

# Anpec Electronics Corporation

## 2025 Annual Shareholders' Meeting Minutes

Time : 9:00 a.m. on Monday, June 23, 2025

Place : No. 6, Dusing 1st Road, Hsinchu Science Park, Hsinchu City

Type of Meeting : Physical shareholders' meeting

Total outstanding ANPEC shares : 75,148,500 shares. After deducting 485,000 non-voting shares in accordance with Article 179 of the Company Act, the number of shares is 74,663,500 shares.

Total shares represented by shareholders present in person or by proxy : 45,218,164 shares.

Percentage of shares held by shareholders present in person or by proxy : 60.56%

Directors present : Wang, Chih-Hsin, Sheng, Kang, Lin, Che-Ming, Huang, Jin-Hua, Chiang, Chun-Yen (Convenor of the Audit Committee), Chien, Hui-Huan, Huang, Kuo-Yu

Members in attendance : Li, Tien-Yi, Chang, Shih-Han

Chairman : Mr. Chih-Hsin Wang, Chairman of the Board of Directors

Recorder : Kui-Yi Huang

Call the Meeting to Order : The aggregate shareholding of the shareholders presents in person or by proxy constituted a quorum. The Chairman called the meeting to Order.

Chairman's Address (Omitted)

### I、Report Items

#### Report 1:

**Subject** : 2024 Business Report.

**Explanation:** The 2024 Business Report is attached in Attachment I.

**Report 2:**

**Subject** : 2024 Audit Committee's Review Report.

**Explanation:** The Audit Committee's Review Report is attached in Attachment II.

**Report 3:**

**Subject** : Report on the directors' remuneration and employees' compensation for 2024.

**Explanation:** The Company's 2024 pre-tax profit totaled NT\$858,699,555 of which director remuneration amounted to NT\$20,324,251 and employee compensation amounted to NT\$137,188,686 both of which were paid in cash in compliance with the Articles of Incorporation. The proposed distribution amounts are consistent with the amounts recognized in the financial statements.

**Report 4:**

**Subject** : Report on the distribution of cash dividends from earnings for 2024.

**Explanation:** (1) The Company's cash dividend to shareholders is NT\$597,308,000, at NT\$8.00 per share. The distribution will be based on the shares held by each shareholder in the shareholders' register on the cash distribution record date. The distribution method is 'unconditional rounding off below NT\$1,' and any amount less than NT\$1 will be included in the Company's other income.

(2) The preceding mentioned distribution of cash dividends is proposed to be authorized by the Board of Directors to the Chairman to set the ex-dividend date.

(3) If there is any subsequent change in the dividend distribution rate due to a change in the number of issued and outstanding shares of the Company, the Chairman shall be fully authorized to handle it.

**Report 5:**

**Subject** : Report on the cash distribution from capital surplus.

**Explanation:** (1) According to Article 241 of the Company Act and Article 30 of the Company's Articles of Incorporation, the Company's cash distribution from capital surplus in excess of par value is NT\$44,798,100, at NT\$0.60 per share. The distribution will be based on the shares held by each shareholder in the shareholders' register on the cash distribution record date. The distribution method is 'unconditional rounding off below NT\$1,' and any

amount less than NT\$1 will be included in the Company's other income.

(2) The preceding mentioned cash distribution from capital surplus is proposed to be authorized by the Board of Directors to the Chairman to set the ex-dividend date.

(3) If there is any subsequent change in the dividend distribution rate due to a change in the number of issued and outstanding shares of the Company, the Chairman shall be fully authorized to handle it.

## II 、Ratification Items

### Proposal 1:

**Proposed by the Board of Directors**

**Subject** : Adoption of the 2024 Business Report and Financial Statements.

**Explanation:** The Parent Company Only Financial Statements and Consolidated Financial Statements of the Company for the year 2024 have been audited by certified public accountants Li, Tien-Yi and Shu-Chien Pai of PwC Taiwan, and were approved by the Board of Directors along with the business report on February 21, 2025. The Audit Committee has also reviewed these documents and issued a Review Report. Please refer to Attachments I and III for the 2024 Business Report and Financial Statements.

**Resolution:** The voting results of this motion is as follows:

Shares represented at the time of voting : 45,218,164 votes (Including electronic voting : 22,539,115 votes)

Voting Results	% of the total represented share present
Votes in favor : 42,623,570 votes (Including electronic voting : 19,944,531 votes)	94.26%
Votes against : 20,686 votes (Including electronic voting : 20,686 votes)	0.04%
Votes invalid : 0 votes (Including electronic voting : 0 votes)	0.00%
Votes abstained : 2,573,908 votes (Including electronic voting : 2,573,898 votes)	5.69%

RESOLVED, that the above proposal be and hereby was approved as proposed.

**Proposal 2:****Proposed by the Board of Directors**

**Subject** : Adoption of the Proposal for Distribution of 2024 Profits.

**Explanation:** According to the Articles of Incorporation of the Company, the annual cash dividend resolution level of the 2024 Earnings Distribution Table is the Board of Directors with reporting to be made to the shareholders' meeting, and the rest are to be submitted to the shareholders' meeting for resolution in accordance with Article 230 of the Company Act and the Articles of Incorporation of the Company.

**Anpec Electronics Corporation**  
**Earnings Distribution Table**  
 2024

Item	Amount	Unit: NT\$
Unappropriated earnings at the beginning of the year	666,783,275	
Plus: Adjustment to retained earnings in 2024	6,380,915	
Unappropriated earnings after adjustment	673,164,190	
Plus: Net profit after tax of the year	720,093,333	
Less: Legal reserve appropriated	(72,647,425)	
Earnings available for distribution	1,320,610,098	
Earnings distribution item:		
Dividend to shareholders — cash (NT\$8.00 per share)	597,308,000	
Unappropriated earnings at the end of the year	723,302,098	

**Note:**

1. The Company's distribution principle is to first distribute the 2024 earnings and the reversed special reserve; the insufficient part is distributed based on the first-in-first-out principle according to the year in which the earnings are generated.
2. The cash dividend distribution rate is calculated based on 74,663,500 shares issued and outstanding as of February 21, 2025. The actual allotment amount per thousand shares will be calculated based on the number of shares actually issued and outstanding on the ex-dividend date.
3. The adjustment to retained earnings in 2024 is the actuarial benefit of the defined benefit plan of NT\$6,380,915.

Chairman: Wang, Chih-Hsin

President: Wang, Chih-Hsin

Accounting Officer: Huang, Kui-Yi

**Resolution:** The voting results of this motion is as follows:

Shares represented at the time of voting : 45,218,164 votes (Including electronic voting : 22,539,115 votes)

Voting Results	% of the total represented share present
Votes in favor : 42,796,494 votes (Including electronic voting : 20,117,455 votes)	94.64%
Votes against : 20,760 votes (Including electronic voting : 20,760 votes)	0.04%
Votes invalid : 0 votes (Including electronic voting : 0 votes)	0.00%
Votes abstained : 2,400,910 votes (Including electronic voting : 2,400,900 votes)	5.30%

RESOLVED, that the above proposal be and hereby was approved as proposed.

### III 、 Discussion Items

**Proposal 1:** **Proposed by the Board of Directors**

**Subject** : Proposal for Amendment to the Articles of Incorporation. Please proceed to discuss.

**Explanation:** In accordance with regulatory requirements, it is proposed to amend certain provisions of the Company's Articles of Incorporation. Please refer to Attachment IV for the comparison table of the amended provisions.

