 )	-	-	-	-	-	-
Cash dividends	-	-	-	-	( 662,243 )	-	-	-	( 662,243 )	-	( 662,243 )
Employee restricted shares retired	6(15)(16)(17)	( 30 )	30	-	-	-	-	-	-	-	-
Compensation cost of employee restricted shares	6(15)(17)(19)	-	( 408 )	-	-	-	7,796	-	7,388	-	7,388
Cash dividends paid by a subsidiary to non-controlling interests		-	-	-	-	-	-	-	-	( 56,756 )	( 56,756 )
Balance at June 30, 2023	<u>\$ 740,665</u>	<u>\$ 710,808</u>	<u>\$ 610,559</u>	<u>\$ 5,597</u>	<u>\$ 846,729</u>	<u>(\$ 2,880 )</u>	<u>(\$ 6,496 )</u>	<u>(\$ 58,143 )</u>	<u>\$ 2,846,839</u>	<u>\$ 779,604</u>	<u>\$ 3,626,443</u>

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, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

	Notes	Six months ended June 30 2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 281,946	\$ 1,097,168
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(6)(7)(26)	77,854	66,987
Amortization	6(9)(26)	12,373	3,435
Share-based payments	6(15)(27)	7,388	49,734
Net gain on financial assets and liabilities at fair value through profit or loss	6(2)(25)	( 1,000 )	( 261 )
Gain on disposal of property, plant and equipment	6(26)	-	( 1,578 )
Interest income	6(22)	( 14,244 )	( 3,916 )
Interest expense	6(24)	2,961	1,076
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		-	19
Accounts receivable		( 185,134 )	( 121,805 )
Other receivables		( 3,231 )	( 2,377 )
Inventories		231,713	( 355,291 )
Prepayments (including long-term prepayments)		4,356	( 312,198 )
Net defined benefit asset		( 438 )	-
Changes in operating liabilities			
Notes payable		1,215	2,430
Accounts payable		171,735	( 29,887 )
Other payables		( 68,131 )	159,592
Other current liabilities		( 4,923 )	15,338
Net defined benefit liability - non-current		-	( 442 )
Cash inflow generated from operations		514,440	568,024
Interest received		14,244	3,916
Interest paid		( 2,961 )	( 1,076 )
Income tax paid		( 118,508 )	( 193,507 )
Net cash flows from operating activities		407,215	377,357

(Continued)



ANPEC ELECTRONICS CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
SIX MONTHS ENDED JUNE 30, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

	Notes	Six months ended June 30 2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
(Increase) decrease in financial assets at amortised cost		(\$ 524,000 )	\$ 370,000
Acquisition of property, plant and equipment	6(30)	( 120,914 )	( 67,701 )
Proceeds from disposal of property, plant and equipment		-	2,674
Acquisition of intangible assets	6(9)	( 7,229 )	-
(Decrease) increase in refundable deposits	6(10)	11,140	( 168,721 )
Net cash flows (used in) from investing activities		( 641,003 )	136,252
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from short-term borrowings		552,000	-
Repayment of short-term borrowings		( 373,000 )	-
(Decrease) increase in guarantee deposits received	6(31)	( 167,881 )	83,048
Repayment of principal portion of lease liabilities	6(31)	( 4,045 )	( 4,231 )
Net cash flows from financing activities		7,074	78,817
Effect of exchange rate changes		( 1,034 )	1,367
Net (decrease) increase in cash and cash equivalents		( 227,748 )	593,793
Cash and cash equivalents at beginning of period		1,932,356	1,860,233
Cash and cash equivalents at end of period		\$ 1,704,608	\$ 2,454,026

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, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organization

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

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

These consolidated financial statements were authorized for issuance by the Board of Directors on August 9, 2023.

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”) that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
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.

(2) Effect of new issuances of or amendments to IFRSs that came into effect as endorsed by the FSC but not yet adopted by the Group

None.

(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
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
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, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024
Amendments to IAS 12, 'International tax reform - pillar two model rules'	May 23, 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 adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2022, except for the compliance statement, basis of preparation, basis of consolidation and additional policies applied as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

- A. The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Accounting Standard 34, 'Interim financial reporting' that came into effect as endorsed by the FSC.
- B. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2022.

(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 that came into effect 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:

The basis for preparation of consolidated financial statements is consistent with that of the year ended December 31, 2022.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			June 30, 2023	December 31, 2022	June 30, 2022	
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	43.413	Note
Anpec International Holding Ltd.	Supec International Holding Ltd.	Investment	100	100	100	
Supec International Holding Ltd.	Supec (Suzhou) Co., Ltd.	International trade of keyboard, mouse, electronic calculator,color image monitor, color image projector and components of toy instruments and consulting service	100	100	100	
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 : The Company holds the position of the single largest shareholder of Sinopower Semiconductor Inc., which provides it with sufficient advantages voting rights. As a result, the Company exercises substantial control over the subsidiary.

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

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

E. Significant restrictions: None.

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

As of June 30, 2023, December 31, 2022, and June 30, 2022, the non-controlling interest amounted to \$779,604, \$802,828 and \$748,459, 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, 2023		December 31, 2022	
		Amount	Ownership (%)	Amount	Ownership (%)
Sinopower Semiconductor Inc.	Taiwan	\$ 779,604	56.587	\$ 802,828	56.587

  

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

Summarised financial information of the subsidiary:

Balance sheets

	Sinopower Semiconductor Inc. and subsidiaries		
	June 30, 2023	December 31, 2022	June 30, 2022
Current assets	\$ 1,776,668	\$ 1,557,979	\$ 1,846,714
Non-current assets	919,071	943,518	974,571
Current liabilities	( 991,590)	( 623,012)	( 999,292)
Non-current liabilities	( 188,933)	( 360,592)	( 376,472)
Total net assets	<u>\$ 1,515,216</u>	<u>\$ 1,517,893</u>	<u>\$ 1,445,521</u>

Statements of comprehensive income

	Sinopower Semiconductor Inc. and subsidiaries	
	Three months ended June 30	
	2023	2022
Revenue	\$ 658,417	\$ 970,755
Profit before income tax	44,758	230,135
Income tax expense	( 8,951)	( 46,027)
Profit for the period	35,807	184,108
Other comprehensive income (loss), net of tax	2,156	( 98,277)
Total comprehensive income for the period	<u>\$ 37,963</u>	<u>\$ 85,831</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 20,262</u>	<u>\$ 104,181</u>
Dividends paid to non-controlling interest	<u>\$ -</u>	<u>\$ -</u>

Sinopower Semiconductor Inc. and subsidiaries			
Six months ended June 30			
	2023		2022
Revenue	\$ 1,272,040	\$	1,940,025
Profit before income tax	74,072		450,060
Income tax expense	(14,814)	(	90,012)
Profit for the period	59,258		360,048
Other comprehensive income (loss), net of tax	38,364	(	117,243)
Total comprehensive income for the period	\$ 97,622	\$	242,805
Comprehensive income attributable to non-controlling interest	\$ 33,532	\$	203,740
Dividends paid to non-controlling interest	\$ 56,756	\$	136,215

#### Statements of cash flows

Sinopower Semiconductor Inc. and subsidiaries			
Six months ended June 30			
	2023		2022
Net cash provided by (used in) operating activities	\$ 248,213	(\$	272,014)
Net cash used in investing activities	(4,152)	(	158,055)
Net cash (used in) provided by financing activities	(3,673)		76,801
Increase (decrease) in cash and cash equivalents	240,388	(	353,268)
Cash and cash equivalents, beginning of period	207,922		703,351
Cash and cash equivalents, end of period	\$ 448,310	\$	350,083

#### (4) Employee benefits

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.

