ANPEC ELECTRONICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REVIEW REPORT

SEPTEMBER 30, 2022 AND 2021

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

INDEPENDENT AUDITORS' REVIEW REPORT

PWCR22000105

To the Board of Directors and Shareholders of Anpec Electronics Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Anpec Electronics Corporation and subsidiaries (the "Group") as at September 30, 2022 and 2021, and the related consolidated statements of comprehensive income for the three months and nine months then ended, as well as the consolidated statements of changes in equity and of cash flows for the nine months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Statement of Auditing Standards No. 65 "Review of Financial Information Performed by the Independent Auditor of the Entity" in the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at September 30, 2022 and 2021, and of its consolidated financial performance for the three months and nine months then ended and its consolidated cash flows for the nine months then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and International Accounting Standard 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission.

Cheng, Ya-Huei	Li, Tien-Yi

For and on behalf of PricewaterhouseCoopers, Taiwan

November 11, 2022

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

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

	Assets	Notes	September 30, 2022		December 31, 2021		September 30, 2021	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$ 1,851,225	30	$ 1,860,233	33	$ 1,305,696	27
1110	Financial assets at fair value through profit or loss - current	6(2)	174,713	3	174,186	3	174,101	4
1136	Current financial assets at amortised cost	6(3)	-	-	370,000	6	170,000	3
1150	Notes receivable, net	6(4)	-	-	19	-	-	-
1170	Accounts receivable, net	6(4)	997,589	16	1,400,518	25	1,480,216	31
1200	Other receivables		39,306	1	16,843	-	33,805	1
130X	Inventories	6(5)	1,483,559	24	774,517	14	564,396	12
1410	Prepayments		81,143	1	55,114	1	35,929	1
11XX	**Total current assets**		4,627,535	75	4,651,430	82	3,764,143	79
	Non-current assets							
1600	Property, plant and equipment	6(6)	662,301	11	570,955	10	561,667	12
1755	Right-of-use assets	6(7)	137,420	2	140,223	3	142,588	3
1760	Investment property - net	6(9)	-	-	68,277	1	68,786	2
1780	Intangible assets	6(10)	26,610	1	13,095	-	14,322	-
1840	Deferred income tax assets		70,484	1	49,156	1	51,148	1
1900	Other non-current assets	6(11)	633,939	10	194,081	3	135,059	3
15XX	**Total non-current assets**		1,530,754	25	1,035,787	18	973,570	21
1XXX	**Total assets**		$ 6,158,289	100	$ 5,687,217	100	$ 4,737,713	100

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

	Liabilities and Equity	Notes	September 30, 2022 AMOUNT	%	December 31, 2021 AMOUNT	%	September 30, 2021 AMOUNT	%
	Current liabilities							
2100	Short-term borrowings	6(12)	$ 118,000	2	$ -	-	$ -	-
2150	Notes payable		2,367	-	1,152	-	2,367	-
2170	Accounts payable		630,354	10	728,715	13	650,654	14
2200	Other payables	6(13)	583,154	10	577,746	10	429,150	9
2230	Current income tax liabilities		238,514	4	275,372	5	192,320	4
2280	Current lease liabilities		6,950	-	6,357	-	7,306	-
2300	Other current liabilities		16,770	-	8,676	-	21,882	1
21XX	**Total current liabilities**		1,596,109	26	1,598,018	28	1,303,679	28
	Non-current liabilities							
2570	Deferred income tax liabilities		9,481	-	4,411	-	4,982	-
2580	Non-current lease liabilities		133,993	2	136,748	3	137,935	3
2600	Other non-current liabilities		407,241	7	344,825	6	62,268	1
25XX	**Total non-current liabilities**		550,715	9	485,984	9	205,185	4
2XXX	**Total liabilities**		2,146,824	35	2,084,002	37	1,508,864	32
	Equity attributable to owners of parent							
	Share capital	6(16)						
3110	Common stock		740,725	12	741,125	13	737,845	16
	Capital surplus	6(17)						
3200	Capital surplus		711,502	11	703,829	12	650,425	13
	Retained earnings	6(18)						
3310	Legal reserve		513,819	8	420,700	7	420,700	9
3320	Special reserve		5,597	-	5,597	-	5,597	-
3350	Unappropriated retained earnings		1,333,535	22	1,199,948	21	916,573	19
	Other equity interest	6(19)						
3400	Other equity interest		(26,381)	-	(90,775)	(1)	(52,831)	(1)
3500	Treasury stocks	6(16)	(58,143)	(1)	(58,143)	(1)	(58,143)	(1)
31XX	**Total equity attributable to owners of the parent**		3,220,654	52	2,922,281	51	2,620,166	55
36XX	Non-controlling interest		790,811	13	680,934	12	608,683	13
3XXX	**Total equity**		4,011,465	65	3,603,215	63	3,228,849	68
3X2X	**Total liabilities and equity**		$ 6,158,289	100	$ 5,687,217	100	$ 4,737,713	100

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

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

			Three months ended September 30				Nine months ended September 30			
			2022		2021		2022		2021	
	Items	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(20)	$ 1,372,716	100	$ 1,833,518	100	$ 5,363,107	100	$ 4,954,492	100
5000	Operating costs	6(5)	(808,698)	(59)	(1,089,274)	(59)	(3,105,172)	(58)	(3,160,785)	(64)
5900	Gross profit		564,018	41	744,244	41	2,257,935	42	1,793,707	36
	Operating expenses									
6100	Selling expenses		(94,987)	(7)	(113,670)	(6)	(342,741)	(7)	(308,387)	(6)
6200	General and administrative expenses		(47,872)	(3)	(54,480)	(3)	(173,886)	(3)	(135,146)	(3)
6300	Research and development expenses		(150,543)	(11)	(153,867)	(8)	(485,298)	(9)	(399,496)	(8)
6000	Total operating expenses		(293,402)	(21)	(322,017)	(17)	(1,001,925)	(19)	(843,029)	(17)
6500	Other income and expenses - net	6(21)	1,197	-	4,220	-	9,993	-	12,079	1
6900	Operating profit		271,813	20	426,447	24	1,266,003	23	962,757	20
	Non-operating income and expenses									
7100	Interest income	6(22)	3,690	1	1,125	-	7,606	-	3,178	-
7010	Other income	6(23)	1,775	-	139	-	3,394	-	3,085	-
7020	Other gains and losses	6(25)	43,817	3	21,372	1	142,336	3	44,920	1
7050	Finance costs	6(24)	(663)	-	(552)	-	(1,739)	-	(1,653)	-
7000	Total non-operating income and expenses		48,619	4	22,084	1	151,597	3	49,530	1
7900	**Profit before income tax**		320,432	24	448,531	25	1,417,600	26	1,012,287	21
7950	Income tax expense	6(28)	(64,775)	(5)	(89,940)	(5)	(285,416)	(5)	(192,158)	(4)
8200	**Profit for the period**		$ 255,657	19	$ 358,591	20	$ 1,132,184	21	$ 820,129	17
	Components of other comprehensive income that will not be reclassified to profit or loss									
8361	Cumulative translation differences of foreign operations		$ 717	-	($ 36)	-	$ 2,164	-	($ 789)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss		(143)	-	7	-	(432)	-	158	-
8300	**Total other comprehensive income (loss) for the period**		$ 574	-	($ 29)	-	$ 1,732	-	($ 631)	-
8500	**Total comprehensive income for the period**		$ 256,231	19	$ 358,562	20	$ 1,133,916	21	$ 819,498	17
	Profit attributable to:									
8610	Owners of the parent		$ 217,705	16	$ 280,695	16	$ 890,492	16	$ 647,819	14
8620	Non-controlling interest		$ 37,952	3	$ 77,896	4	$ 241,692	5	$ 172,310	3
	Comprehensive income attributable to:									
8710	Owners of the parent		$ 218,279	16	$ 280,666	16	$ 892,224	16	$ 647,188	14
8720	Non-controlling interest		$ 37,952	3	$ 77,896	4	$ 241,692	5	$ 172,310	3
	Earnings per share (in dollars)	6(29)								
9750	Basic earnings per share		$	3.00	$	3.89	$	12.30	$	9.00
9850	Diluted earnings per share		$	2.91	$	3.81	$	11.83	$	8.80