**Resolution:** The voting results of this motion is as follows:

Shares represented at the time of voting : 45,218,164 votes (Including electronic voting : 22,539,115 votes)

Voting Results	% of the total represented share present
Votes in favor : 42,796,269 votes (Including electronic voting : 20,117,230 votes)	94.64%
Votes against : 20,893 votes (Including electronic voting : 20,893 votes)	0.04%
Votes invalid : 0 votes (Including electronic voting : 0 votes)	0.00%
Votes abstained : 2,401,002 votes (Including electronic voting : 2,400,992 votes)	5.30%

RESOLVED, that the above proposal be and hereby was approved as proposed.

**Proposal 2:****Proposed by the Board of Directors**

**Subject** : Proposal for Issuance of Employee Restricted Stock Awards. Please proceed to discuss.

**Explanation:**

- (I) The Company plans to issue employee restricted stock awards in 2024 in accordance with Article 267 of the Company Act and the relevant provisions of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers ("Offering Regulations") issued by the Financial Supervisory Commission.
- (II) The explanation to the 2024 general shareholders' meeting on the issuance of employee restricted stock awards is as follows:
1. Total issue amount: The maximum amount is 1,200,000 ordinary shares, with a par value of NT\$10 per share and a total amount of NT\$12,000,000.
  2. Conditions of issue:
    - (1) Issue price: Each share is issued at NT\$0, that is, there is no cash consideration and shares are distributed to employees without compensation.
    - (2) Conditions of Vesting: If an employee being allocated employee restricted stock awards is still in service after the expiration of the following periods and meets the performance required by the Company, the share proportion of the vesting conditions respectively achieved are as follows.
      - (2.1) Employees who remain in service for one year from the date of this issuance and receive an excellent rating in their performance evaluation during the period will be granted 50% of the allocated employee restricted stock awards.
      - (2.2) Employees who remain in service for two years from the date of this issuance and receive an excellent rating in their performance evaluation during the period will be granted 50% of the allocated employee restricted stock awards.
      - (2.3) If an employee does not meet the performance required by the Company within one year before the expiration of the above periods, the Company will retrieve the restricted shares without compensation and cancel them pursuant to the law. However, the distribution of shares to employees who are not the Company's managerial officers or board members may be made in whole or in part, or postponed, subject to the approval of the Chairman.
  - (3) Type of shares issued: new ordinary shares of the Company.
  - (4) Measures to be taken where employees fail to meet the vesting conditions or in the event of inheritance:

If employees allocated with employee restricted stock awards fail to meet the vesting conditions, the Company will retrieve their shares without compensation and cancel them according to the law. For exceptional events, the Company will take regulations as set forth in the Employee Restricted Stock Awards Rules.

3. Employee qualifications and number of shares allocated:

(1) Employee qualifications:

Limited to full-time employees of the Company. The number of shares allocated to each employee will be determined by considering factors such as their length of service, job position, job performance, overall contribution, special achievements, and other relevant management factors. After the proposal is approved by the Chairman, it will be submitted to the Board of Directors for approval. However, if such employees are Directors or Managers of the Company, the proposal must first be approved by the Remuneration Committee. For non-Directors or non-Managers, approval from the Audit Committee is required.

(2) Number of shares allocated:

For the number of shares allocated to a single employee, according to Article 56-1, Paragraph 1 of the "Offering Regulations", the number of employee stock options to a single subscriber plus the cumulative number of employee restricted stock awards that the subscriber has received shall not exceed 3/1000 of the total number of shares issued. In addition, according to Article 56-1, Paragraph 1 of the "Offering Regulations", the number of cumulative employee stock options to a single subscriber shall not exceed 1% of the total number of shares issued. However, those who have been approved by the competent authority of each central government agency for special projects shall not be subject to the above ratio limitation.

4. Necessary reasons for handling the employee restricted stock awards:

In order to attract and retain the professionals required by the Company, improve employees' loyalty and sense of belonging to the Company, and jointly create the interests of the Company and shareholders.

5. Amount that may be expensed and its effect of dilution on earnings per share and other shareholders' equity:

(1) Amount that may be expensed:

The Company shall measure the fair value of the shares on the grant date (issue date) and recognize the relevant expenses annually during the vesting period. In 2025, the maximum number of Necessary reasons to be issued pending the resolution of the general shareholders' meeting is 1,200,000, and each share will be issued at NT\$0. If all the vesting conditions are met, it is estimated that the possible amount to be expensed

is about NT\$184,800 thousands (estimated based on the closing price of NT\$154 on the business day before the date of sending the meeting notice by the board of directors, i.e., April 29, 2025). According to the vesting conditions, it is estimated that the expensed amounts from 2025 to 2029 are NT\$15,400 thousands, NT\$67,696 thousands, NT\$71,867 thousands, NT\$26,629 thousands and NT\$3,208 thousands, respectively.

(2) Diluted earnings per share and other matters affecting shareholders' equity:

Based on the current number of shares issued by the Company, it is estimated that the possible reduction of earnings per share after expensing from 2025 to 2029 is NT\$0.206, NT\$0.906 NT\$0.963, NT\$0.357 and NT\$0.043, respectively, and the dilution of earnings per share is limited; therefore, it has no significant impact on shareholders' equity.

6. The restricted stock awards issued by the Company under these regulations will be delivered to the stock trust in the name of the employee.

(III) After the aforementioned content is approved by the shareholders' meeting, the board of directors will formulate the issuance plan for the restricted stock awards for 2025 in accordance with the relevant legal provisions. The plan will be declared and handled either in one go or in installments.

(IV) Please refer to Attachment V.

**Resolution:** The voting results of this motion is as follows:

Shares represented at the time of voting : 45,218,164 votes (Including electronic voting : 22,539,115 votes)

Voting Results	% of the total represented share present
Votes in favor : 39,394,856 votes (Including electronic voting : 16,715,817 votes)	87.12%
Votes against : 3,422,231 votes (Including electronic voting : 3,422,231 votes)	7.56%
Votes invalid : 0 votes (Including electronic voting : 0 votes)	0.00%
Votes abstained : 2,401,077 votes (Including electronic voting : 2,401,067 votes)	5.30%

RESOLVED, that the above proposal be and hereby was approved as proposed.

## IV 、 Election Items

**Proposal 1:**

**Proposed by the Board of Directors**

**Subject** : Proposal for the By-Election of One Additional Director; please proceed with the election.

**Explanation:** (1) Due to the resignation of a director from the Company because of business commitments, it is proposed to elect one additional director at the 2025 Annual Shareholders' Meeting. The term of the new director will be from the date of election at the Annual Shareholders' Meeting on June 23, 2025, to June 20, 2026.

(2) According to the Company's "Articles of Incorporation", and Article 192-1 of the Company Act, the director shall be elected by using candidates' nominations system. Shareholders shall elect the director from the List of Director Candidates, whose education and professional qualifications, experience and relevant information are as follows :

Title	Name	Education, Previous Position & Current Positions	Shareholdings
Director	Sinopower Semiconductor Inc.	None	1,238,088

**Voting Result:** The list of the newly elected director with votes received follows:

Title	Name	Votes Received
Director	Sinopower Semiconductor Inc.	31,328,788

## V 、 Extemporary Motions

There were no shareholder questions during this shareholders' meeting.

**VI 、 Meeting Adjourned: 9:25 a.m. at the same day.**

## 2024 Business Report

### I. Business Policy

- (I) The Company focuses on developing high-end products and advanced technologies such as mixed signal power products and sensors, with the mission of enhancing the local industrial ecosystem. The Company engages in the design, testing, production, and marketing of mixed-signal power IC and sensors. There are four major product lines at Anpec Electronics, including Power Management, Motor Driver, LED Driver and Audio.
- (II) Adhering to our management philosophy of being Authentic, Novel, Passion, Execution and Customer-oriented, we provide clients with diverse products and complete after-sales services.
- (III) Apart from providing customers with complete solutions based on our core philosophy of creating value and leading the market on an ongoing basis, we also focus on offering the highest performance and customized products in the industry while helping our clients increase the added value of their end products and leading the market, with the goal of becoming a top-tier chip supplier in the global market.