#### (5) Income tax

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

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

There have been no significant changes during the period. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2022.

## 6. Details of Significant Accounts

### (1) Cash and cash equivalents

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Cash on hand and petty cash	\$ 306	\$ 426	\$ 429
Checking accounts and demand deposits	435,995	356,167	747,889
Time deposits	1,268,307	1,545,063	1,616,503
Cash equivalents - Repurchase bonds (RP)	-	30,700	89,205
	<u>\$ 1,704,608</u>	<u>\$ 1,932,356</u>	<u>\$ 2,454,026</u>

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

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

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

<u>Items</u>	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Beneficiary certificates	\$ 170,000	\$ 170,000	\$ 170,000
Valuation adjustment	6,095	5,095	4,447
	<u>\$ 176,095</u>	<u>\$ 175,095</u>	<u>\$ 174,447</u>

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

<u>Items</u>	<u>Three months ended June 30</u>	
	<u>2023</u>	<u>2022</u>
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	<u>\$ 520</u>	<u>\$ 158</u>

Items	Six months ended June 30	
	2023	2022
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	\$ 1,000	\$ 261

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, 2023	December 31, 2022	June 30, 2022
Current items:			
Time deposits maturing in excess of three months	\$ 524,000	\$ -	\$ -

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

	Three months ended June 30	
	2023	2022
Interest income	\$ 1,216	\$ 20

	Six months ended June 30	
	2023	2022
Interest income	\$ 1,216	\$ 253

B. As at June 30, 2023, December 31, 2022, and June 30, 2022, 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 \$524,000, \$0 and \$0, 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) Accounts receivable

	June 30, 2023	December 31, 2022	June 30, 2022
Accounts receivable	\$ 924,604	\$ 739,470	\$ 1,522,323
Less: Allowance for uncollectible accounts	-	-	-
	<u>\$ 924,604</u>	<u>\$ 739,470</u>	<u>\$ 1,522,323</u>

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

	June 30, 2023	December 31, 2022	June 30, 2022
Not past due	\$ 924,198	\$ 739,211	\$ 1,520,487
Up to 30 days	406	259	1,836
31 to 90 days	-	-	-
91 to 180 days	-	-	-
	<u>\$ 924,604</u>	<u>\$ 739,470</u>	<u>\$ 1,522,323</u>

The ageing analysis of accounts receivable was based on past due date.

B. As of June 30, 2023, December 31, 2022, and June 30, 2022, accounts receivable were all from contracts with customers. As of January 1, 2022, the balance of receivables from contracts with customers amounted to \$1,400,537.

C. As of June 30, 2023, December 31, 2022, and June 30, 2022, the Group holds bank deposits, promissory notes, real estate and checks as collaterals for accounts receivable, and the fair value amounted to \$1,454,901, \$1,418,162 and \$1,458,387, respectively.

D. As at June 30, 2023, December 31, 2022, and June 30, 2022, 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 accounts receivable were \$924,604, \$739,470 and \$1,522,323, respectively.

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

(5) Inventories

	June 30, 2023		
	Cost	Allowance for market value decline and loss on obsolete and slow-moving inventories	Book value
Raw materials	\$ 177,710	(\$ 13,275)	\$ 164,435
Work in progress	915,459	( 50,061)	865,398
Finished goods	401,419	( 70,046)	331,373
	<u>\$ 1,494,588</u>	<u>(\$ 133,382)</u>	<u>\$ 1,361,206</u>

December 31, 2022			
	Cost	Allowance for market value decline and loss on obsolete and slow-moving inventories	Book value
Raw materials	\$ 213,422	(\$ 10,415)	\$ 203,007
Work in progress	943,247	( 52,964)	890,283
Finished goods	571,283	( 71,654)	499,629
	<u>\$ 1,727,952</u>	<u>(\$ 135,033)</u>	<u>\$ 1,592,919</u>

  

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
	<u>\$ 1,254,841</u>	<u>(\$ 125,033)</u>	<u>\$ 1,129,808</u>

The cost of inventories recognised as expense for the period:

	Three months ended June 30	
	2023	2022
Cost of goods sold	\$ 902,333	\$ 1,151,792
Loss on market value decline and obsolete and slow-moving inventories (Note)	3,025	10,999
Others	3,733	( 1,593)
	<u>\$ 909,091</u>	<u>\$ 1,161,198</u>

  

	Six months ended June 30	
	2023	2022
Cost of goods sold	\$ 1,679,329	\$ 2,269,974
(Gain on reversal) Loss on market value decline and obsolete and slow-moving inventories (Note)	( 1,651)	26,500
Others	9,609	( 3,998)
	<u>\$ 1,687,287</u>	<u>\$ 2,292,476</u>

Note : The Group reversed 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 six months ended June 30, 2023.