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

ANPEC ELECTRONICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

		Equity attributable to owners of the parent										
				Retained earnings			Other equity interest					
	Notes	Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Other equity	Treasury stocks	Total	Non-controlling interest	Total equity
2021												
Balance at January 1, 2021		$ 730,485	$ 566,520	$ 375,163	$ 5,597	$ 695,521	($ 2,661)	($ 2,883)	($ 76,095)	$ 2,291,647	$ 518,632	$ 2,810,279
Profit for the period		-	-	-	-	647,819	-	-	-	647,819	172,310	820,129
Other comprehensive loss for the period	6(19)	-	-	-	-	-	(631)	-	-	(631)	-	(631)
Total comprehensive income (loss)		-	-	-	-	647,819	(631)	-	-	647,188	172,310	819,498
Appropration of 2020 earnings:	6(18)											
Legal reverse		-	-	45,537	-	(45,537)	-	-	-	-	-	-
Cash dividends		-	-	-	-	(381,230)	-	-	-	(381,230)	-	(381,230)
Employee restricted shares retired	6(15)(16)(17)	(140)	140	-	-	-	-	-	-	-	-	-
Issuance of employee restricted shares	6(15)(16)(17)	7,500	71,762	-	-	-	-	(79,262)	-	-	-	-
Compensation cost of employee restricted shares	6(15)(17)(19)	-	(119)	-	-	-	-	32,606	-	32,487	-	32,487
Treasury stocks transferred to employees		-	-	-	-	-	-	-	17,862	17,862	-	17,862
Compensation cost of reissuing the treasury stocks to employees	6(15)(17)	-	5,003	-	-	-	-	-	-	5,003	-	5,003
Cash dividends paid by a subsidiary to non-controlling interests		-	-	-	-	-	-	-	-	-	(93,994)	(93,994)
Adjustment arising from dividends issued to subsidiaries due to change in shareholding percentage	6(17)	-	1,947	-	-	-	-	-	-	1,947	2,537	4,484
Adjustment of the shares of the company held by subsidiaries accounted for as treasury stock		-	-	-	-	-	-	-	90	90	(90)	-
Changes in equity due to capitalisation of subsidiaries' employee compensation		-	5,172	-	-	-	-	-	-	5,172	9,288	14,460
Balance at September 30, 2021		$ 737,845	$ 650,425	$ 420,700	$ 5,597	$ 916,573	($ 3,292)	($ 49,539)	($ 58,143)	$ 2,620,166	$ 608,683	$ 3,228,849
2022												
Balance at January 1, 2022		$ 741,125	$ 703,829	$ 420,700	$ 5,597	$ 1,199,948	($ 2,957)	($ 87,818)	($ 58,143)	$ 2,922,281	$ 680,934	$ 3,603,215
Profit for the period		-	-	-	-	890,492	-	-	-	890,492	241,692	1,132,184
Other comprehensive income for the period	6(19)	-	-	-	-	-	1,732	-	-	1,732	-	1,732
Total comprehensive income		-	-	-	-	890,492	1,732	-	-	892,224	241,692	1,133,916
Appropriation of 2021 earnings:	6(18)											
Legal reverse		-	-	93,119	-	(93,119)	-	-	-	-	-	-
Cash dividends		-	-	-	-	(663,786)	-	-	-	(663,786)	-	(663,786)
Employee restricted shares retired	6(15)(16)(17)(19)	(400)	4,297	-	-	-	-	(3,897)	-	-	-	-
Compensation cost of employee restricted shares	6(15)(17)(19)	-	-	-	-	-	-	66,559	-	66,559	-	66,559
Cash dividends paid by a subsidiary to non-controlling interests		-	-	-	-	-	-	-	-	-	(136,215)	(136,215)
Adjustment arising from dividends issued to subsidiaries due to change in shareholding percentage	6(17)	-	3,376	-	-	-	-	-	-	3,376	4,400	7,776
Balance at September 30, 2022		$ 740,725	$ 711,502	$ 513,819	$ 5,597	$ 1,333,535	($ 1,225)	($ 25,156)	($ 58,143)	$ 3,220,654	$ 790,811	$ 4,011,465

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

ANPEC ELECTRONICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

	Notes	Nine months ended September 30 2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 1,417,600	$ 1,012,287
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(26)	102,798	96,366
Amortization	6(26)	6,081	7,564
Share-based payments	6(15)(17)	66,559	37,490
Net gain on financial assets and liabilities at fair value through profit or loss	6(2)(25)	(527)	(305)
(Gain) loss on disposal of property, plant and equipment	6(25)	(1,608)	60
Interest income	6(22)	(7,606)	(3,178)
Interest expense	6(24)	1,739	1,653
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		19	1,952
Accounts receivable		402,929	(375,903)
Other receivables		(22,463)	(11,433)
Inventories		(709,042)	160,859
Prepayments (including long-term prepayments)		(297,162)	(99,178)
Other non-current assets		-	(1,156)
Changes in operating liabilities			
Notes payable		1,215	153
Accounts payable		(98,361)	102,307
Other payables		(5,598)	97,742
Other current liabilities		8,094	9,640
Net defined benefit liability - non-current		(685)	(668)
Cash inflow generated from operations		863,982	1,036,252
Interest received		7,606	3,178
Interest paid		(1,739)	(1,653)
Income tax paid		(338,965)	(105,515)
Net cash flows from operating activities		530,884	932,262

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ANPEC ELECTRONICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)
(UNAUDITED)

	Notes	Nine months ended September 30 2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease (increase) in financial assets at amortised cost	6(3)	$ 370,000	($ 170,000)
Acquisition of property, plant and equipment	6(30)	(108,849)	(98,923)
Proceeds from disposal of property, plant and equipment		2,704	288
Acquisition of intangible assets	6(10)	(19,596)	(3,236)
(Increase) decrease in refundable deposits		(168,728)	5,980
Net cash flows from (used in) investing activities		75,531	(265,891)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(31)	118,000	-
Increase in guarantee deposits received	6(31)	63,102	15,252
Repayment of principal portion of lease liabilities		(6,358)	(6,732)
Cash dividends paid	6(30)	(656,010)	(376,746)
Cash dividends distributed to non-controlling interest	6(30)	(136,215)	(93,994)
Proceeds from treasury stocks transferred to employees		-	17,862
Net cash flows used in financing activities		(617,481)	(444,358)
Effect of exchange rate changes		2,058	(739)
Net (decrease) increase in cash and cash equivalents		(9,008)	221,274
Cash and cash equivalents at beginning of period		1,860,233	1,084,422
Cash and cash equivalents at end of period		$ 1,851,225	$ 1,305,696

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

1. History and Organization

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

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

These consolidated financial statements were authorised for issuance by the Board of Directors on November 11, 2022.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS") as endorsed by the Financial Supervisory Commission ("FSC")

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

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

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

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

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

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

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

(3) Effect of IFRSs issued by IASB but not yet endorsed by the FSC

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
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

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

4. Summary of Significant Accounting Policies

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

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Accounting Standard 34, 'Interim financial reporting' as endorsed by the FSC.