### II. Implementation Overview

Initially starting off as a producer of analog IC, Anpec Electronics has developed into a supplier of mixed-signal power IC and sensor IC today. The Company's main focus of technology development revolves around highly integrated, high performance, high power, and customized IC. After years of development, our clients are primarily top-tier brands in various fields of application. Anpec Electronics has witnessed a gradual shift in the fields of application from consumer products in the past to more demanding applications such as servers, storage systems, computer memory, communications equipment, industrial control, enterprise equipment, and in-vehicle applications. The Company continues to invest resources to develop cutting-edge solutions for various applications, helping customers maintain a leading position in the end-market, and at the same time continuously enhance the Company's overall value.

### III. Implementation of Business Plan

In 2024, the Company posted an individual net revenue of NT\$3,397.71 million and a net profit after tax of NT\$720.09 million, a 22.2% increase and a 41% increase from 2023, together with an EPS after tax of NT\$9.89.

#### IV. Revenue, Expenditure, and Implementation of Budget

##### (I) Revenue and Expenditure:

Unit: NT\$ thousands

Item	2024	2023
Net operating revenue	3,397,714	2,781,034
Operating costs	1,801,341	1,475,711
Gross profit	1,596,373	1,305,323
Operating expenses	930,054	792,628
Operating income	671,662	517,819
Non-operating income and expenses	187,038	93,890
Net profit before tax	858,700	611,709

##### (II) Budget Implementation

This section is not applicable as the Company has not compiled financial projections for 2024.

#### V. Profitability Analysis:

Item	2024	2023	
Return on total assets (%)	16.42	12.05	
Return on equity (%)	21.19	15.68	
Proportion to paid-in capital (%)	Operating income	89.38	69.37
	Profit before tax	114.27	81.95
Net profit margin (%)	21.19	18.37	
Basic earnings per share (NT\$)	9.89	7.00	

## VI. Important Production and Sales Policy

Although the market in 2024 emerged from the impact of the pandemic, end-user demand remains weak, and the expected peak seasons have not materialized, resulting in relatively balanced revenue distribution between the first and second halves of the year. Overall, market demand remained sluggish, and product prices continued to face pressure. The Company has actively managed internal and external inventory levels and procurement costs while continuously promoting new products in the market. This strategy has led to an increase in design wins and a gradual rise in the revenue contribution of new products. Thanks to the team's efforts, the Company achieved the second-highest individual revenue in its history in 2024, with consolidated revenue reaching the third-highest level; annual gross margin and EPS ranked third in the company's history; excluding the pandemic period, these metrics would have reached record highs.

In terms of production, the Company will maintain inventory at a healthy level in 2025, ensuring precise coordination between production and sales while keeping inventory levels under control. At the same time, the Company will retain flexible stock preparations to adapt to dynamic fluctuations in customer mass production needs. Additionally, the Company will develop more competitive packaging, testing, and wafer suppliers to strengthen cost competitiveness.

In terms of marketing, the new products in various application remain the most important cornerstone for the Company. To enhance product competitiveness, the Company continues to develop its own next-generation and customized products, expanding the breadth of its product lines. By offering more comprehensive solutions and product portfolios, the Company aims to meet the diverse needs of its customers. At the same time, the Company will expand its partnerships with leading terminal brand manufacturers, strengthening customer relationships to better understand and quickly respond to end-user specifications. Overall, through the promotion of new product lines and next-generation solutions, the Company is actively expanding into new applications and attracting new customers, securing more design wins from top-tier clients, and gradually increasing the coverage of new project solutions. The Company focuses on high-value products and key components, providing customers with a one-stop shop and cross-technology system solutions to continuously enhance its value and position in the market.

In terms of sales, the Company focuses on deepening and expanding into various new application fields. Leveraging the customer relationships and channel advantages accumulated over the past years, the Company continues to introduce more solutions across a wider range of products to increase its design win share. On the other hand, the Company also uses its market leadership, advanced technological capabilities, extensive product portfolio, and mass production experience to continue developing high-value

customers. Additionally, the Company will strengthen its collaboration with distributors in both channels and technology to actively expand its market reach.

Looking ahead to 2025, the Company expects end-market demand to gradually recover, and the traditional seasonal effects of peak and off-peak periods will gradually return. High-performance computing, networking, storage, memory, security, and industrial control markets will continue to grow. The Company will deepen its focus on these application areas, providing customers with higher-value products and services, and striving to become an industry leader. At the same time, the Company will continue to optimize product quality, reduce costs, and shorten lead times to more comprehensively meet customer needs.

## VII. Research and Development

The Company's research and development areas focus on Power Management, Motor Driver and Control, LED Driver and Audio Amplifier. With research and development (R&D) and product strategies that are technology-based, driven by customer demand, and aimed at high-quality growth, the Company continues to move towards higher-end technology and advanced applications.

### (I) Power management

With the advancement of AI, the industry's demand for high-performance servers continues to rise. Enhancing server performance requires power architectures with higher current density. In recent years, the Company has developed a series of point-of-load (PoL) and protection IC products, which are expected to be sampled by customers and undergo validation this year. The Company will continue investing resources in developing next-generation high-voltage, high-efficiency architectures. For NB/PC solutions, the Company has completed mainstream charging and protection solutions and submitted samples for testing. With the introduction of the new Type-C PD protocol, some customers have begun evaluating higher-power solutions. In response to next-generation demands, the Company will continue developing relevant charging and protection ICs while advancing new products for emerging specifications. In memory modules, DDR5 penetration in the PC/NB market has gradually increased in 2024. The Company has been allocating R&D resources to develop next-generation power solutions for memory modules, expecting to complete development and submit samples to customers this year. For storage applications, the Company has developed power management ICs (PMIC) and multiplexer product lines to meet the growing demand for increased storage capacity among enterprise customers.

## (II) Motor driver and control

Motor driver ICs have entered the era of digital control. The Company collaborates with various IT brands to develop multifunctional cooling fan solutions to enhance heat dissipation efficiency during system-on-chip (SoC) computation while achieving energy savings and high efficiency. In server applications, as AI advances, cooling methods have evolved from air cooling to liquid cooling to improve system computational stability, reduce power loss, and extend system lifespan. The Company continues to develop digital high-power driving ICs to assist server clients in addressing high-temperature cooling requirements, while also simplifying the design of cooling systems. Similar solutions are also applied in other fields. For example, next-generation gaming consoles require high-speed computing, necessitating advanced thermal management. Digital control driver technology enhances cooling efficiency while maintaining low-noise operation and compliance with global energy consumption regulations. In the field of in-vehicle driver ICs, the Company has invested significant resources to become the first domestic supplier with a complete series of automotive-grade certifications and has already achieved stable market shipments. As the electric vehicle (EV) market share continues to expand, the Company aims to further increase its market penetration. Overall, digital driver solutions are gradually being adopted across industries, effectively addressing customization and mass production challenges. The Company expects its application domains to expand progressively, driving growth in both market share and solution coverage.

## (III) LED driver

With the expansion of miniLED TVs, the adoption of local dimming technology has increased significantly. The Company is collaborating with top-tier brands to develop next-generation LED local dimming solutions, providing more comprehensive and competitive solutions to meet the next-generation demand for high-contrast, precision display technology. Additionally, by reducing system production costs, the Company aims to enhance the market penetration of local dimming backlight technology. In the field of in-vehicle applications, customers have gradually entered the testing phase, and the Company anticipates achieving promising results in this market.