(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
<u>At January 1, 2023</u>										
Cost	\$ 113,120	\$ 552,072	\$ 250,101	\$ 74,918	\$ 3,740	\$ 10,519	\$ 10,882	\$ 657,106	\$ 4,000	\$ 1,676,458
Accumulated depreciation	-	( 284,929)	( 180,999)	( 43,325)	( 1,887)	( 8,707)	( 7,119)	( 460,880)	-	( 987,846)
	<u>\$ 113,120</u>	<u>\$ 267,143</u>	<u>\$ 69,102</u>	<u>\$ 31,593</u>	<u>\$ 1,853</u>	<u>\$ 1,812</u>	<u>\$ 3,763</u>	<u>\$ 196,226</u>	<u>\$ 4,000</u>	<u>\$ 688,612</u>
<u>2023</u>										
Opening net book amount as at January 1	\$ 113,120	\$ 267,143	\$ 69,102	\$ 31,593	\$ 1,853	\$ 1,812	\$ 3,763	\$ 196,226	\$ 4,000	\$ 688,612
Additions	-	-	21,815	888	-	30	-	76,068	2,922	101,723
Transfers	-	-	532	-	-	-	-	-	( 532)	-
Depreciation expense	-	( 4,275)	( 6,972)	( 4,532)	( 271)	( 189)	( 664)	( 56,508)	-	( 73,411)
Net exchange differences	-	-	( 30)	-	( 45)	( 18)	( 58)	-	-	( 151)
Closing net book amount as at June 30	<u>\$ 113,120</u>	<u>\$ 262,868</u>	<u>\$ 84,447</u>	<u>\$ 27,949</u>	<u>\$ 1,537</u>	<u>\$ 1,635</u>	<u>\$ 3,041</u>	<u>\$ 215,786</u>	<u>\$ 6,390</u>	<u>\$ 716,773</u>
<u>At June 30, 2023</u>										
Cost	\$ 113,120	\$ 552,072	\$ 272,329	\$ 75,559	\$ 3,640	\$ 10,499	\$ 10,805	\$ 733,174	\$ 6,390	\$ 1,777,588
Accumulated depreciation	-	( 289,204)	( 187,882)	( 47,610)	( 2,103)	( 8,864)	( 7,764)	( 517,388)	-	( 1,060,815)
	<u>\$ 113,120</u>	<u>\$ 262,868</u>	<u>\$ 84,447</u>	<u>\$ 27,949</u>	<u>\$ 1,537</u>	<u>\$ 1,635</u>	<u>\$ 3,041</u>	<u>\$ 215,786</u>	<u>\$ 6,390</u>	<u>\$ 716,773</u>

	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
<u>At January 1, 2022</u>										
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)
	<u>\$ 113,120</u>	<u>\$ 207,261</u>	<u>\$ 59,278</u>	<u>\$ 30,263</u>	<u>\$ 2,361</u>	<u>\$ 823</u>	<u>\$ 511</u>	<u>\$ 150,204</u>	<u>\$ 7,134</u>	<u>\$ 570,955</u>
<u>2022</u>										
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	<u>\$ 113,120</u>	<u>\$ 204,082</u>	<u>\$ 65,061</u>	<u>\$ 29,868</u>	<u>\$ 2,139</u>	<u>\$ 1,168</u>	<u>\$ 414</u>	<u>\$ 164,383</u>	<u>\$ 6,612</u>	<u>\$ 586,847</u>
<u>At June 30, 2022</u>										
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)
	<u>\$ 113,120</u>	<u>\$ 204,082</u>	<u>\$ 65,061</u>	<u>\$ 29,868</u>	<u>\$ 2,139</u>	<u>\$ 1,168</u>	<u>\$ 414</u>	<u>\$ 164,383</u>	<u>\$ 6,612</u>	<u>\$ 586,847</u>

(7) Leasing arrangements — lessee

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

	June 30, 2023	December 31, 2022	June 30, 2022
	Carrying amount	Carrying amount	Carrying amount
Land	\$ 130,473	\$ 132,491	\$ 134,509
Buildings	3,369	1,532	3,218
Transportation equipment	490	1,077	1,910
	<u>\$ 134,332</u>	<u>\$ 135,100</u>	<u>\$ 139,637</u>
	Three months ended June 30		
	2023	2022	
	Depreciation charge	Depreciation charge	
Land	\$ 1,009	\$ 1,014	
Buildings	919	880	
Transportation equipment	294	442	
	<u>\$ 2,222</u>	<u>\$ 2,336</u>	
	Six months ended June 30		
	2023	2022	
	Depreciation charge	Depreciation charge	
Land	\$ 2,018	\$ 2,018	
Buildings	1,838	1,761	
Transportation equipment	587	882	
	<u>\$ 4,443</u>	<u>\$ 4,661</u>	

- C. For the three months and six months ended June 30, 2023 and 2022, the additions to right-of-use assets were \$3,675, \$4,074, \$3,675 and \$4,074, respectively.

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

	Three months ended June 30	
	2023	2022
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 517	\$ 536
Expense on short-term lease contracts	1,097	610
	Six months ended June 30	
	2023	2022
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 1,034	\$ 1,067
Expense on short-term lease contracts	2,096	1,268

E. For the six months ended June 30, 2023 and 2022, the Group's total cash outflow for leases were \$7,175 and \$6,567, respectively.

(8) Investment property

As at June 30, 2023 and December 31, 2022 : None.

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

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

	<u>Three months ended June 30</u>
	<u>2022</u>
Rental income from investment property	\$ 4,892
Direct operating expenses arising from the investment property that generated rental income during the period	(\$ 494)
	<u>Six months ended June 30</u>
	<u>2022</u>
Rental income from investment property	\$ 9,795
Direct operating expenses arising from the investment property that generated rental income during the period	(\$ 999)

For the six months ended June 30, 2023 : None.

- B. The fair value of the investment property held by the Group as at June 30, 2022, was \$95,668, 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 assumption is as follows:

	<u>June 30, 2022</u>
Vacant loss rate	24.00%
Net income capitalization rate	11.74%

(9) Intangible assets

	<u>Computer software</u>
<u>At January 1, 2023</u>	
Cost	\$ 112,905
Accumulated amortisation	( 83,708)
	<u>\$ 29,197</u>
<u>2023</u>	
Opening net book amount as at January 1	\$ 29,197
Additions — acquired separately	7,229
Amortisation charge	( 12,373)
Closing net book amount as at June 30	<u>\$ 24,053</u>
<u>At June 30, 2023</u>	
Cost	\$ 120,134
Accumulated amortisation	( 96,081)
	<u>\$ 24,053</u>

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

Details of amortisation on intangible assets are as follows:

	<u>Three months ended June 30</u>	
	<u>2023</u>	<u>2022</u>
Selling expenses	\$ 28	\$ -
General and administrative expenses	719	330
Research and development expenses	5,630	1,347
	<u>\$ 6,377</u>	<u>\$ 1,677</u>
	<u>Six months ended June 30</u>	
	<u>2023</u>	<u>2022</u>
Selling expenses	\$ 55	\$ -
General and administrative expenses	1,439	742
Research and development expenses	10,879	2,693
	<u>\$ 12,373</u>	<u>\$ 3,435</u>

(10) Other non-current assets

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Refundable deposits	\$ 228,641	\$ 239,781	\$ 245,998
Net defined benefit asset-non-current	2,496	2,058	-
Long-term prepayments	308,737	379,163	391,052
	<u>\$ 539,874</u>	<u>\$ 621,002</u>	<u>\$ 637,050</u>

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



(11) Short-term borrowings

Type of borrowings	June 30, 2023	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	<u>\$ 304,000</u>	1.70% ~ 1.905%	None
Type of borrowings	December 31, 2022	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	<u>\$ 125,000</u>	1.55% ~ 1.925%	None

As at June 30, 2022: None.