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

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

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

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

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

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

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

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

B. Subsidiaries included in the consolidated financial statements:

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

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

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

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

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

E. Significant restrictions: None.

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

As of September 30, 2022, December 31, 2021 and September 30, 2021, the non-controlling interest amounted to $790,811 $680,934 and $608,683 respectively. The information of non-controlling interest and respective subsidiaries is as follows:

		Non-controlling interest			
		September 30, 2022		December 31, 2021	
Name of subsidiary	Principal place of business	Amount	Ownership (%)	Amount	Ownership (%)
Sinopower Semiconductor Inc.	Taiwan	$ 790,811	56.587	$ 680,934	56.587

		Non-controlling interest	
		September 30, 2021	
Name of subsidiary	Principal place of business	Amount	Ownership (%)
Sinopower Semiconductor Inc.	Taiwan	$ 608,683	56.587

Summarised financial information of the subsidiary:

Balance sheets

	SINOPOWER SEMICONDUCTOR INC. and subsidiaries		
	September 30, 2022	December 31, 2021	September 30, 2021
Current assets	$ 1,607,408	$ 1,801,168	$ 1,287,274
Non-current assets	948,005	664,083	498,124
Current liabilities	(700,516)	(724,045)	(557,007)
Non-current liabilities	(362,118)	(297,772)	(17,382)
Total net assets	$ 1,492,779	$ 1,443,434	$ 1,211,009

Statements of comprehensive income

	SINOPOWER SEMICONDUCTOR INC. and subsidiaries	
	Three months ended September 30	
	2022	2021
Revenue	$ 589,757	$ 827,527
Profit before income tax	93,556	171,363
Income tax expense	(18,711)	(29,132)
Profit for the period	74,845	142,231
Other comprehensive loss, net of tax	(27,587)	(3,880)
Total comprehensive income for the period	$ 47,258	$ 138,351
Comprehensive income attributable to non-controlling interest	$ 37,952	$ 778,896
Dividends paid to non-controlling interest	$ -	$ -

	SINOPOWER SEMICONDUCTOR INC. and subsidiaries	
	Nine months ended September 30	
	2022	2021
Revenue	$ 2,529,782	$ 2,288,406
Profit before income tax	543,616	372,940
Income tax expense	(108,723)	(63,400)
Profit for the period	434,893	309,540
Other comprehensive (loss) income, net of tax	(144,830)	61,725
Total comprehensive income for the period	$ 290,063	$ 371,265
Comprehensive income attributable to non-controlling interest	$ 241,692	$ 172,310
Dividends paid to non-controlling interest	$ 136,215	$ 93,994

Statements of cash flows

	SINOPOWER SEMICONDUCTOR INC. and subsidiaries	
	Nine months ended September 30	
	2022	2021
Net cash (used in) provided by operating activities	($ 202,812)	$ 273,349
Net cash used in investing activities	(169,167)	(25,482)
Net cash used in financing activities	(61,505)	(168,152)
(Decrease) increase in cash and cash equivalents	(433,484)	79,715
Cash and cash equivalents, beginning of period	703,351	286,292
Cash and cash equivalents, end of period	$ 269,867	$ 366,007

(4) Foreign currency translation

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

A. Foreign currency transactions and balances

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

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

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

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

B. Translation of foreign operations

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

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

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

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

(5) Classification of current and non-current items

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

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

(b) Assets held mainly for trading purposes;

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

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

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

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

(b) Liabilities arising mainly from trading activities;

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

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

(6) Cash equivalents

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

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

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

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

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

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

(8) Financial assets at amortised cost

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

(9) Accounts and notes receivable

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

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

(10) Impairment of financial assets

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

(11) Derecognition of financial assets

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

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

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

(13) Inventories

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

(14) Property, plant and equipment

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

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

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

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

Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

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

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

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

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

Lease payments are comprised of the following:

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

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

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

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

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

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

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

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

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

(16) Investment property

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

(17) Intangible assets

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 1 to 5 years.

(18) Impairment of non-financial assets

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

(19) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred.Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(20) Notes and accounts payable

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

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

(21) Derecognition of financial liabilities

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

(22) Offsetting financial instruments

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

(23) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

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

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

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

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

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

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

(24) Employee share-based payment

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

B. Restricted stocks:

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

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

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

(25) Income tax

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

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

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

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

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

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

G. The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

H. If a change in tax rate is enacted or substantively enacted in an interim period, the Group recognises the effect of the change immediately in the interim period in which the change occurs. The effect of the change on items recognised outside profit or loss is recognised in other comprehensive income or equity while the effect of the change on items recognised in profit or loss is recognised in profit or loss.

(26) Share capital

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

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

(27) Dividends

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

(28) Revenue recognition

Sales of goods

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

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

(29) Operating segments

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

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

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

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

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

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

As of September 30, 2022, the carrying amount of inventories was $1,483,559.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	September 30, 2022	December 31, 2021	September 30, 2021
Cash on hand and petty cash	$ 432	$ 433	$ 638
Checking accounts and demand deposits	582,276	400,269	444,851
Time deposits	1,236,618	1,326,685	754,400
Cash equivalents - Repurchase bonds (RP)	31,899	132,846	105,807
	$ 1,851,225	$ 1,860,233	$ 1,305,696

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

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

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

Items	September 30, 2022	December 31, 2021	September 30, 2021
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Beneficiary certificates	$ 170,000	$ 170,000	$ 170,000
Valuation adjustment	4,713	4,186	4,101
	$ 174,713	$ 174,186	$ 174,101

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

Items	Three months ended September 30 2022	Three months ended September 30 2021
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	$ 266	$ 86

Items	Nine months ended September 30 2022	Nine months ended September 30 2021
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	$ 527	$ 305

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	September 30, 2022	December 31, 2021	September 30, 2021
Current items:			
Time deposits maturing in excess of three months	$ -	$ 370,000	$ 170,000

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

	Three months ended September 30 2022	Three months ended September 30 2021
Interest income	$ -	$ 171

	Nine months ended September 30 2022	Nine months ended September 30 2021
Interest income	$ 253	$ 454

B. As at September 30, 2022, December 31, 2021 and September 30, 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group were $0, $370,000 and $170,000, respectively.

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

D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Group’s investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(4) Notes and accounts receivable

	September 30, 2022	December 31, 2021	September 30, 2021
Notes receivable	$ -	$ 19	$ -
Less: Allowance for uncollectible accounts	-	-	-
	$ -	$ 19	$ -
Accounts receivable	$ 997,589	$ 1,400,518	$ 1,480,216
Accounts receivable due from related parties	-	-	-
Less: Allowance for uncollectible accounts	-	-	-
	$ 997,589	$ 1,400,518	$ 1,480,216

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

	September 30, 2022		December 31, 2021	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	$ 990,965	$ -	$ 1,399,254	$ 19
Up to 30 days	6,624	-	550	-
31 to 90 days	-	-	714	-
91 to 180 days	-	-	-	-
	$ 997,589	$ -	$ 1,400,518	$ 19

	September 30, 2021	
	Accounts receivable	Notes receivable
Not past due	$ 1,477,967	$ -
Up to 30 days	2,149	-
31 to 90 days	100	-
91 to 180 days	-	-
	$ 1,480,216	$ -

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

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

C. As of September 30, 2022, December 31, 2021 and September 30, 2021, the Group holds bank deposits, promissory notes, real estate and checks as collaterals for accounts receivable, and the fair value amounted to $1,455,641, $1,677,321 and $,1,395,994, respectively.

D. As at September 30, 2022, December 31, 2021 and September 30, 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes receivable and accounts receivable were $0, $19 and $0; $997,589, $1,400,518 and $1,480,216, respectively.