## (IV) Audio amplifier

In the field of audio technology, the Company's main application market is in televisions and displays. The Company will continue collaborating with brand customers to develop customized high-power, low-noise audio solutions to enhance system audio performance.

As the Company expands its business into key components and high-value application fields, customer requirements for product specifications have become increasingly complex, leading to a rise in new product projects and customized demands. To meet these diverse customer needs, the Company is actively strengthening its R&D and engineering capabilities. Additionally, the Company is continuously optimizing its IP database and refining design and engineering processes to enhance the efficiency and speed of new product development. At the same time, the Company is aggressively recruiting talent and expanding its R&D team to maintain its industry-leading position in technology and product development. Furthermore, by optimizing team composition, improving cross-departmental collaboration efficiency, and enhancing talent training programs, the Company is committed to increasing the effectiveness and capacity of its R&D team. The Company continues to invest significant resources in R&D innovation to adapt to rapid market changes and solidify its competitive advantage in the industry.

Furthermore, to support the expansion of new product lines and application areas while accelerating technological innovation, the Company will adopt a multi-faceted R&D strategy. The Company continues to deepen collaborations with academic and research institutions, leveraging industry-academia partnerships and technology transfers to jointly develop key core technologies and rapidly translate academic research into industrial value. Additionally, the Company will actively identify and invest in promising external R&D teams, integrating resources and sharing technologies to accelerate new product development and shorten time-to-market. In response to the increasing demand for customization and the challenges of emerging application fields, the Company will continue to expand its R&D capacity and strengthen its presence in advanced technology domains. Through these strategies, the Company aims to establish a solid technological foundation, develop market-competitive products, and drive new growth momentum for future development.

After three years of pandemic disruption and global economic turmoil, along with the lingering effects in 2024, the market has gradually adapted and found a new balance. Emerging application areas such as artificial intelligence, high-performance computing, and automotive electronics will continue to grow, driving the demand for related products and equipment. However, factors such as geopolitical tensions, intense competition in the Chinese market, and the European energy crisis and wars will still present challenges in 2025. To navigate this complex and ever-changing market environment, the Company will continue to focus on high-value regional markets, high-value applications, and high-value product lines. Leveraging the Company's strong capabilities in technological research and product development, the goal is to strengthen the Company's market leadership position and brand value while enhancing profit margins and market share. At the same time, the management team will closely monitor external factors such as the pace of regional economic recovery, geopolitical shifts, inflation

trends, and currency fluctuations to respond in real-time to the dynamics of the global industrial environment.

Beyond the operational aspects, the management team is committed to long-term sustainable operation, with core values of Authentic, Novel, Passion, Execution, and Customer, actively playing the role of a responsible corporate citizen. In terms of environmental protection, the Company is deeply focused on green management, having obtained ISO 14001 and ISO 9001 certifications. The Company is also proactively advancing green product development and supply chain management, continually implementing greenhouse gas assessments and working towards achieving carbon reduction goals. Regarding social responsibility, the Company is dedicated to providing a friendly working environment for its employees, emphasizing employee rights and welfare, and encouraging participation in community service activities. In terms of corporate governance, Anpec Electronics Co. upholds ethical principles and has established a transparent and diversified governance structure. Starting in 2025, the Company will publish its sustainability report regularly. Through integrating ESG (Environmental, Social, Governance) practices, the Company not only enhances its competitiveness but also actively engages with society, collaborating with employees, customers, and suppliers to grow together, thereby creating higher value for the industry. Looking to the future, the Company will demonstrate its commitment to corporate social responsibility through tangible actions, continuously focusing on customer needs, strengthening corporate governance, and environmental protection to achieve sustainable development for both the Company and the industry.

Finally, we would like to thank all our colleagues, shareholders, clients and suppliers for their continued support and contributions.

We wish everyone good health and all the best!

Chairman and President Chih-hsin Wang

Accounting Manager Kui-yi Huang

Anpec Electronics Corporation  
Audit Committee's Review Report

The Board of Directors has prepared the Company's 2024 Business Report, Financial Statements and proposal for earnings distribution. Of which, the financial statements have been audited by certified public accountants Li, Tien-Yi and Shu-Chien Pai of PwC Taiwan, and an audit report was issued with unqualified opinions. The business report, financial statements and proposal for earnings distribution have been reviewed by the Audit Committee, and no irregularities were found. We hereby report as above according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please review and approve.

To

2025 Annual Shareholders' Meeting of Anpec Electronics Corporation

Chairman of the Audit Committee: Chun-Yen Chiang

February 21, 2025

(Attachment III)

INDEPENDENT AUDITORS' REPORT

(2025) Cai-Shen-Bao No. 24003611

To the Board of Directors and Shareholders of Anpec Electronics Corporation

***Opinion***

We have audited the accompanying consolidated balance sheets of Anpec Electronics Corporation and subsidiaries (the "Group") as at December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

***Basis for opinion***

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standard on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## ***Key audit matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2024 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matter for the Group's 2024 consolidated financial statements is stated as follows:

### ***Evaluation of inventories***

#### Description

The Group is primarily engaged in the manufacture and sales of products, such as power ICs, components and modules, wireless and network communication ICs and photoelectric driver ICs. The inventories are measured at the lower of cost and net realizable value. Please refer to Note 4(13) of the financial statements for the inventories valuation policies, and Note 5(2) of the financial statements for the uncertainty of accounting estimates for inventories valuation.

Given that the calculation of the net realisable value for inventories over a certain age and individually identified as obsolete or slow-moving involves estimation uncertainty and there is a huge variety in inventory items which requires substantial amount of time for performing audit procedures, we considered the evaluation of inventories a key audit matter.

#### How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Assessed the reasonableness of accounting policies on evaluation of inventories.
2. Checked supporting documents of inventory movement transactions and verified the appropriateness of inventory aging reports used by management for evaluation.
3. Sampled individual inventory and checked against the latest purchase or sale price information for the net realisable value for inventory evaluation and referred to inventory clearance estimated from historical information for the net realisable value for inventories over a certain age and individually identified as obsolete or slow-

moving to assess the reasonableness of net realisable value.

4. Tested the comparison results of inventory cost and net realisable value and then assessed the adequacy of allowance for inventory valuation loss.

***Other matter – Parent company only financial reports***

We have audited and expressed an unqualified opinion on the parent company only financial statements of Anpec Electronics Corporation as at and for the years ended December 31, 2024 and 2023.