Interest expense recognised in profit or loss amounted to \$1,134, \$9, \$1,927 and \$9 for the three months and six months ended June 30, 2023 and 2022, respectively.

(12) Other payables

	June 30, 2023	December 31, 2022	June 30, 2022
Accrued expenses - bonus	\$ 98,238	\$ 143,190	\$ 117,539
Dividend payable	718,999	-	800,001
Employees' compensation payable	304,308	284,390	435,868
Payables for machinery and equipment	26,195	45,386	30,173
Directors' remuneration payable	7,282	40,864	29,668
Other accrued expenses	104,411	113,926	134,686
	<u>\$ 1,259,433</u>	<u>\$ 627,756</u>	<u>\$ 1,547,935</u>

(13) Other non-current liabilities

Item	June 30, 2023	December 31, 2022	June 30, 2022
Net defined benefit liability - non-current	\$ -	\$ -	\$ 3,169
Guarantee deposits received	233,775	401,656	424,261
	<u>\$ 233,775</u>	<u>\$ 401,656</u>	<u>\$ 427,430</u>

(14) Pensions

A. (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the

Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

- (b) For the aforementioned pension plan, the Group recognised pension costs of \$0, \$0, \$0 and \$23 for the three months and six months ended June 30, 2023 and 2022, respectively.
  - (c) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2023 amount to \$1,035.
- 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) Supac (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, 2023 and 2022 was both 15%. Other than the monthly contributions, the Group has no further obligations.
  - (c) The pension costs under the defined contribution pension plan of the Group for the three months and six months ended June 30, 2023 and 2022 were \$5,721, \$5,601, \$11,365 and \$10,930, respectively.

(15) Share-based payment

- A. For the six months ended June 30, 2023 and 2022 the Group’s share-based payment arrangements are as follows:

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

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

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

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

	Six months ended June 30	
	2023	2022
	No. of shares (in thousands)	No. of shares (in thousands)
Balance at the beginning of the period	509	1,066
Vested during the period	( 333)	( 341)
Retrieved during the period	( 3)	( 40)
Balance at the end of the period	<u>173</u>	<u>685</u>

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

	Three months ended June 30	
	2023	2022
Equity-settled	<u>\$ 3,721</u>	<u>\$ 24,735</u>
	Six months ended June 30	
	2023	2022
Equity-settled	<u>\$ 7,388</u>	<u>\$ 49,734</u>

(16) Share capital

A. As of June 30, 2023, 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 \$740,665 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	
	2023	2022
Outstanding ordinary shares at January 1	73,211	73,254
Employee restricted shares recovered and retired	( 2)	( 40)
Outstanding ordinary shares at June 30	73,209	73,214
Employee restricted shares recovered and to be retired	( 1)	-
Treasury stocks	859	859
Issued shares at June 30	74,067	74,073

B. Treasury stocks

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

		June 30, 2023	
Name of company holding the shares	Reason for repurchases	Number of shares (thousands of shares)	Book value
The Company	To be transferred to employees	485	\$ 33,148
Subsidiaries - Sinopower Semiconductor Inc.	In consideration of business strategies	374	24,995
			<u>\$ 58,143</u>

		December 31, 2022	
Name of company holding the shares	Reason for repurchases	Number of shares (thousands of shares)	Book value
The Company	To be transferred to employees	485	\$ 33,148
Subsidiaries - Sinopower Semiconductor Inc.	In consideration of business strategies	374	24,995
			<u>\$ 58,143</u>

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

- (b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury stock should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.
- (c) Pursuant to the R.O.C. Securities and Exchange Act, treasury stocks should not be pledged as collateral and is not entitled to dividends before it is reissued.
- (d) Pursuant to the R.O.C. Securities and Exchange Act, treasury stocks should be reissued to the employees within five years from the reacquisition date and shares not reissued within the five-year period are to be retired. Treasury stocks to enhance the Company's credit rating and the stockholders' equity should be retired within six months of acquisition.
- (e) The subsidiary, Sinopower Semiconductor Inc., whose shares are less than 50% held by the Company but was substantially controlled by the Company, due to business strategies acquired the Company's shares, which were treated as treasury stocks. The costs of the treasury stocks were calculated based on the carrying amount of the Company's shares held by Sinopower Semiconductor Inc. in each period and the share ownership of Sinopower Semiconductor Inc. held by the Company. As of June 30, 2023, December 31, 2022, and June 30, 2022, 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 \$159.5 (in dollars), \$115 (in dollars) and \$142.5 (in dollars), respectively.

(17) Capital surplus

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

2023							
	Share premium	Treasury stock	Employee restricted shares	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Changes in ownership interests in subsidiaries	Others	Total
At January 1	\$ 289,025	\$ 23,206	\$ 64,317	\$ 279,915	\$ 31,867	\$ 22,856	\$ 711,186
Employee restricted shares vested	35,131	-	( 35,131)	-	-	-	-
Employee restricted shares retired	-	-	30	-	-	-	30
Compensation cost of employee restricted shares	-	-	( 408)	-	-	-	( 408)
At June 30	<u>\$ 324,156</u>	<u>\$ 23,206</u>	<u>\$ 28,808</u>	<u>\$ 279,915</u>	<u>\$ 31,867</u>	<u>\$ 22,856</u>	<u>\$ 710,808</u>
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	-	-	400	-	-	-	400
Compensation cost of employee restricted shares	-	-	3,897	-	-	-	3,897
At June 30	<u>\$ 260,050</u>	<u>\$ 19,830</u>	<u>\$ 93,608</u>	<u>\$ 279,915</u>	<u>\$ 31,867</u>	<u>\$ 22,856</u>	<u>\$ 708,126</u>

(18) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. After that, special reserve shall be set aside or reversed in accordance with the related laws or the regulations made by the regulatory authority. The remainder shall be proposed as the dividend or bonus distribution by the Board of Directors and resolved by the shareholders. In accordance with Article 240 of the Company Act, the Company may authorize the distributable dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders during their meeting. The provisions of the resolution of the shareholders during their meeting are not applicable.