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

(5) Inventories

	September 30, 2022		
	Cost	Allowance for market value decline and loss on obsolete and slow-moving inventories	Book value
Raw materials	$ 159,772	($ 17,321)	$ 142,451
Work in progress	833,325	(40,114)	793,211
Finished goods	622,495	(74,598)	547,897
	$ 1,615,592	($ 132,033)	$ 1,483,559

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

	September 30, 2021		
	Cost	Allowance for market value decline and loss on obsolete and slow-moving inventories	Book value
Raw materials	$ 68,548	($ 9,076)	$ 59,472
Work in progress	367,157	(28,828)	338,329
Finished goods	247,977	(81,382)	166,595
	$ 683,682	($ 119,286)	$ 564,396

The cost of inventories recognised as expense for the period:

	Three months ended September 30	
	2022	2021
Cost of goods sold	$ 801,698	$ 1,074,948
Loss on market value decline and obsolete and slow-moving inventories	7,000	14,326
Others	6,532	(12,249)
	$ 815,230	$ 1,077,025

	Nine months ended September 30	
	2022	2021
Cost of goods sold	$ 3,071,672	$ 3,152,459
Loss on market value decline and obsolete and slow-moving inventories	33,500	8,326
Others	2,534	(25,285)
	$ 3,107,706	$ 3,135,500

(6) Property, plant and equipment

	Land	Buildings and structures	Machinery and equipment	Computers and telecommunication equipment	Transportation equipment	Office equipment	Leasehold improvements	Other equipments	Unfinished construction and equipment to be inspected	Total
At January 1, 2022										
Cost	$ 113,120	$ 396,726	$ 238,275	$ 69,023	$ 3,690	$ 9,322	$ 7,277	$ 677,367	$ 7,134	$ 1,521,934
Accumulated depreciation	-	(189,465)	(178,997)	(38,760)	(1,329)	(8,499)	(6,766)	(527,163)	-	(950,979)
	$ 113,120	$ 207,261	$ 59,278	$ 30,263	$ 2,361	$ 823	$ 511	$ 150,204	$ 7,134	$ 570,955
2022										
Opening net book amount as at January 1	$ 113,120	$ 207,261	$ 59,278	$ 30,263	$ 2,361	$ 823	$ 511	$ 150,204	$ 7,134	$ 570,955
Additions	-	158	13,891	4,643	-	733	-	97,340	3,090	119,855
Disposals	-	-	-	-	-	(8)	-	(1,088)	-	(1,096)
Transfers	-	67,125	3,666	-	-	-	-	-	(3,666)	67,125
Depreciation expense	-	(5,262)	(9,440)	(6,430)	(409)	(224)	(144)	(72,737)	-	(94,646)
Net exchange differences	-	-	35	(1)	66	7	1	-	-	108
Closing net book amount as at September 30	$ 113,120	$ 269,282	$ 67,430	$ 28,475	$ 2,018	$ 1,331	$ 368	$ 173,719	$ 6,558	$ 662,301
At September 30, 2022										
Cost	$ 113,120	$ 552,072	$ 245,523	$ 70,108	$ 3,791	$ 10,012	$ 7,277	$ 609,434	$ 6,558	$ 1,617,895
Accumulated depreciation	-	(282,790)	(178,093)	(41,633)	(1,773)	(8,681)	(6,909)	(435,715)	-	(955,594)
	$ 113,120	$ 269,282	$ 67,430	$ 28,475	$ 2,018	$ 1,331	$ 368	$ 173,719	$ 6,558	$ 662,301

	Land	Buildings and structures	Machinery and equipment	Computers and telecommunication equipment	Transportation equipment	Office equipment	Leasehold improvements	Other equipments	Unfinished construction and equipment to be inspected	Total
At January 1, 2021										
Cost	$ 113,120	$ 383,193	$ 219,989	$ 53,275	$ 3,048	$ 9,617	$ 7,035	$ 589,603	$ 16,908	$ 1,395,788
Accumulated depreciation	-	(183,389)	(172,459)	(33,144)	(1,601)	(8,483)	(6,464)	(437,532)	-	(843,072)
	$ 113,120	$ 199,804	$ 47,530	$ 20,131	$ 1,447	$ 1,134	$ 571	$ 152,071	$ 16,908	$ 552,716
2021										
Opening net book amount as at January 1	$ 113,120	$ 199,804	$ 47,530	$ 20,131	$ 1,447	$ 1,134	$ 571	$ 152,071	$ 16,908	$ 552,716
Additions	-	9,679	4,850	11,470	1,651	81	70	65,727	3,191	96,719
Disposals	-	-	-	-	(348)	-	-	-	-	(348)
Transfers	-	3,855	2,064	-	-	-	-	3,520	(9,439)	-
Depreciation expense	-	(4,398)	(7,135)	(5,079)	(258)	(270)	(258)	(69,972)	-	(87,370)
Net exchange differences	-	(2)	(24)	-	(20)	(5)	-	1	-	(50)
Closing net book amount as at September 30	$ 113,120	$ 208,938	$ 47,285	$ 26,522	$ 2,472	$ 940	$ 383	$ 151,347	$ 10,660	$ 561,667
At September 30, 2021										
Cost	$ 113,120	$ 396,726	$ 223,798	$ 63,524	$ 3,658	$ 9,671	$ 7,105	$ 658,823	$ 10,660	$ 1,487,085
Accumulated depreciation	-	(187,788)	(176,513)	(37,002)	(1,186)	(8,731)	(6,722)	(507,476)	-	(925,418)
	$ 113,120	$ 208,938	$ 47,285	$ 26,522	$ 2,472	$ 940	$ 383	$ 151,347	$ 10,660	$ 561,667

(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:

	September 30, 2022	December 31, 2021	September 30, 2021
	Carrying amount	Carrying amount	Carrying amount
Land	$ 133,500	$ 135,964	$ 136,969
Buildings	2,450	1,468	2,348
Transportation equipment	1,470	2,791	3,271
	$ 137,420	$ 140,223	$ 142,588

	Three months ended September 30	
	2022	2021
	Depreciation charge	Depreciation charge
Land	$ 1,008	$ 1,005
Buildings	890	876
Transportation equipment	441	554
	$ 2,339	$ 2,435

	Nine months ended September 30	
	2022	2021
	Depreciation charge	Depreciation charge
Land	$ 3,026	$ 3,014
Buildings	2,651	2,630
Transportation equipment	1,323	1,752
	$ 7,000	$ 7,396

C. For the three months and nine months ended September 30, 2022 and 2021, the additions to right-of-use assets were $123, $0, $4,197 and $3,522, respectively.

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

	Three months ended September 30	
	2022	2021
Items affecting profit or loss		
Interest expense on lease liabilities	$ 537	$ 552
Expense on short-term lease contracts	933	465

	Nine months ended September 30	
	2022	2021
Items affecting profit or loss		
Interest expense on lease liabilities	$ 1,604	$ 1,653
Expense on short-term lease contracts	2,201	2,189

E. For the nine months ended September 30, 2022 and 2021, the Group's total cash outflow for leases were $10,163 and $10,574, respectively.

(8) Leasing arrangements – lessor

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

B. For the three months and nine months ended September 30, 2022 and 2021, the Group recognised rent income in the amounts of $1,362, $4,749, $11,157 and $13,905, respectively, based on the operating lease agreement, which does not include variable lease payments.