***Responsibilities of management and those charged with governance for the consolidated financial statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

## ***Auditors' responsibilities for the audit of the consolidated financial statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Li, Tien-Yi

Shu-Chien Pai

For and on behalf of PricewaterhouseCoopers, Taiwan

February 21, 2025

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The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' 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  
DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2024		December 31, 2023		
		Amount	%	Amount	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 716,882	12	\$ 1,201,834	20
1110	Financial assets at fair value through profit or loss - current	6(2)	193,472	3	177,187	3
1136	Current financial assets at amortised cost	6(3)	1,320,000	22	738,195	12
1150	Notes receivable, net	6(4)	-	-	44	-
1170	Accounts receivable, net	6(4)	1,150,714	19	1,015,098	17
1200	Other receivables		17,790	-	14,010	-
130X	Inventories	6(5)	1,052,039	17	1,126,705	19
1410	Prepayments		107,820	2	124,290	2
11XX	<b>Total current assets</b>		<u>4,558,717</u>	<u>75</u>	<u>4,397,363</u>	<u>73</u>
<b>Non-current assets</b>						
1535	Non-current financial assets at amortised cost	6(3) and 8	38,506	1	5,263	-
1600	Property, plant and equipment	6(6)	763,829	12	745,315	13
1755	Right-of-use assets	6(7)	115,330	2	129,987	2
1780	Intangible assets	6(8)	44,818	1	39,197	1
1840	Deferred income tax assets	6(27)	52,607	1	58,055	1
1900	Other non-current assets	6(9)(14)	492,017	8	622,385	10
15XX	<b>Total non-current assets</b>		<u>1,507,107</u>	<u>25</u>	<u>1,600,202</u>	<u>27</u>
1XXX	<b>Total assets</b>		<u>\$ 6,065,824</u>	<u>100</u>	<u>\$ 5,997,565</u>	<u>100</u>

(Continued)

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

Liabilities and Equity	Notes	December 31, 2024		December 31, 2023		
		Amount	%	Amount	%	
<b>Current liabilities</b>						
2100	Short-term borrowings	6(10)	\$ -	-	\$ 202,000	3
2150	Notes payable		3,582	-	1,152	-
2170	Accounts payable		557,460	9	519,230	9
2200	Other payables	6(11)	491,685	8	465,432	8
2230	Current income tax liabilities		259,064	4	258,457	4
2280	Current lease liabilities		4,621	-	4,806	-
2399	Other current liabilities - others		19,934	1	4,106	-
21XX	<b>Total current liabilities</b>		<u>1,336,346</u>	<u>22</u>	<u>1,455,183</u>	<u>24</u>
<b>Non-current liabilities</b>						
2540	Long-term borrowings	6(12)	-	-	118,000	2
2570	Deferred income tax liabilities	6(27)	7,331	-	6,112	-
2580	Non-current lease liabilities		115,953	2	129,721	2
2600	Other non-current liabilities	6(13)	81,721	1	232,489	4
25XX	<b>Total non-current liabilities</b>		<u>205,005</u>	<u>3</u>	<u>486,322</u>	<u>8</u>
2XXX	<b>Total liabilities</b>		<u>1,541,351</u>	<u>25</u>	<u>1,941,505</u>	<u>32</u>
<b>Equity attributable to owners of the parent</b>						
Share capital						
3110	Common stock	6(16)	751,485	12	746,415	13
Capital surplus						
3200	Capital surplus	6(17)	902,302	15	795,222	14
Retained earnings						
3310	Legal reserve	6(18)	661,699	11	610,559	10
3320	Special reserve		5,597	-	5,597	-
3350	Unappropriated retained earnings		1,393,257	23	1,162,862	19
Other equity interest						
3400	Other equity interest	6(19)	( 65,975)	( 1)	( 56,659)	( 1)
3500	Treasury stocks	6(16)	( 57,674)	( 1)	( 57,774)	( 1)
31XX	<b>Total equity attributable to owners of the parent</b>		<u>3,590,691</u>	<u>59</u>	<u>3,206,222</u>	<u>54</u>
36XX	<b>Non-controlling interest</b>	4(3)	<u>933,782</u>	<u>16</u>	<u>849,838</u>	<u>14</u>
3XXX	<b>Total equity</b>		<u>4,524,473</u>	<u>75</u>	<u>4,056,060</u>	<u>68</u>
Significant contingent liabilities and unrecognised contract commitments						
Significant Events after the Balance Sheet Date						
3X2X	<b>Total liabilities and equity</b>		<u>\$ 6,065,824</u>	<u>100</u>	<u>\$ 5,997,565</u>	<u>100</u>

**ANPEC ELECTRONICS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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

Item	Notes	Year ended December 31				
		2024		2023		
		Amount	%	Amount	%	
4000	Operating revenue	6(20)	\$ 6,089,504	100	\$ 5,416,250	100
5000	Operating costs	6(5)	( 3,925,234)	( 64)	( 3,667,077)	( 68)
5900	Gross profit		2,164,270	36	1,749,173	32
	Operating expenses	6(25)(26)				
6100	Selling expenses		( 414,368)	( 7)	( 356,196)	( 7)
6200	General and administrative expenses		( 206,736)	( 3)	( 158,016)	( 3)
6300	Research and development expenses		( 640,839)	( 11)	( 564,465)	( 10)
6000	Total operating expenses		( 1,261,943)	( 21)	( 1,078,677)	( 20)
6900	Operating profit		902,327	15	670,496	12
	Non-operating income and expenses					
7100	Interest income	6(21)	43,655	1	36,292	1
7010	Other income	6(22)	2,815	-	3,718	-
7020	Other gains and losses	6(24)	98,233	1	15,477	-
7050	Finance costs	6(23)	( 5,479)	-	( 7,287)	-
7000	Total non-operating income and expenses		139,224	2	48,200	1
7900	<b>Profit before income tax</b>		1,041,551	17	718,696	13
7950	Income tax expense	6(27)	( 195,084)	( 3)	( 127,616)	( 2)
8200	<b>Profit for the year</b>		\$ 846,467	14	\$ 591,080	11
	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>					
8311	Remeasurement of defined benefit plans	6(14)	\$ 7,976	-	\$ 771	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(27)	( 1,595)	-	( 154)	-
	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>					
8361	Cumulative translation differences of foreign operations	6(19)	1,568	-	( 557)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(27)	( 307)	-	111	-
8300	<b>Total other comprehensive income for the year</b>		\$ 7,642	-	\$ 171	-
8500	<b>Total comprehensive income for the year</b>		\$ 854,109	14	\$ 591,251	11
	Profit attributable to:					
8610	Owners of the parent		\$ 720,093	12	\$ 510,788	10
8620	Non-controlling interest		\$ 126,374	2	\$ 80,292	1
	Comprehensive income attributable to:					
8710	Owners of the parent		\$ 727,735	12	\$ 510,959	10
8720	Non-controlling interest		\$ 126,374	2	\$ 80,292	1
	Earnings per share (in dollars)					
9750	Basic earnings per share	6(28)	\$ 9.89		\$ 7.00	
9850	Diluted earnings per share	6(28)	\$ 9.67		\$ 6.85	