- B. The Company's dividend policy is summarised below: To meet future capital requirements and long-term financial plan, and meeting shareholders' needs for cash inflows, earnings can be distributed to shareholders as dividends. Cash dividends shall account for at least 10% of the total dividends distributed, provided that the type and rate of such dividends may be adjusted by resolution of the shareholders during their meeting depending on the actual net income and funds status.
- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings. When the Company adopted IFRSs for the first time in 2013, a special reserve of \$5,597 was provided at the same amount according to the exemptions regulation of IFRS 1 elected by the Company to transfer the cumulative translation effect to the retained earnings portion at the transition date.
- E. The appropriation of 2022 earnings as resolved by the shareholders' meeting on June 21, 2023 and the appropriation of 2021 earnings as resolved by the shareholders' meeting on June 23, 2022, are as follows:

	Year ended December 31			
	2022		2021	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 96,740		\$ 93,119	
Cash dividends	662,243	\$ 9.00	663,786	\$ 9.02
	<u>\$ 758,983</u>		<u>\$ 756,905</u>	

(19) Other equity items

	2023		
	Foreign currency translation	Unearned employee compensation	Total
At January 1	(\$ 1,932)	(\$ 14,292)	(\$ 16,224)
Compensation cost of employee restricted stocks	-	7,796	7,796
Currency translation differences:			
–Group	( 948)	-	( 948)
At June 30	<u>(\$ 2,880)</u>	<u>(\$ 6,496)</u>	<u>(\$ 9,376)</u>

	2022		
	Foreign currency translation	Unearned employee compensation	Total
At January 1	(\$ 2,957)	(\$ 87,818)	(\$ 90,775)
Compensation cost of employee restricted stocks	-	45,837	45,837
Currency translation differences:			
–Group	1,158	-	1,158
At June 30	(\$ 1,799)	(\$ 41,981)	(\$ 43,780)

(20) Operating revenue

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

	Three months ended June 30	
	2023	2022
Power MOSFET IC	\$ 655,944	\$ 967,004
Power transfer and management IC	374,904	556,060
Amplifier and Driver IC	287,234	525,523
Others	-	2,219
	<u>\$ 1,318,082</u>	<u>\$ 2,050,806</u>

  

	Six months ended June 30	
	2023	2022
Power MOSFET IC	\$ 1,263,220	\$ 1,927,425
Power transfer and management IC	646,618	1,043,479
Amplifier and Driver IC	516,332	1,016,621
Others	23	2,866
	<u>\$ 2,426,193</u>	<u>\$ 3,990,391</u>



(21) Other income and expenses – net

		Three months ended June 30	
		2023	2022
Other income			
Rental revenue	\$	-	\$ 4,892
Other expenses			
Depreciation expense		-	( 494)
Others		-	-
	\$	-	\$ 4,398
		Six months ended June 30	
		2023	2022
Other income			
Rental revenue	\$	-	\$ 9,795
Other expenses			
Depreciation expense		-	( 987)
Others		-	( 12)
	\$	-	\$ 8,796

(22) Interest income

		Three months ended June 30	
		2023	2022
Interest income from bank deposits	\$	7,320	\$ 2,487
Interest income from financial assets at amortised cost		1,216	20
	\$	8,536	\$ 2,507
		Six months ended June 30	
		2023	2022
Interest income from bank deposits	\$	13,028	\$ 3,663
Interest income from financial assets at amortised cost		1,216	253
	\$	14,244	\$ 3,916

(23) Other income

		Three months ended June 30	
		2023	2022
Rental revenue	\$	120	\$ 120
Other income, others		901	121
	\$	1,021	\$ 241
		Six months ended June 30	
		2023	2022
Rental revenue	\$	240	\$ 243
Other income, others		979	1,376
	\$	1,219	\$ 1,619

(24) Finance costs

Three months ended June 30		
	2023	2022
Interest expense of short-term loan	\$ 1,134	\$ 9
Interest expense of lease liabilities	517	536
	<u>\$ 1,651</u>	<u>\$ 545</u>
Six months ended June 30		
	2023	2022
Interest expense of short-term loan	\$ 1,927	\$ 9
Interest expense of lease liabilities	1,034	1,067
	<u>\$ 2,961</u>	<u>\$ 1,076</u>

(25) Other gains and losses

Three months ended June 30		
	2023	2022
Gain on disposal of property, plant and equipment	\$ -	\$ 1,578
Foreign exchange gains	27,856	45,599
Gain on financial assets (liabilities) at fair value through profit or loss	520	158
Miscellaneous disbursements	(1,511)	(24)
	<u>\$ 26,865</u>	<u>\$ 47,311</u>
Six months ended June 30		
	2023	2022
Gain on disposal of property, plant and equipment	\$ -	\$ 1,578
Foreign exchange gains	20,980	96,691
Gain on financial (liabilities) assets at fair value through profit or loss	1,000	261
Miscellaneous disbursements	(3,082)	(11)
	<u>\$ 18,898</u>	<u>\$ 98,519</u>

(26) Expenses by nature

	Three months ended June 30	
	2023	2022
Employee benefit expenses	\$ 174,018	\$ 298,170
Depreciation charge	39,159	33,505
Amortisation charge	6,377	1,677
	<u>\$ 219,554</u>	<u>\$ 333,352</u>
	Six months ended June 30	
	2023	2022
Employee benefit expenses	\$ 326,381	\$ 590,537
Depreciation charge	77,854	66,987
Amortisation charge	12,373	3,435
	<u>\$ 416,608</u>	<u>\$ 660,959</u>

(27) Employee benefit expense

	Three months ended June 30	
	2023	2022
Wages and salaries	\$ 144,945	\$ 250,182
Share-based payment	3,721	24,735
Labour and health insurance fees	13,334	10,936
Pension costs	5,721	5,601
Other personnel expenses	6,297	6,716
	<u>\$ 174,018</u>	<u>\$ 298,170</u>
	Six months ended June 30	
	2023	2022
Wages and salaries	\$ 271,985	\$ 492,537
Share-based payment	7,388	49,734
Labour and health insurance fees	23,767	23,564
Pension costs	11,365	10,953
Other personnel expenses	11,876	13,749
	<u>\$ 326,381</u>	<u>\$ 590,537</u>

A. In accordance with the Articles of Incorporation of the Company, the Company should distribute the employees' compensation and directors' remuneration in the following method, based on the current year's pre-tax profit excluding employees' compensation and directors' remuneration distributed.

- (a) Distribute employees' compensation from 10% to 25%
- (b) Distribute directors' remuneration not higher than 3%

- B. For the three months and six months ended June 30, 2023 and 2022, employees' compensation and directors' remuneration accrued amounts are as follows:

	Three months ended June 30	
	2023	2022
Employees' compensation	\$ 24,371	\$ 69,470
Directors' remuneration	\$ 3,611	\$ 10,291
	Six months ended June 30	
	2023	2022
Employees' compensation	\$ 37,321	\$ 128,354
Directors' remuneration	\$ 5,529	\$ 19,015

The aforementioned amounts were recognised in salary expenses based on distributable profit of current period for the six months ended June 30, 2023 and 2022.

Employees' compensation and directors' remuneration for 2022 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2022 financial statements, and the employees' compensation and directors' remuneration will be distributed in the form of cash.