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

	September 30, 2022	December 31, 2021	September 30, 2021
2021	$ -	$ -	$ 4,892
2022	-	11,414	11,414
	$ -	$ 11,414	$ 16,306

(9) Investment property

	Buildings and structures
At January 1, 2022	
Cost	$ 155,188
Accumulated depreciation	(86,911)
	$ 68,277
2022	
Opening net book amount as at January 1	$ 68,277
Transfers	(67,125)
Depreciation expense	(1,152)
Closing net book amount as at September 30	$ -
At September 30, 2022	
Cost	$ -
Accumulated depreciation	-
	$ -

	Buildings and structures
At January 1, 2021	
Cost	$ 155,188
Accumulated depreciation	(84,802)
	$ 70,386
2021	
Opening net book amount as at January 1	$ 70,386
Depreciation expense	(1,600)
Closing net book amount as at September 30	$ 68,786
At September 30, 2021	
Cost	$ 155,188
Accumulated depreciation	(86,402)
	$ 68,786

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

	Three months ended September 30	
	2022	2021
Rental income from investment property	$ 1,362	$ 4,749
Direct operating expenses arising from the investment property that generated rental income during the period	($ 165)	($ 529)

	Nine months ended September 30	
	2022	2021
Rental income from investment property	$ 11,157	$ 13,699
Direct operating expenses arising from the investment property that generated rental income during the period	($ 1,164)	($ 1,620)

B. The fair value of the investment property held by the Group as at September 30, 2022, December 31, 2021 and September 30, 2021 were $0, $95,668 and $101,822, respectively, which was valued by independent valuers. Valuations were made using the cost approach and income approach which is categorised within Level 3 in the fair value hierarchy. Key assumptions are as follows:

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

(10) Intangible assets

		Computer software
At January 1, 2022		
Cost	$	85,260
Accumulated amortisation	(	72,165)
	$	13,095
2022		
Opening net book amount as at January 1	$	13,095
Additions－acquired separately		19,596
Amortisation charge	(	6,081)
Closing net book amount as at September 30	$	26,610
At September 30, 2022		
Cost	$	104,856
Accumulated amortisation	(	78,246)
	$	26,610

		Computer software
At January 1, 2021		
Cost	$	81,645
Accumulated amortisation	(	62,995)
	$	18,650
2021		
Opening net book amount as at January 1	$	18,650
Additions－acquired separately		3,236
Amortisation charge	(	7,564)
Closing net book amount as at September 30	$	14,322
At September 30, 2021		
Cost	$	84,881
Accumulated amortisation	(	70,559)
	$	14,322

Details of amortisation on intangible assets are as follows:

	Three months ended September 30	
	2022	2021
Selling expenses	$ 5	$ -
General and administrative expenses	336	466
Research and development expenses	2,305	2,087
	$ 2,646	$ 2,553

	Nine months ended September 30	
	2022	2021
Manufacturing expense	$ -	$ 9
Selling expenses	5	242
General and administrative expenses	1,078	1,173
Research and development expenses	4,998	6,140
	$ 6,081	$ 7,564

(11) Other non-current assets

	September 30, 2022	December 31, 2021	September 30, 2021
Refundable deposits	$ 246,006	$ 77,278	$ 11,375
Other non-current assets- other	-	-	1,157
Long-term prepayments	387,933	116,803	122,527
	$ 633,939	$ 194,081	$ 135,059

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

(12) Short-term borrowings

Type of borrowings	September 30, 2022	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	$ 118,000	1.28%～1. 5%	NA

As at December 31, 2021 and September 30, 2021: None.

(13) Other payables

	September 30, 2022	December 31, 2021	September 30, 2021
Employees' compensation payable	$ 265,906	$ 262,770	$ 183,651
Accrued expenses - bonus	133,980	110,208	89,701
Payables for machinery and equipment	30,583	19,577	11,379
Directors' remuneration payable	38,125	38,929	27,208
Other accrued expenses	114,560	146,262	117,211
	$ 583,154	$ 577,746	$ 429,150

(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, $23 and $34 for the three months and nine months ended September 30, 2022 and 2021, respectively.

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

B. (a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) Supec (Suzhou) Co., Ltd. has a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. The contribution percentage for the nine months ended September 30, 2022 and 2021 was 15%. Other than the monthly contributions, the Group has no further obligations.

(c) The pension costs under the defined contribution pension plan of the Group for the three months and nine months ended September 30, 2022 and 2021, were $5,746, $5,319, $16,676 and $15,683, respectively.

(15) Share-based payment

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

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

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

B. As of September 30, 2022, December 31, 2021 and September 30, 2021, there are no options outstanding.

C. The Board of Directors on May 13, 2019 has resolved to issue employee restricted stock of 470 thousand shares with par value of $10 (in dollars) at an issuance price of $0 (without consideration), and the measurement of fair value was based on the closing price of company stock on grant date amounting to $59.4 (in dollars).

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

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

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

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

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

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

	Three months ended September 30	
	2022	2021
Equity-settled	$ 16,825	$ 14,861

	Nine months ended September 30	
	2022	2021
Equity-settled	$ 66,559	$ 37,490

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

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

(16) Share capital

A. As of September 30, 2022, the Company's authorised capital was $1,800,000 consisting of 180,000 thousand shares of ordinary stock (including employee stock options, preferred shares with warrants and convertible bonds issued by the Company, amounting to 6,000 thousand shares), and the paid-in capital was $740,725 with a par value of $10 (in dollars) per share.

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

(Expressed in thousands of shares)

	Nine months ended September 30	
	2022	2021
Outstanding ordinary shares at January 1	73,254	71,905
Issuance of employee restricted stocks	-	750
Employee restricted shares retired	(40)	(14)
Treasury stocks adjustments due to the change in ownership interests in subsidiaries	-	2
Treasury stocks transferred to employees	-	283
Outstanding ordinary shares at September 30	73,214	72,926
Treasury stocks	859	859
Issued shares at September 30	74,073	73,785

B. Treasury stocks

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

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

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

		September 30, 2021	
Name of company holding the shares	Reason for reacquisition	Number of shares	Book value
The Company	To be transferred to employees	485	$ 33,148
Subsidiaries - Sinopower Semiconductor Inc.	In consideration of business strategies	374	24,995
			$ 58,143

(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 September 30, 2022, December 31, 2021 and September 30, 2021, the Company's shares held by Sinopower Semiconductor Inc. both amounted to 862 thousand shares, at the average carrying amount of $66.79 (in dollars) per share and the fair value per share amounted to $110.5 (in dollars), $278.5 (in dollars) and $157 (in dollars), respectively.

(17) Capital surplus

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

	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
Adjustment arising from dividends issued to subsidiaries due to change in shareholding percentage	-	3,376	-	-	-	-	3,376
Employee restricted shares vested	35,975	-	(35,975)	-	-	-	-
Employee restricted shares retired	-	-	4,297	-	-	-	4,297
At September 30	$ 260,050	$ 23,206	$ 93,608	$ 279,915	$ 31,867	$ 22,856	$ 711,502

	2021						
	Share premium	Treasury stock	Employee restricted shares	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Changes in ownership interests in subsidiaries	Others	Total
At January 1	$ 213,306	$ 12,880	$ 10,868	$ 279,915	$ 26,695	$ 22,856	$ 566,520
Adjustment arising from dividends issued to subsidiaries due to change in shareholding percentage	-	1,947	-	-	-	-	1,947
Issuance of employee restricted shares	-	-	71,762	-	-	-	71,762
Employee restricted shares vested	10,769		(10,769)	-	-	-	-
Employee restricted shares retired	-	-	140	-	-	-	140
Compensation cost of employee restricted shares	-	-	(119)	-	-	-	(119)
Compensation cost of reissuing the treasury stocks to employees	-	5,003	-	-	-	-	5,003
Changes in equity due to capitalisation of subsidiaries' employee compensation	-	-	-	-	5,172	-	5,172
At September 30	$ 224,075	$ 19,830	$ 71,882	$ 279,915	$ 31,867	$ 22,856	$ 650,425

(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 the Company Act Article 240, the Company may authorize the distributable dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders during their meeting. The provisions of the resolution of the shareholders during their meeting are not applicable.

B. The Company's dividend policy is summarised below: To meet future capital requirements and long-term financial plan, and meeting shareholders' needs for cash inflows, earnings can be distributed to shareholders as dividends. Cash dividends shall account for at least 10% of the total dividends distributed, provided that the type and rate of such dividends may be adjusted by resolution of the shareholders during their meeting depending on the actual net income and funds status.

C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings. When the Company adopted IFRSs for the first time in 2013, a special reserve of $5,597 was provided at the same amount according to the exemptions regulation of IFRS 1 elected by the Company to transfer the cumulative translation effect to the retained earnings portion at the transition date.