ANPEC ELECTRONICS CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

	Notes	Equity attributable to owners of the parent										
		Share capital - common stock	Capital surplus	Retained earnings			Other equity interest			Total	Non-controlling interest	Total equity
				Legal reserve	Special reserve	Unappropriated retained earnings	Financial Statements translation differences of foreign operations	Other equity	Treasury stocks			
<u>2023</u>												
Balance at January 1, 2023		\$ 740,695	\$ 711,186	\$ 513,819	\$ 5,597	\$ 1,410,440	(\$ 1,932 )	(\$ 14,292 )	(\$ 58,143 )	\$ 3,307,370	\$ 802,828	\$ 4,110,198
Profit for the year		-	-	-	-	510,788	-	-	-	510,788	80,292	591,080
Other comprehensive income for the year	6(19)	-	-	-	-	617	( 446 )	-	-	171	-	171
Total comprehensive income for the year		-	-	-	-	511,405	( 446 )	-	-	510,959	80,292	591,251
Appropriation of 2022 earnings:	6(18)											
Legal reserve		-	-	96,740	-	( 96,740 )	-	-	-	-	-	-
Cash dividends		-	-	-	-	( 662,243 )	-	-	-	( 662,243 )	-	( 662,243 )
Compensation cost of employee restricted shares	6(15)(19)	-	-	-	-	-	-	31,478	-	31,478	1,523	33,001
Employee restricted shares retired	6(15)(16)(17)(19)	( 70 )	( 838 )	-	-	-	-	908	-	-	-	-
Issuance of employee restricted shares	6(15)(16)(17)(19)	5,790	66,585	-	-	-	-	( 72,375 )	-	-	-	-
Dividend income received by subsidiary from the parent company recognized in proportion to ownership	6(17)	-	3,368	-	-	-	-	-	-	3,368	4,391	7,759
Adjustments to shares in the parent company held by subsidiaries as treasury shares		-	-	-	-	-	-	-	369	369	( 369 )	-
Subsidiary's employee compensation used for recapitalization by issuing new shares	6(17)	-	8,982	-	-	-	-	-	-	8,982	23,868	32,850
Restricted stock awards issued by subsidiary		-	5,939	-	-	-	-	-	-	5,939	( 5,939 )	-
Cash dividends paid by a subsidiary to non-controlling interests		-	-	-	-	-	-	-	-	-	( 56,756 )	( 56,756 )
Balance at December 31, 2023		\$ 746,415	\$ 795,222	\$ 610,559	\$ 5,597	\$ 1,162,862	(\$ 2,378 )	(\$ 54,281 )	(\$ 57,774 )	\$ 3,206,222	\$ 849,838	\$ 4,056,060
<u>2024</u>												
Balance at January 1, 2024		\$ 746,415	\$ 795,222	\$ 610,559	\$ 5,597	\$ 1,162,862	(\$ 2,378 )	(\$ 54,281 )	(\$ 57,774 )	\$ 3,206,222	\$ 849,838	\$ 4,056,060
Profit for the year		-	-	-	-	720,093	-	-	-	720,093	126,374	846,467
Other comprehensive income for the year	6(19)	-	-	-	-	6,381	1,261	-	-	7,642	-	7,642
Total comprehensive income for the year		-	-	-	-	726,474	1,261	-	-	727,735	126,374	854,109
Appropriation of 2023 earnings:	6(18)											
Legal reserve		-	-	51,140	-	( 51,140 )	-	-	-	-	-	-
Cash dividends		-	-	-	-	( 444,939 )	-	-	-	( 444,939 )	-	( 444,939 )
Compensation cost of employee restricted shares	6(15)(19)	-	-	-	-	-	-	95,671	-	95,671	18,236	113,907
Employee restricted shares retired	6(15)(16)(17)(19)	( 310 )	( 4,681 )	-	-	-	-	4,991	-	-	-	-
Issuance of employee restricted shares	6(15)(16)(17)(19)	5,380	105,859	-	-	-	-	( 111,239 )	-	-	-	-
Cash dividends paid by a subsidiary to non-controlling interests		-	-	-	-	-	-	-	-	-	( 59,810 )	( 59,810 )
Dividend income received by subsidiary from the parent company recognized in proportion to ownership	6(17)	-	2,201	-	-	-	-	-	-	2,201	2,945	5,146
Adjustments to shares in the parent company held by subsidiaries as treasury shares		-	-	-	-	-	-	-	100	100	( 100 )	-
Restricted stock awards issued by subsidiary	6(17)	-	3,701	-	-	-	-	-	-	3,701	( 3,701 )	-
Balance at December 31, 2024		\$ 751,485	\$ 902,302	\$ 661,699	\$ 5,597	\$ 1,393,257	(\$ 1,117 )	(\$ 64,858 )	(\$ 57,674 )	\$ 3,590,691	\$ 933,782	\$ 4,524,473

ANPEC ELECTRONICS CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2024	2023
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 1,041,551	\$ 718,696
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation charge	6(6)(7)(25)	179,051	163,467
Amortization	6(8)(25)	25,452	24,532
Share-based payments	6(15)(26)	113,907	33,001
Net gain on financial assets at fair value	6(2)(24)		
through profit or loss		( 2,642 )	( 2,092 )
Loss on disposal and scrapping of property,	6(24)		
plant and equipment		274	150
Interest income	6(21)	( 43,655 )	( 36,292 )
Interest expense	6(23)	5,479	7,287
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit			
or loss		( 13,643 )	-
Notes receivable		44	( 44 )
Accounts receivable		( 135,616 )	( 275,628 )
Other receivables		( 3,780 )	6,704
Inventories		74,666	466,214
Prepayments			
(including long-term prepayments)		110,456	( 70,653 )
Net defined benefit asset		( 195 )	( 439 )
Changes in operating liabilities			
Notes payable		2,430	( 1,215 )
Accounts payable		38,230	130,304
Other payables		28,402	( 113,130 )
Other current liabilities		15,828	( 7,292 )
Cash inflow generated from operations		1,436,239	1,043,570
Interest received		43,655	36,292
Interest paid		( 5,479 )	( 7,287 )
Income tax paid		( 189,714 )	( 120,462 )
Net cash flows from operating activities		1,284,701	952,113

(Continued)

ANPEC ELECTRONICS CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2024	2023
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Increase in financial assets at amortised cost		(\$ 1,946,808 )	(\$ 743,458 )
Decrease in financial assets at amortised cost		1,331,760	-
Acquisition of property, plant and equipment	6(29)	( 190,562 )	( 229,862 )
Proceeds from disposal of property, plant and equipment		94	-
Acquisition of intangible assets	6(8)	( 31,073 )	( 34,532 )
Decrease in refundable deposits	6(9)	42,648	19,084
Net cash flows used in investing activities		( 793,941 )	( 988,768 )
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from short-term borrowings	6(30)	303,000	1,328,000
Repayments of short-term borrowings	6(30)	( 505,000 )	( 1,251,000 )
Proceeds from long-term borrowings	6(30)	62,000	118,000
Repayments of long-term borrowings	6(30)	( 180,000 )	-
Decrease in guarantee deposits received	6(30)	( 150,768 )	( 169,167 )
Repayments of principal portion of lease liabilities	6(30)	( 6,755 )	( 7,984 )
Cash dividends paid	6(29)	( 439,793 )	( 654,484 )
Cash dividends paid by a subsidiary to non-controlling interests		( 59,810 )	( 56,756 )
Net cash flows used in financing activities		( 977,126 )	( 693,391 )
Effect of exchange rate changes		1,414	( 476 )
Decrease in cash and cash equivalents		( 484,952 )	( 730,522 )
Cash and cash equivalents at beginning of year		1,201,834	1,932,356
Cash and cash equivalents at end of year		\$ 716,882	\$ 1,201,834

## INDEPENDENT AUDITORS' REPORT

(2025) Cai-Shen-Bao No. 24003608

To the Board of Directors and Shareholders of Anpec Electronics Corporation

### ***Opinion***

We have audited the accompanying parent company only balance sheets of Anpec Electronics Corporation (the "Company") as at December 31, 2024 and 2023, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2024 and 2023, and its parent company only financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### ***Basis for opinion***

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standard on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the parent company only financial statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Key audit matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2024 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2024 parent company only financial statements are stated as follows:

### ***Evaluation of inventories***

#### Description

The Company is primarily engaged in the manufacture and sales of products, such as components and modules, wireless and network communication ICs and photoelectric driver ICs. Inventories are measured at the lower of cost and net realizable value. Refer to Note 4(12) of the financial statements for the inventories valuation policies, and Note 5(2) of the financial statements for the uncertainty of accounting estimates for inventories valuation.

Given that the calculation of the net realisable value for inventories over a certain age and individually identified as obsolete or slow-moving involves estimation uncertainty and there is a huge variety in inventory items which requires substantial amount of time for performing audit procedures, we considered the evaluation of inventories a key audit matter.

#### How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Assessed the reasonableness of accounting policies on evaluation of inventories.
2. Checked supporting documents of inventory movement transactions and verified the appropriateness of inventory aging reports used by management for evaluation.
3. Sampled individual inventory and checked against the latest purchase or sale price information for the net realisable value for inventory evaluation and referred to inventory clearance estimated from historical information for the net realisable value for inventories over a certain age and individually identified as obsolete or slow-moving to assess the reasonableness of net realisable value.
4. Tested the comparison results of inventory cost and net realisable value and then assessed the adequacy of allowance for inventory valuation loss.