- C. For the three months and six months ended June 30, 2023 and 2022, the Company's subsidiary, Sinopower Semiconductor Inc., employees' compensation and directors' remuneration accrued amounts are as follows:

	Three months ended June 30	
	2023	2022
Employees' compensation	\$ 7,151	\$ 36,767
Directors' remuneration	\$ 1,059	\$ 5,447
	Six months ended June 30	
	2023	2022
Employees' compensation	\$ 11,834	\$ 71,903
Directors' remuneration	\$ 1,753	\$ 10,652

The aforementioned amounts were recognised in salary expenses based on distributable profit of current period for the six months ended June 30, 2023 and 2022.

Employees' compensation and directors' remuneration for 2022 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2022 financial statements. The employees' compensation for 2022 was distributed in the form of cash and shares, of which 300 thousand shares of \$32,850 was distributed, while directors' remuneration was distributed in the form of cash.

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

(28) Income tax

A. Income tax expense

(a) Components of income tax expense:

		Three months ended June 30	
		2023	2022
Current tax:			
Current tax on profits for the period	\$	41,243	\$ 118,926
Prior year income tax (over) underestimation	(	14,560)	1,292
Tax on undistributed surplus earnings		17,313	7,639
Effect from investment tax credits	(	5,262)	( 6,277)
Total current tax		<u>38,734</u>	<u>121,580</u>
Deferred tax:			
Origination and reversal of temporary difference		-	( 5,072)
Total deferred tax		<u>-</u>	<u>( 5,072)</u>
Income tax expense	\$	<u>38,734</u>	<u>\$ 116,508</u>
		Six months ended June 30	
		2023	2022
Current tax:			
Current tax on profits for the period	\$	55,651	\$ 226,973
Prior year income tax (over) underestimation	(	14,560)	1,292
Tax on undistributed surplus earnings		17,313	7,639
Effect from investment tax credits	(	5,262)	( 6,277)
Total current tax		<u>53,142</u>	<u>229,627</u>
Deferred tax:			
Origination and reversal of temporary differences		-	( 8,986)
Total deferred tax		<u>-</u>	<u>( 8,986)</u>
Income tax expense	\$	<u>53,142</u>	<u>\$ 220,641</u>

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

		Three months ended June 30	
		2023	2022
Currency translation differences	(\$	<u>270)</u>	<u>(\$ 132)</u>
		Six months ended June 30	
		2023	2022
Currency translation differences	(\$	<u>237)</u>	<u>\$ 289</u>

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

(29) Earnings per share

Three months ended June 30, 2023			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholder of the parent	\$ 122,763	73,035	\$ 1.68
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholder of the parent	\$ 122,763	73,035	
Less: Assumed conversion of all dilutive potential ordinary shares issued by the investment company accounted for using equity method	( 305)		
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	234	
Employee restricted stock	-	149	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 122,458	73,418	\$ 1.67
Three months ended June 30, 2022			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholder of the parent	\$ 364,355	72,375	\$ 5.03
<u>Diluted earnings per share</u>			
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

Six months ended June 30, 2023			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholder of the parent	\$ 195,272	72,885	\$ 2.68
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholder of the parent	\$ 195,272	72,885	
Less: Assumed conversion of all dilutive potential ordinary shares issued by the investment company accounted for using equity method	( 471)		
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	604	
Employee restricted stock	-	289	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 194,801	73,778	\$ 2.64
Six months ended June 30, 2022			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 672,787	72,375	\$ 9.30
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders 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

(30) Supplemental cash flow information

Investing activities with partial cash payments:

	Six months ended June 30	
	2023	2022
Purchase of property, plant and equipment	\$ 101,723	\$ 78,297
Add: Opening balance of payable on equipment	45,386	19,577
Less: Ending balance of payable on equipment	( 26,195)	( 30,173)
Cash paid during the period	<u>\$ 120,914</u>	<u>\$ 67,701</u>

Financing activities with partial cash payments:

	Six months ended June 30	
	2023	2022
Cash dividends declared	\$ 662,243	\$ 663,786
Less: Shown as ‘ dividend payable’and‘ other payables’	( 662,243)	( 663,786)
Cash paid during the period	<u>\$ -</u>	<u>\$ -</u>

	Six months ended June 30	
	2023	2022
Cash dividends paid to non-controlling interest declared by subsidiaries	\$ 56,756	\$ 136,215
Less: Shown as ‘ other payables’	( 56,756)	( 136,215)
Cash paid during the period	<u>\$ -</u>	<u>\$ -</u>

(31) Changes in liabilities from financing activities

	2023			
	Short - term borrowings	Guarantee deposits received	Lease liabilities	Liabilities from financing activities-gross
At January 1	\$ 125,000	\$ 401,656	\$ 138,836	\$ 665,492
Changes in cash flow from financing activities	179,000	( 167,881)	( 5,079)	6,040
Changes in other non - cash items	-	-	4,709	4,709
At June 30	<u>\$ 304,000</u>	<u>\$ 233,775</u>	<u>\$ 138,466</u>	<u>\$ 676,241</u>

  

	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	<u>\$ 424,261</u>	<u>\$ 142,947</u>	<u>\$ 567,208</u>	



## 7. Related Party Transactions

### Key management compensation

	Three months ended June 30	
	2023	2022
Salaries and other short-term employee benefits	\$ 16,773	\$ 36,976
Post-employment benefits	186	179
Share-based payments	465	1,567
	<u>\$ 17,424</u>	<u>\$ 38,722</u>
	Six months ended June 30	
	2023	2022
Salaries and other short-term employee benefits	\$ 28,527	\$ 73,514
Post-employment benefits	319	310
Share-based payments	1,103	3,481
	<u>\$ 29,949</u>	<u>\$ 77,305</u>

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 arose from pensions.

## 8. Pledged Assets

None.

## 9. Significant Contingent Liabilities and Unrecognised Contract Commitments

### (1) Contingencies

None.

### (2) Commitments

Please refer to Note 6(10).

## 10. Significant Disaster Loss

None.

## 11. Significant Events after the Reporting Period

(1) The subsidiary of the Company, Sinopower Semiconductor Inc., conducted a short-form merger with its subsidiary, Sincere Semiconductor Inc., after which Sinopower Semiconductor Inc. will be the surviving company and Sincere Semiconductor Inc. will be dissolved, as resolved by the Board of Directors on May 10, 2023. The effective date of the merger was set on July 10, 2023, and the registration was completed.

(2) On June 21, 2023, the shareholders of the subsidiary of the Company, Sinopower Semiconductor Inc., at their meeting resolved to transfer undistributed earnings amounting to \$33,433 to increase its capital by issuing 3,343 thousand shares with a par value of NT\$10 per share, which was approved by the competent authority on July 28, 2023.