E. The appropriations of 2021 earnings as resolved by the shareholders on June 23, 2022 and the appropriations of 2020 earnings as resolved by the shareholders during their meeting on August 30, 2021 are as follows:

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

(19) Other equity items

	2022		
	Foreign currency translation	Unearned employee compensation	Total
At January 1	($ 2,957)	($ 87,818)	($ 90,775)
Employee restricted shares retired	-	(3,897)	(3,897)
Compensation cost of employee restricted stocks	-	66,559	66,559
Currency translation differences:			
–Group	1,732	-	1,732
At September 30	($ 1,225)	($ 25,156)	($ 26,381)

	2021		
	Foreign currency translation	Unearned employee compensation	Total
At January 1	($ 2,661)	($ 2,883)	($ 5,544)
Issuance of employee restricted shares	-	(79,262)	(79,262)
Compensation cost of employee restricted stocks	-	32,606	32,606
Currency translation differences:			
–Group	(631)	-	(631)
At September 30	($ 3,292)	($ 49,539)	($ 52,831)

(20) Operating revenue

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

	Three months ended September 30	
	2022	2021
Power MOSFET IC	$ 587,176	$ 820,937
Power transfer and management IC	419,182	511,399
Amplifier and Driver IC	365,941	501,189
Others	417	(7)
	$ 1,372,716	$ 1,833,518

	Nine months ended September 30	
	2022	2021
Power MOSFET IC	$ 2,514,601	$ 2,267,346
Power transfer and management IC	1,462,661	1,339,718
Amplifier and Driver IC	1,382,562	1,341,046
Others	3,283	6,382
	$ 5,363,107	$ 4,954,492

(21) Other income and expenses – net

	Three months ended September 30	
	2022	2021
Other income		
Rental revenue	$ 1,362	$ 4,749
Other expenses		
Depreciation expense	(165)	(530)
Others	-	1
	$ 1,197	$ 4,220

	Nine months ended September 30	
	2022	2021
Other income		
Rental revenue	$ 11,157	$ 13,699
Other expenses		
Depreciation expense	(1,152)	(1,600)
Others	(12)	(20)
	$ 9,993	$ 12,079

(22) Interest income

	Three months ended September 30			
	2022		2021	
Interest income from bank deposits	$	3,690	$	954
Interest income from financial assets at amortised cost		-		171
	$	3,690	$	1,125

	Nine months ended September 30			
	2022		2021	
Interest income from bank deposits	$	7,353	$	2,724
Interest income from financial assets at amortised cost		253		454
	$	7,606	$	3,178

(23) Other income

	Three months ended September 30			
	2022		2021	
Rental revenue	$	120	$	131
Other income, others		1,655		8
	$	1,775	$	139

	Nine months ended September 30			
	2022		2021	
Rental revenue	$	363	$	497
Other income, others		3,031		2,588
	$	3,394	$	3,085

(24) Finance costs

	Three months ended September 30			
	2022		2021	
Interest expense of short-term loan	$	126	$	-
Interest expense of lease liabilities		537		552
	$	663	$	552

	Nine months ended September 30			
	2022		2021	
Interest expense of short-term loan	$	135	$	-
Interest expense of lease liabilities		1,604		1,653
	$	1,739	$	1,653

(25) Other gains and losses

	Three months ended September 30	
	2022	2021
Gain on disposal of property, plant and equipment	$ 30	$ -
Foreign exchange gains	43,524	21,289
Gain on financial assets (liabilities) at fair value through profit or loss	266	86
Miscellaneous disbursements	(3)	(3)
	$ 43,817	$ 21,372

	Nine months ended September 30	
	2022	2021
Gain (loss) on disposal of property, plant and equipment	$ 1,608	($ 60)
Foreign exchange gains	140,215	44,703
Gain on financial assets (liabilities) at fair value through profit or loss	527	305
Miscellaneous disbursements	(14)	(28)
	$ 142,336	$ 44,920

(26) Expenses by nature

	Three months ended September 30	
	2022	2021
Employee benefit expenses	$ 216,541	$ 271,845
Depreciation charge	35,811	33,146
Amortisation charge	2,646	2,553
	$ 254,998	$ 307,544

	Nine months ended September 30	
	2022	2021
Employee benefit expenses	$ 807,078	$ 668,392
Depreciation charge	102,798	96,366
Amortisation charge	6,081	7,564
	$ 915,957	$ 772,322

(27) Employee benefit expense

	Three months ended September 30	
	2022	2021
Wages and salaries	$ 179,112	$ 233,852
Share-based payment	16,825	14,861
Labour and health insurance fees	8,728	11,068
Pension costs	5,746	5,319
Other personnel expenses	6,130	6,745
	$ 216,541	$ 271,845

	Nine months ended September 30	
	2022	2021
Wages and salaries	$ 671,649	$ 567,345
Share-based payment	66,559	37,490
Labour and health insurance fees	32,292	28,340
Pension costs	16,699	15,717
Other personnel expenses	19,879	19,500
	$ 807,078	$ 668,392

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 nine months ended September 30, 2022 and 2021, employees' compensation and directors' remuneration accrued amounts were as follows:

	Three-month period ended September 30,2022	Three-month period ended September 30,2021
Employees' compensation	$ 42,140	$ 54,560
Directors' remuneration	$ 6,243	$ 8,083

	Nine-month period ended September 30,2022	Nine-month period ended September 30,2021
Employees' compensation	$ 170,494	$ 124,069
Directors' remuneration	$ 25,258	$ 18,381

The aforementioned amounts were recognised in salary expenses based on distributable profit of current period for the nine months ended September 30, 2022 and 2021.

Employees' compensation and directors' remuneration for 2021 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2021 financial statements, and the employees' compensation and directors' remuneration will be distributed in the form of cash.

C. For the three months and nine months ended September 30, 2022 and 2021, the Company's subsidiary, Sinopower Semiconductor Inc., employees' compensation and directors' remuneration accrued amounts were as follows:

	Three-month period ended September 30,2022	Three-month period ended September 30,2021
Employees' compensation	$ 14,947	$ 27,377
Directors' remuneration	$ 2,215	$ 4,056

	Nine-month period ended September 30,2022	Nine-month period ended September 30,2021
Employees' compensation	$ 86,850	$ 59,582
Directors' remuneration	$ 12,867	$ 8,827

The aforementioned amounts were recognised in salary expenses based on distributable profit of current period for the nine months ended September 30, 2022 and 2021.

Employees' compensation and directors' remuneration for 2021 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2021 financial statements. The employees' compensation and directors' remuneration for 2021 will be distributed in the form of cash.

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 September 30	
	2022	2021
Current tax:		
Current tax on profits for the period	$ 73,347	$ 96,421
Prior year income tax underestimation (overestimation)	5,607	(660)
Tax on undistributed surplus earnings	-	-
Effect from investment tax credits	(6,475)	-
Total current tax	72,479	95,761
Deferred tax:		
Origination and reversal of temporary differences	(7,704)	(5,821)
Total deferred tax	(7,704)	(5,821)
Income tax expense	$ 64,775	$ 89,940

	Nine months ended September 30	
	2022	2021
Current tax:		
Current tax on profits for the period	$ 300,320	$ 203,664
Prior year income tax underestimation (overestimation)	6,899	(6,756)
Tax on undistributed surplus earnings	7,639	2,179
Effect from investment tax credits	(12,752)	(4,976)
Total current tax	302,106	194,111
Deferred tax:		
Origination and reversal of temporary differences	(16,690)	(1,953)
Total deferred tax	(16,690)	(1,953)
Income tax expense	$ 285,416	$ 192,158

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

	Three months ended Septemeber 30	
	2022	2021
Currency translation differences	$ 143	($ 7)

	Nine months ended Septemeber 30	
	2022	2021
Currency translation differences	$ 432	($ 158)

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 September 30, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousand)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholder of the parent	$ 217,705	72,528	$ 3.00
Diluted earnings per share			
Profit attributable to ordinary shareholder of the parent	$ 217,705	72,528	
Less: Assumed conversion of all dilutive potential ordinary shares issued by the investment company accounted for using equity method	(852)		
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	1,543	
Employee restricted stock	-	455	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 216,853	74,526	$ 2.91