#### ***Responsibilities of management and those charged with governance for the financial statements***

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for

overseeing the Company's financial reporting process.

***Auditors' responsibilities for the audit of the parent company only financial statements***

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standard on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standard on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of

accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit of the parent company only. We remain solely responsible for our audit opinion on the parent company only financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Li, Tien-Yi

Shu-Chien Pai

For and on behalf of PricewaterhouseCoopers, Taiwan

February 21, 2025

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*The accompanying parent company only 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 parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.*

*As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.*

ANPEC ELECTRONICS CORPORATION  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2024		December 31, 2023		
		Amount	%	Amount	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 431,737	9	\$ 891,217	21
1110	Financial assets at fair value through profit or loss - current	6(2)	193,472	4	177,187	4
1136	Current financial assets at amortised cost	6(3)	1,320,000	29	738,195	18
1170	Accounts receivable, net	6(4)	667,356	15	581,116	14
1200	Other receivables		16,347	-	12,324	-
130X	Inventories	6(5)	395,698	9	393,684	9
1410	Prepayments		2,155	-	2,676	-
11XX	<b>Total current assets</b>		<u>3,026,765</u>	<u>66</u>	<u>2,796,399</u>	<u>66</u>
<b>Non-current assets</b>						
1535	Non-current financial assets at amortised cost	6(3) and 8	38,506	1	5,263	-
1550	Investments accounted for under equity method	6(6)	753,141	17	696,546	16
1600	Property, plant and equipment	6(7)	510,263	11	498,215	12
1755	Right-of-use assets	6(8)	115,330	3	129,987	3
1760	Investment property, net	6(10)	22,116	-	22,185	1
1780	Intangible assets	6(11)	41,968	1	34,613	1
1840	Deferred income tax assets	6(27)	34,600	1	38,661	1
1900	Other non-current assets	6(13)	16,453	-	10,113	-
15XX	<b>Total non-current assets</b>		<u>1,532,377</u>	<u>34</u>	<u>1,435,583</u>	<u>34</u>
1XXX	<b>Total assets</b>		<u>\$ 4,559,142</u>	<u>100</u>	<u>\$ 4,231,982</u>	<u>100</u>

(Continued)

ANPEC ELECTRONICS CORPORATION  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2024		December 31, 2023	
			Amount	%	Amount	%
<b>Current liabilities</b>						
2150	Notes payable		\$ 3,582	-	\$ 1,152	-
2170	Accounts payable		205,830	5	247,165	6
2180	Accounts payable - related parties	7	2,364	-	9,243	-
2200	Other payables	6(12)	376,671	8	370,066	9
2220	Other payables - related parties	7	322	-	355	-
2230	Current income tax liabilities		196,546	4	201,652	5
2280	Current lease liabilities		4,621	-	4,806	-
2310	Advance receipts	7	501	-	498	-
2399	Other current liabilities - others		3,886	-	2,375	-
21XX	<b>Total current liabilities</b>		<u>794,323</u>	<u>17</u>	<u>837,312</u>	<u>20</u>
<b>Non-current liabilities</b>						
2570	Deferred income tax liabilities	6(27)	5,375	-	4,159	-
2580	Non-current lease liabilities		115,953	3	129,721	3
2600	Other non-current liabilities	7	52,800	1	54,568	1
25XX	<b>Total non-current liabilities</b>		<u>174,128</u>	<u>4</u>	<u>188,448</u>	<u>4</u>
2XXX	<b>Total liabilities</b>		<u>968,451</u>	<u>21</u>	<u>1,025,760</u>	<u>24</u>
<b>Equity</b>						
Share capital						
6(15)						
3110	Common stock		751,485	16	746,415	18
Capital surplus						
6(16)						
3200	Capital surplus		902,302	19	795,222	19
Retained earnings						
6(17)						
3310	Legal reserve		661,699	15	610,559	14
3320	Special reserve		5,597	-	5,597	-
3350	Unappropriated retained earnings		1,393,257	31	1,162,862	27
Other equity interest						
6(18)						
3400	Other equity interest		( 65,975)	( 1)	( 56,659)	( 1)
3500	Treasury stocks	6(15)	( 57,674)	( 1)	( 57,774)	( 1)
3XXX	<b>Total equity</b>		<u>3,590,691</u>	<u>79</u>	<u>3,206,222</u>	<u>76</u>
Significant events after the balance sheet date						
11						
3X2X	<b>Total liabilities and equity</b>		<u>\$ 4,559,142</u>	<u>100</u>	<u>\$ 4,231,982</u>	<u>100</u>

**ANPEC ELECTRONICS CORPORATION**  
**PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**  
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

Item	Notes	Year ended December 31				
		2024		2023		
		Amount	%	Amount	%	
4000	Operating revenue	6(19)	\$ 3,397,714	100	\$ 2,781,034	100
5000	Operating costs	6(5)	( 1,801,341)	( 53)	( 1,475,711)	( 53)
5900	Gross profit		<u>1,596,373</u>	<u>47</u>	<u>1,305,323</u>	<u>47</u>
	Operating expenses	6(25)(26)				
6100	Selling expenses		( 324,703)	( 10)	( 276,760)	( 10)
6200	General and administrative expenses		( 127,466)	( 3)	( 96,239)	( 3)
6300	Research and development expenses		( 477,885)	( 14)	( 419,629)	( 15)
6000	Total operating expenses		<u>( 930,054)</u>	<u>( 27)</u>	<u>( 792,628)</u>	<u>( 28)</u>
6500	Other income and expenses, net	6(20)	<u>5,343</u>	-	<u>5,124</u>	-
6900	Operating profit		<u>671,662</u>	<u>20</u>	<u>517,819</u>	<u>19</u>
	Non-operating income and expenses					
7100	Interest income	6(21)	36,692	-	27,145	1
7010	Other income	6(22)	3,626	-	11,043	-
7020	Other gains and losses	6(23)	54,857	2	234	-
7050	Finance costs	6(24)	( 1,866)	-	( 2,068)	-
7070	Share of profit of associates and joint ventures accounted for using equity method, net	6(6)	<u>93,729</u>	<u>3</u>	<u>57,536</u>	<u>2</u>
7000	Total non-operating income and expenses		<u>187,038</u>	<u>5</u>	<u>93,890</u>	<u>3</u>
7900	<b>Profit before income tax</b>		<u>858,700</u>	<u>25</u>	<u>611,709</u>	<u>22</u>
7950	Income tax expense	6(27)	( 138,607)	( 4)	( 100,921)	( 4)
8200	<b>Profit for the year</b>		<u>\$ 720,093</u>	<u>21</u>	<u>\$ 510,788</u>	<u>18</u>
	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>					
8311	Gain on remeasurement of defined benefit plans	6(13)	\$ 7,976	-	\$ 771	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(27)	( 1,595)	-	( 154)	-
	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>					
8361	Cumulative translation differences of foreign operations	6(18)	1,568	-	( 557)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(27)	( 307)	-	111	-
8300	<b>Other comprehensive income for the year</b>		<u>\$ 7,642</u>	<u>-</u>	<u>\$ 171</u>	<u>-</u>
8500	<b>Total comprehensive income for the year</b>		<u>\$ 727,735</u>	<u>21</u>	<u>\$ 510,959</u>	<u>18</u>
	Earnings per share (in dollars)	6(28)				
9750	Basic earnings per share		<u>\$ 9.89</u>		<u>\$ 7.00</u>	
9850	Diluted earnings per share (in dollars)	6(28)	<u>\$ 9.67</u>		<u>\$ 6.85</u>	