## 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, 2023	December 31, 2022	June 30, 2022
<u>Financial assets</u>			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	\$ 176,095	\$ 175,095	\$ 174,447
Financial assets at amortised cost			
Cash and cash equivalents	1,704,608	1,932,356	2,454,026
Financial assets at amortised cost	524,000	-	-
Accounts receivable (including related party)	924,604	739,470	1,522,323
Other receivables	23,945	20,714	19,220
Guarantee deposits paid	228,641	239,781	245,998
	<u>\$ 3,581,893</u>	<u>\$ 3,107,416</u>	<u>\$ 4,416,014</u>
<u>Financial liabilities</u>			
Financial liabilities at amortised cost			
Short-term borrowings	\$ 304,000	\$ 125,000	\$ -
Notes payable	3,582	2,367	3,582
Accounts payable (including related party)	560,661	388,926	698,828
Other payables	1,259,433	627,756	1,547,935
Guarantee deposits received	233,775	401,656	424,261
	<u>\$ 2,361,451</u>	<u>\$ 1,545,705</u>	<u>\$ 2,674,606</u>
Lease liabilities	<u>\$ 138,466</u>	<u>\$ 138,836</u>	<u>\$ 142,947</u>

B. Risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial position and financial performance.
- (b) Risk management is carried out by a central finance department (Group finance) under policies approved by the Board of Directors. Group finance identifies, evaluates and hedges financial risks. The Board provides written principles for written policies covering specific areas and matters, such as foreign exchange risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. Each company treasury hedges by using capital requirements of various currencies and foreign currency assets and certain net liabilities, 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, 2023			
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 46,844	31.13	\$ 1,458,254
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	19,040	31.13	592,715
December 31, 2022			
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 35,578	30.70	\$ 1,092,245
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	14,080	30.70	432,256
June 30, 2022			
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 59,306	29.71	\$ 1,761,981
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	24,776	29.71	736,095

- 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, 2023 and 2022, amounted to \$6,117, (\$6,777), \$9,027 and \$13,723, respectively.
- v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

Six months ended June 30, 2023			
Sensitivity analysis			
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 14,583	\$ -
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	5,927	-

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)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 17,620	\$ -
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	7,361	-

#### Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- ii. The Group's investments in equity securities comprise shares and open-end funds issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the six months ended June 30, 2023 and 2022 would have increased/decreased by \$1,761 and \$1,744, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss.

#### Cash flow and fair value Interest rate risk

- i. The Group's main interest rate risk arises from borrowings. The Group manages its interest rate risk by using an appropriate combination of fixed and floating interest rate to ensure that the most cost-effective hedging strategy is adopted. Therefore, interest rate risk has no significant impact to the Group.

- ii. If the borrowing interest rate had increased/decreased by 0.25% with all other variables held constant, profit, net of tax for the six months ended June 30, 2023 and 2022 would have decreased /increased by \$608 and \$0, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.
- ii. The Group manages their credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with optimise credit quality are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the finance department. The utilisation of credit limits is regularly monitored.
- iii. The Group adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are past due over 180 days.
- iv. The Group classifies customers' accounts receivable and notes receivable in accordance with customer types. The Group applies the modified approach using a provision matrix based on the loss rate methodology to estimate expected credit loss.
- v. The Group adjusts historical and timely information to assess the default possibility of accounts receivable and notes receivable. As of June 30, 2023, December 31, 2022, and June 30, 2022, the provision matrix is as follows:

	<u>Not past due</u>	<u>Up to 30 days past due</u>	<u>31~90 days past due</u>	<u>91~180 days past due</u>
<u>At June 30, 2023</u>				
Expected loss rate	0%	0%	0%	0%~2.9%
Total book value	\$ 924,198	\$ 406	\$ -	\$ -
Loss allowance	\$ -	\$ -	\$ -	\$ -
	<u>181~270 days past due</u>	<u>271~360 days past due</u>	<u>Over 361 days past due</u>	<u>Total</u>
Expected loss rate	0%~12.2%	50%	100%	
Total book value	\$ -	\$ -	\$ -	\$ 924,604
Loss allowance	\$ -	\$ -	\$ -	\$ -

	<u>Not past due</u>	<u>Up to 30 days past due</u>	<u>31~90 days past due</u>	<u>91~180 days past due</u>
<u>At December 31, 2022</u>				
Expected loss rate	0%	0%	0%~2.9%	0%~5.5%
Total book value	\$ 739,211	\$ 259	\$ -	\$ -
Loss allowance	\$ -	\$ -	\$ -	\$ -
	<u>181~270 days past due</u>	<u>271~360 days past due</u>	<u>Over 361 days past due</u>	<u>Total</u>
Expected loss rate	10%	50%	100%	
Total book value	\$ -	\$ -	\$ -	\$ 739,470
Loss allowance	\$ -	\$ -	\$ -	\$ -
	<u>Not past due</u>	<u>Up to 30 days past due</u>	<u>31~90 days past due</u>	<u>91~180 days past due</u>
<u>At June 30, 2022</u>				
Expected loss rate	0%	0%	0%~3.2%	0%~4.9%
Total book value	\$ 1,520,487	\$ 1,836	\$ -	\$ -
Loss allowance	\$ -	\$ -	\$ -	\$ -
	<u>181~270 days past due</u>	<u>271~360 days past due</u>	<u>Over 361 days past due</u>	<u>Total</u>
Expected loss rate	10%	50%	100%	
Total book value	\$ -	\$ -	\$ -	\$ 1,522,323
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, 2023	Less than 1 year	Over 1 year	Book value
<u>Non-derivative financial liabilities</u>			
Short -term borrowings	\$ 304,971	\$ -	\$ 304,971
Notes payable	3,582	-	3,582
Accounts payable (including related party)	560,661	-	560,661
Other payables	1,259,433	-	1,259,433
Guarantee deposits received	233,775	-	233,775
Lease liabilities	9,153	164,907	174,060
December 31, 2022	Less than 1 year	Over 1 year	Book value
<u>Non-derivative financial liabilities</u>			
Short -term borrowings	\$ 125,371	\$ -	\$ 125,371
Notes payable	2,367	-	2,367
Accounts payable	388,926	-	388,926
Other payables	627,756	-	627,756
Guarantee deposits received	252,656	149,000	401,656
Lease liabilities	8,000	167,539	175,539
June 30, 2022	Less than 1 year	Over 1 year	Book value
<u>Non-derivative financial liabilities</u>			
Notes payable	\$ 3,582	\$ -	\$ 3,582
Accounts payable	698,828	-	698,828
Other payables	1,547,935	-	1,547,935
Guarantee deposits received	275,261	149,000	424,261
Lease liabilities	9,929	169,982	179,911

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

(3) Fair value information

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

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

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

Level 3: Unobservable inputs for the asset or liability.