	Three months ended September 30, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousand)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholder of the parent	$ 280,695	72,187	$ 3.89
Diluted earnings per share			
Profit attributable to ordinary shareholder of the parent	280,695	72,187	
Less: Assumed conversion of all dilutive potential ordinary shares issued by the investment company accounted for using equity method	(932)		
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	790	
Employee restricted stock	-	369	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 279,763	73,346	$ 3.81

	Nine months ended September 30, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousand)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholder of the parent	$ 890,492	72,427	$ 12.30
Diluted earnings per share			
Profit attributable to ordinary shareholder of the parent	$ 890,492	72,427	
Less: Assumed conversion of all dilutive potential ordinary shares issued by the investment company accounted for using equity method	(5,593)		
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	1,772	
Employee restricted stock	-	631	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 884,899	74,830	$ 11.83

	Nine months ended September 30, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousand)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholder of the parent	$ 647,819	72,011	$ 9.00
Diluted earnings per share			
Profit attributable to ordinary shareholder of the parent	$ 647,819	72,011	
Less: Assumed conversion of all dilutive potential ordinary shares issued by the investment company accounted for using equity method	(1,102)		
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	999	
Employee restricted stock	-	447	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 646,717	73,457	$ 8.80

(30) Supplemental cash flow information

Investing activities with partial cash payments:

	Nine months ended September 30	
	2022	2021
Purchase of property, plant and equipment	$ 119,855	$ 96,719
Add: Opening balance of payable on equipment	19,577	13,583
Less: Ending balance of payable on equipment	(30,583)	(11,379)
Cash paid during the period	$ 108,849	$ 98,923

Financing activities with partial cash payments:

	Nine months ended September 30	
	2022	2021
Cash dividends declared	$ 663,786	$ 381,230
Less: Dividends issued to subsidiaries	(7,776)	(4,484)
Cash paid during the period	$ 656,010	$ 376,746

(31) Changes in liabilities from financing activities

	2022			
	Short - term borrowings	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	118,000	63,102	(7,962)	173,140
Changes in other non - cash items	-	-	5,800	5,800
At September 30	$ 118,000	$ 404,315	$ 140,943	$ 663,258

	2021		
	Guarantee deposits received	Lease liabilities	Liabilities from financing activities-gross
At January 1	$ 38,525	$ 148,451	$ 186,976
Changes in cash flow from financing activities	15,252	(8,385)	6,867
Changes in other non - cash items	-	5,175	5,175
At September 30	$ 53,777	$ 145,241	$ 199,018

7. Related Party Transactions

Key management compensation

	Three months ended September 30	
	2022	2021
Salaries and other short-term employee benefits	$ 21,528	$ 30,822
Post-employment benefits	138	174
Share-based payments	1,567	173
	$ 23,233	$ 31,169

	Nine months ended September 30	
	2022	2021
Salaries and other short-term employee benefits	$ 95,042	$ 75,445
Post-employment benefits	448	525
Share-based payments	5,048	1,745
	$ 100,538	$ 77,715

A. Salaries and other short-term employee benefits includes salaries, functions-related allowances, employee compensation, various allowances and bonuses, etc. Except for the employees' compensation and year-end bonuses which were estimated, others were paid actual amounts.

B. Post-employment benefits are arose from pensions.

8. Pledged Assets

None.

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

None.

(2) Commitments

Please refer to Note 6(11).

10. Significant Disaster Loss

None.

11. Significant Events after the Reporting Period

None.

12. Others

(1) Capital management

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

(2) Financial instruments

A. Financial instruments by category

	September 30, 2022	December 31, 2021	September 30, 2021
Financial assets			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	$ 174,713	$ 174,186	$ 174,101
Financial assets at amortised cost			
Cash and cash equivalents	1,851,225	1,860,233	1,305,696
Financial assets at amortised cost	-	370,000	170,000
Notes receivable	-	19	-
Accounts receivable	997,589	1,400,518	1,480,216
Other receivables	39,306	16,843	33,805
Guarantee deposits paid	246,006	77,278	11,375
	$ 3,308,839	$ 3,899,077	$ 3,175,193
Financial liabilities			
Financial liabilities at amortised cost			
Short-term borrowings	$ 118,000	$ -	$ -
Notes payable	2,367	1,152	2,367
Accounts payable	630,354	728,715	650,654
Other payables	583,154	577,746	429,150
Guarantee deposits received	404,315	341,213	53,777
	$ 1,738,190	$ 1,648,826	$ 1,135,948
Lease liabilities	$ 140,943	$ 143,105	$ 145,241

B. Risk management policies

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

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

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

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

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

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

	September 30, 2022		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 41,156	31.74	$ 1,306,291
Financial liabilities			
Monetary items			
USD:NTD	20,763	31.74	659,018

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

	September 30, 2021			
	Foreign currency amount (In thousands)	Exchange rate		Book value (NTD)
(Foreign currency: functional currency)				
Financial assets				
Monetary items				
USD:NTD	$ 57,660	27.84	$	1,605,254
Financial liabilities				
Monetary items				
USD:NTD	24,137	27.84		671,974

iv. The unrealised exchange gain arising from significant foreign exchange variation on the monetary items held by the Group for the three months and nine months ended September 30, 2022 and 2021, amounted to ($9,415), $4,464, $4,308 and $17,546, respectively.

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

	Nine months ended September 30, 2022				
	Sensitivity analysis				
	Degree of variation		Effect on profit or loss		Effect on other comprehensive income
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD:NTD	1%	$	13,063	$	-
Financial liabilities					
Monetary items					
USD:NTD	1%		6,590		-

	Nine months ended September 30, 2021		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 16,503	$ -
Financial liabilities			
Monetary items			
USD:NTD	1%	6,720	-

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 years ended September 30, 2022 and 2021 would have increased/decreased by $1,747 and $1,741, 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 1% with all other variables held constant, profit, net of tax for the nine months ended September 30, 2022 and 2021 would have decreased /increased by $236 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 September 30, 2022, December 31, 2021 and September 30, 2021, the provision matrix is as follows:

	Not past due	Up to 30 days past due	31~90 days past due	91~180 days past due
At September 30, 2022				
Expected loss rate	0%	0%	0%~2.9%	0%~4.3%
Total book value	$ 990,965	$ 6,624	$ -	$ -
Loss allowance	$ -	$ -	$ -	$ -

	181~270 days past due	271~360 days past due	Over 361 days past due	Total
Expected loss rate	10%	50%	100%	
Total book value	$ -	$ -	$ -	$ 997,589
Loss allowance	$ -	$ -	$ -	$ -

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

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

	Not past due	Up to 30 days past due	31~90 days past due	91~180 days past due
At September 30, 2021				
Expected loss rate	0%	0%	0%	0.%~2.9%
Total book value	$ 1,477,967	$ 2,149	$ 100	$ -
Loss allowance	$ -	$ -	$ -	$ -

	181~270 days past due	271~360 days past due	Over 361 days past due	Total
Expected loss rate	10%	50%	100%	
Total book value	$ -	$ -	$ -	$ 1,480,216
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.

September 30, 2022	Less than 1 year	Over 1 year	Book value
Non-derivative financial liabilities			
Short -term borrowings	$ 118,189	$ -	$ -
Notes payable	2,367	-	2,367
Accounts payable	630,354	-	630,354
Other payables	583,154	-	583,154
Guarantee deposits received	255,315	149,000	404,315
Lease liabilities	9,025	169,053	178,078

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

September 30, 2021	Less than 1 year	Over 1 year	Book value
Non-derivative financial liabilities			
Notes payable	$ 2,367	$ -	$ 2,367
Accounts payable	650,654	-	650,654
Other payables	429,150	-	429,150
Guarantee deposits received	53,777	-	53,777
Lease liabilities	9,437	174,910	184,347

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

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

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

(3) Fair value information

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

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in most derivative instruments is included in Level 2.