B. Fair value information on investment property at cost is provided in Note 6(8).



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

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

<u>June 30, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 176,095	\$ -	\$ -	\$ 176,095
	<u>\$ 176,095</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 176,095</u>
<u>December 31, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 175,095	\$ -	\$ -	\$ 175,095
	<u>\$ 175,095</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 175,095</u>
<u>June 30, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 174,447	\$ -	\$ -	\$ 174,447
	<u>\$ 174,447</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 174,447</u>

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

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

D. For the six months ended June 30, 2023 and 2022, there was no transfer between Level 1 and Level 2.

E. For the six months ended June 30, 2023 and 2022, there was no transfer into or out from Level 3.

### 13. Supplementary Disclosures

#### (1) Significant transactions information

A. Loans to others: None.

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

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

- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: None.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: None.
- I. Trading in derivative instruments undertaken during the reporting periods: None.
- J. Significant inter-company transactions during the reporting periods: Refer to table 2.

(2) Information on investees

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

(3) Information on investments in Mainland China

A. Basic information: Refer to table 4.

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

(a) The Company entered into the sales agent contract with Supec (Suzhou) Co., Ltd., a subsidiary of Supec International Holding Ltd. Under the contract, the Company's commission expense was calculated based on 5% of the monthly sales volume in Mainland China. For the three months and six months ended June 30, 2023 and 2022, the commission expense amounted to \$6,617, \$6,619, \$11,014 and \$13,524, respectively.

(b) As of June 30, 2023 and 2022, the balance of other payables to Supec (Suzhou) Co., Ltd. were \$2,841 and \$2,226, respectively.

(4) Major shareholders information

As of June 30, 2023, the Company has no shareholders whose shareholding ratio is more than 5%.

14. Segment Information

(1) General information

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

(2) Measurement of segment information

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

(3) Reconciliation for segment income (loss)

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

Anpec Electronics Corporation and subsidiaries  
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)  
Six months ended June 30, 2023

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 June 30, 2023				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Anpec Electronics Corporation	Stocks, Bigbest Solutions, Inc.	None	Financial assets at fair value through profit or loss	646,800	\$ -	0.924	\$ -	
Anpec Electronics Corporation	Stocks, Grenergy , Inc.	None	Financial assets at fair value through profit or loss	892,630	-	4.46	-	
Anpec Electronics Corporation	Beneficiary certificates, Jih Sun Money Market Fund	None	Financial assets at fair value through profit or loss	4,752,467.34	72,042	-	72,042	
Anpec Electronics Corporation	Beneficiary certificates, Mega Diamond Money Market Fund	None	Financial assets at fair value through profit or loss	4,114,819.45	52,750	-	52,750	
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	15,580	-	15,580	
Anpec Electronics Corporation	Beneficiary certificates, Prudential Financial Money Market Fund	None	Financial assets at fair value through profit or loss	958,668.60	15,491	-	15,491	
Anpec Electronics Corporation	Beneficiary certificates, TCB Taiwan Money Market Fund	None	Financial assets at fair value through profit or loss	1,954,193.70	20,232	-	20,232	
Sinopower Semiconductor Inc.	Stocks, Anpec Electronics Corporation	Parent company	Financial assets at fair value through other comprehensive income	862,088	137,503	1.17	137,503	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, 2023

Table 2

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	Anpec Electronics Corporation	Supec (Suzhou) Co., Ltd.	1	Commissions expense	\$ 11,014	Based on the agreed sales agency contracts	0.45%
0	Anpec Electronics Corporation	Supec (Suzhou) Co., Ltd.	1	Other payables	2,841	Based on the price lists in force and terms that would be available to third parties	0.04%
0	Anpec Electronics Corporation	Sinopower Semiconductor Inc.	1	Purchases	8,820	The payment term was 60 days after monthly closing	0.36%
0	Anpec Electronics Corporation	Sinopower Semiconductor Inc.	1	Accounts payable	2,375	The payment term was 60 days after monthly closing	0.04%
0	Anpec Electronics Corporation	Sinopower Semiconductor Inc.	1	Guarantee deposits received	832	Based on the price lists in force and terms that would be available to third parties	0.01%
0	Anpec Electronics Corporation	Sinopower Semiconductor Inc.	1	Other income	2,756	Based on the price lists in force and terms that would be available to third parties	0.11%
0	Anpec Electronics Corporation	Sinopower Semiconductor Inc.	1	Other expenses	2	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	503	Based on the price lists in force and terms that would be available to third parties	0.01%
0	Anpec Electronics Corporation	Sinopower Semiconductor Inc.	1	Other gains	7,711	Based on the price lists in force and terms that would be available to third parties	0.32%
1	Sinopower Semiconductor Inc.	Anpec Electronics Corporation	2	Right-of-use assets	14,571	Based on the price lists in force and terms that would be available to third parties	0.23%
1	Sinopower Semiconductor Inc.	Anpec Electronics Corporation	2	Lease liabilities	14,156	Based on the price lists in force and terms that would be available to third parties	0.22%

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.

Anpec Electronics Corporation and subsidiaries  
Significant inter-company transactions during the reporting period  
Six months ended June 30, 2023

Table 2

(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, 2023

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at June 30, 2023			Net profit (loss) of the investee for the six months ended June 30, 2023 (Note 2(2))	Investment income (loss) recognised by the Company for the six months ended June 30, 2023 (Note 2(3))	Footnote
				Balance as at June 30, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value			
Anpec Electronics Corporation	Anpec International Holding Ltd.	British Virgin Islands	Investment	\$ 102,627	\$ 102,627	3,110,500	100	\$ 46,569	(\$ 4,378)	(\$ 4,378)	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	641,652	59,258	25,726	Subsidiary
Anpec International Holding Ltd.	Supec International Holding Ltd.	Mauritius	Investment	102,627	102,627	10,368,333	100	46,574	( 4,378)	( 4,378)	Indirect subsidiary
Supec International Holding Ltd.	Powertek Electronics International Limited	Hong Kong	General trade	3,618	3,618	110,000	100	3,491	-	-	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	8,859	315	315	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 June 30, 2023' 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 six months ended June 30, 2023' 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 six months ended June 30, 2023' 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, 2023

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)	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the six months ended June 30,2023			Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2023	Net income of investee as of June 30, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the six months ended June 30, 2023 (Note 2)	Book value of investments in Mainland China as of June 30, 2023	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2023	Footnote
				Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Remitted to Mainland China	Remitted back to Taiwan							
Supec (Suzhou) Co., Ltd.	International trade of keyboard, mouse, electronic calculator, color image monitor, color image projector and components of toy instruments and consulting service	\$ 98,993	(2)	\$ 98,993	\$ -	\$ -	\$ 98,993	(\$ 4,408)	100%	(\$ 4,408)	\$ 41,600	\$ -	

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 six months ended June 30, 2023 '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 June 30, 2023	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)		Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA(Note 4)
Anpec Electronics Corporation	\$ 98,993	\$ 98,993		\$ 2,175,866

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.