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

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

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

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

September 30, 2022	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 174,713	$ -	$ -	$ 174,713
	$ 174,713	$ -	$ -	$ 174,713

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

September 30, 2021	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 174,101	$ -	$ -	$ 174,101
	$ 174,101	$ -	$ -	$ 174,101

(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 nine months ended September 30, 2022 and 2021, there was no transfer between Level 1 and Level 2.

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

13. Supplementary Disclosures

(1) Significant transactions information

A. Loans to others: None.

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

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

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

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

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

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

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

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

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

(2) Information on investees

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

(3) Information on investments in Mainland China

A. Basic information: Refer to table 4.

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

(a) The Company entered into the sales agent contract with Supec (Suzhou) Co., Ltd., a subsidiary of Supec International Holding Ltd. Under the contract, the Company's commission expense was calculated based on 5% of the monthly sales volume in Mainland China. For the three months and nine months ended September 30, 2022 and 2021, the commission expense amounted to $5,941, $11,041, $19,465 and $37,191, respectively.

(b) As of September 30, 2022 and 2021, the balance of other payables to Supec (Suzhou) Co., Ltd. were $2,105 and $4,262, respectively.

(4) Major shareholders information

Major shareholders information:None.

14. Segment Information

(1) General information

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

(2) Measurement of segment information

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

(3) Reconciliation for segment income (loss)

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

Anpec Electronics Corporation and subsidiaries

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

September 30, 2022

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

				As of September 30, 2022				
Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Number of shares	Book value	Ownership (%)	Fair value	Footnote
Anpec Electronics Corporation	Stocks, Bigbest Solutions, Inc.	None	Financial assets at fair value through profit or loss	646,800	$ -	0.924	$ -	
Anpec Electronics Corporation	Stocks, Grenergy Opto, Inc.	None	Financial assets at fair value through profit or loss	892,630	-	4.46	-	
Anpec Electronics Corporation	Beneficiary certificates, Jih Sun Money Market Fund	None	Financial assets at fair value through profit or loss	4,752,467.34	71,453	-	71,453	
Anpec Electronics Corporation	Beneficiary certificates, Mega Diamond Money Market Fund	None	Financial assets at fair value through profit or loss	4,114,819.45	52,326	-	52,326	
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	15,467	-	15,467	
Anpec Electronics Corporation	Beneficiary certificates, Prudential Financial Money Market Fund	None	Financial assets at fair value through profit or loss	958,668.60	15,372	-	15,372	
Anpec Electronics Corporation	Beneficiary certificates, TCB Taiwan Money Market Fund	None	Financial assets at fair value through profit or loss	1,954,193.70	20,095	-	20,095	
Sinopower Semiconductor Inc.	Stocks, Anpec Electronics Corporation	Parent company	Financial assets at fair value through other comprehensive income	862,088	95,261	1.17	95,261	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

Nine months ended September 30, 2022

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

				Transaction			
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Anpec Electronics Corporation	Supec (Suzhou) Co., Ltd.	1	Commissions expense	$ 19,465	Based on the agreed sales agency contracts	0.36%
0	Anpec Electronics Corporation	Supec (Suzhou) Co., Ltd.	1	Other payables	2,105	Based on the price lists in force and terms that would be available to third parties	0.03%
0	Anpec Electronics Corporation	Sinopower Semiconductor Inc.	1	Purchases	14,146	The payment term was 60 days after monthly closing	0.26%
0	Anpec Electronics Corporation	Sinopower Semiconductor Inc.	1	Accounts payable	2,027	The payment term was 60 days after monthly closing	0.03%
0	Anpec Electronics Corporation	Sinopower Semiconductor Inc.	1	Guarantee deposits received	150	Based on the price lists in force and terms that would be available to third parties	0.00%
0	Anpec Electronics Corporation	Sinopower Semiconductor Inc.	1	Other income	4,010	Based on the price lists in force and terms that would be available to third parties	0.07%
0	Anpec Electronics Corporation	Sinopower Semiconductor Inc.	1	Other expenses	1	Based on the price lists in force and terms that would be available to third parties	0.00%
0	Anpec Electronics Corporation	Sinopower Semiconductor Inc.	1	Advance receipts	1,179	Based on the price lists in force and terms that would be available to third parties	0.02%

Anpec Electronics Corporation and subsidiaries

Significant inter-company transactions during the reporting period

Nine months ended September 30, 2022

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

				Transaction			
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Anpec Electronics Corporation	Sinopower Semiconductor Inc.	1	Other income	7,211	Based on the price lists in force and terms that would be available to third parties	0.13%
1	Sinopower Semiconductor Inc.	Anpec Electronics Corporation	2	Right-of-use assets	3,058	Based on the price lists in force and terms that would be available to third parties	0.05%
1	Sinopower Semiconductor Inc.	Anpec Electronics Corporation	2	Lease liabilities	2,062	Based on the price lists in force and terms that would be available to third parties	0.03%

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

(1) Parent company is '0'.

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

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

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

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

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

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

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

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

Anpec Electronics Corporation and subsidiaries

Information on investees

Nine months ended September 30, 2022

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount: Balance as at September 30, 2022	Initial investment amount: Balance as at December 31, 2021	Shares held as at September 30, 2022: Number of shares	Shares held as at September 30, 2022: Ownership (%)	Shares held as at September 30, 2022: Book value	Net profit (loss) of the investee for the nine months ended September 30, 2022 (Note 2(2))	Investment income (loss) recognised by the Company for the nine months ended September 30, 2022 (Note 2(3))	Footnote
Anpec Electronics Corporation	Anpec International Holding Ltd.	British Virgin Islands	Investment	$ 102,627	$ 102,627	3,110,500	100	$ 56,560	($ 2,924)	($ 2,924)	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	606,748	434,893	158,424	Subsidiary
Anpec International Holding Ltd.	Supec International Holding Ltd.	Mauritius	Investment	102,627	102,627	10,368,333	100	56,565	(2,924)	(2,924)	Indirect subsidiary
Supec International Holding Ltd.	Powertek Electronics International Limited	Hong Kong	General trade	3,618	3,618	110,000	100	3,554	(3)	(3)	Third-tier subsidiary
Sinopower Semiconductor Inc.	Sincere Semiconductor Inc.	Taiwan	Manufacturing of electronic components and wholesale and retail sale of electronic materials	10,000	10,000	1,000,000	100	8,665	(1,053)	(1,053)	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 September 30, 2022' should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the 'footnote' column.

(2) The 'Net profit (loss) of the investee for the nine months ended September 30, 2022' column should fill in amount of net profit (loss) of the investee for this period.

(3)The 'Investment income (loss) recognised by the Company for the nine months ended September 30, 2022' column should fill in the Company (public company) recognised investment income (loss) of its direct subsidiary and recognised investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognised investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary's net profit (loss) for this period has included its investment income (loss) which shall be recognised by regulations.

Anpec Electronics Corporation and subsidiaries

Information on investments in Mainland China

Nine months ended September 30, 2022

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

					Taiwan to Mainland China/Amount remitted back to Taiwan for the nine months ended September 30, 2022								
Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2022	Remitted to Mainland China	Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2022	Net income of investee as of September 30, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine months ended September 30, 2022 (Note 2)	Book value of investments in Mainland China as of September 30, 2022	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2022	Footnote
Supec (Suzhou) Co., Ltd.	International trade of keyboard, mouse, electronic calculator, color image monitor, color image projector and components of toy instruments and consulting service	$ 98,993	(2)	$ 98,993	$ -	$ -	$ 98,993	($ 2,923)	100%	($ 2,923)	$ 51,545	$ -	

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 nine months ended September 30, 2022' 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 September 30, 2022	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Anpec Electronics Corporation	$ 98,993	$ 98,993	$ 2,406,879

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.