**ANPEC ELECTRONICS CORPORATION**  
**PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**  
(Expressed in thousands of New Taiwan dollars)

	Notes	Retained earnings				Other equity interest				Total equity
		Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial Statements translation differences of foreign operations	Other equity	Treasury stocks	
<u>2023</u>										
Balance at January 1, 2023		\$ 740,695	\$ 711,186	\$ 513,819	\$ 5,597	\$ 1,410,440	(\$ 1,932 )	(\$ 14,292 )	(\$ 58,143 )	\$ 3,307,370
Profit for the year		-	-	-	-	510,788	-	-	-	510,788
Other comprehensive income for the year	6(18)	-	-	-	-	617	( 446 )	-	-	171
Total comprehensive income for the year		-	-	-	-	511,405	( 446 )	-	-	510,959
Appropriation of 2022 earnings:	6(17)									
Legal reserve		-	-	96,740	-	( 96,740 )	-	-	-	-
Cash dividends		-	-	-	-	( 662,243 )	-	-	-	( 662,243 )
Compensation cost of employee restricted shares	6(14)(18)	-	-	-	-	-	-	31,478	-	31,478
Employee restricted shares retired	6(14)(15)(16)(18)	( 70 )	( 838 )	-	-	-	-	908	-	-
Issuance of employee restricted shares	6(14)(15)(16)(18)	5,790	66,585	-	-	-	-	( 72,375 )	-	-
Adjustments to shares in the parent company held by subsidiaries as treasury shares		-	-	-	-	-	-	-	369	369
Dividend income received by subsidiary from the parent company recognized in proportion to ownership	6(16)	-	3,368	-	-	-	-	-	-	3,368
Subsidiary's employee compensation used for recapitalization by issuing new shares	6(16)	-	8,982	-	-	-	-	-	-	8,982
Restricted stock awards issued by subsidiary	6(16)	-	5,939	-	-	-	-	-	-	5,939
Balance at December 31, 2023		\$ 746,415	\$ 795,222	\$ 610,559	\$ 5,597	\$ 1,162,862	(\$ 2,378 )	(\$ 54,281 )	(\$ 57,774 )	\$ 3,206,222
<u>2024</u>										
Balance at January 1, 2024		\$ 746,415	\$ 795,222	\$ 610,559	\$ 5,597	\$ 1,162,862	(\$ 2,378 )	(\$ 54,281 )	(\$ 57,774 )	\$ 3,206,222
Profit for the year		-	-	-	-	720,093	-	-	-	720,093
Other comprehensive income for the year	6(18)	-	-	-	-	6,381	1,261	-	-	7,642
Total comprehensive income for the year		-	-	-	-	726,474	1,261	-	-	727,735
Appropriation of 2023 earnings:	6(17)									
Legal reserve		-	-	51,140	-	( 51,140 )	-	-	-	-
Cash dividends		-	-	-	-	( 444,939 )	-	-	-	( 444,939 )
Compensation cost of employee restricted shares	6(14)(18)	-	-	-	-	-	-	95,671	-	95,671
Employee restricted shares retired	6(14)(15)(16)(18)	( 310 )	( 4,681 )	-	-	-	-	4,991	-	-
Issuance of employee restricted shares	6(14)(15)(16)(18)	5,380	105,859	-	-	-	-	( 111,239 )	-	-
Dividend income received by subsidiary from the parent company recognized in proportion to ownership	6(16)	-	2,201	-	-	-	-	-	-	2,201
Adjustments to shares in the parent company held by subsidiaries as treasury shares		-	-	-	-	-	-	-	100	100
Restricted stock awards issued by subsidiary	6(16)	-	3,701	-	-	-	-	-	-	3,701
Balance at December 31, 2024		\$ 751,485	\$ 902,302	\$ 661,699	\$ 5,597	\$ 1,393,257	(\$ 1,117 )	(\$ 64,858 )	(\$ 57,674 )	\$ 3,590,691

ANPEC ELECTRONICS CORPORATION  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2024	2023
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before tax		\$ 858,700	\$ 611,709
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation charge	6(7)(8)(10)(25)	146,936	132,832
Amortization	6(11)(25)	23,015	22,170
Share-based payments	6(14)(26)	95,671	31,478
Net gain on financial assets at fair value	6(2)(23)		
through profit or loss		( 2,642 )	( 2,092 )
Investment income recognized using the equity method	6(6)	( 93,729 )	( 57,536 )
Interest income	6(21)	( 36,692 )	( 27,145 )
Interest expense	6(24)	1,866	2,068
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		( 13,643 )	-
Accounts receivable		( 86,240 )	( 131,981 )
Other receivables		( 4,023 )	3,429
Inventories		( 2,014 )	210,884
Prepayments		521	( 131 )
Net defined benefit asset		( 195 )	( 439 )
Changes in operating liabilities			
Notes payable		2,430	( 1,215 )
Accounts payable		( 41,335 )	98,301
Accounts payable - related parties		( 6,879 )	7,229
Other payables - related parties		( 33 )	355
Other payables		14,665	( 74,850 )
Other current liabilities		1,515	( 5,872 )
Cash inflow generated from operations		857,894	819,194
Interest received		36,692	27,145
Dividends received		44,704	43,543
Income tax paid		( 140,339 )	( 59,974 )
Interest paid		( 1,866 )	( 2,068 )
Net cash flows from operating activities		<u>797,085</u>	<u>827,840</u>

(Continued)

ANPEC ELECTRONICS CORPORATION  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2024	2023
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Increase in financial assets at amortised cost		(\$ 1,946,808 )	(\$ 743,458 )
Decrease in financial assets at amortised cost		1,331,760	-
Acquisition of property, plant and equipment	6(29)	( 157,611 )	( 202,367 )
Acquisition of intangible assets	6(11)	( 30,370 )	( 34,194 )
(Increase) decrease in refundable deposits		( 74 )	19,269
Return of share capital from capital reduction by investee using the equity method		-	3,638
Net cash flows used in investing activities		( 803,103 )	( 957,112 )
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
(Decrease) increase in guarantee deposits received	6(30)	( 1,768 )	12,562
Repayments of principal portion of lease liabilities	6(30)	( 6,755 )	( 6,895 )
Cash dividends paid	6(17)	( 444,939 )	( 662,243 )
Net cash flows used in financing activities		( 453,462 )	( 656,576 )
Decrease in cash and cash equivalents		( 459,480 )	( 785,848 )
Cash and cash equivalents at beginning of year		891,217	1,677,065
Cash and cash equivalents at end of year		\$ 431,737	\$ 891,217

### Comparison Table for the Article of Incorporation

Contents		Basis and reasons for amendment
Article before amendment	Article after amendment	
<p>Article 31 The Company shall distribute the compensation of employees at 10% to 25% of the profit of the current year, and the remuneration of directors shall be distributed at no higher than 3% of the profit of the current year. However, if the Company still has a cumulative loss, it shall make up for the loss first.</p> <p>The compensation of employees may be paid in shares or cash, and the recipients of shares or cash may include employees of subsidiary companies who meet certain conditions. The term “profit of the current year” as mentioned in Paragraph 1 refers to the Company’s profit before tax of the current year before deducting the distributed remuneration of employees and directors.</p> <p>The resolution on the distribution of the remuneration of employees and directors shall be made by the Board of Directors, which is attended by more than two-thirds of the directors and shall be adopted by the majority of the directors present, and the proposal shall be reported to the shareholders’ meeting.</p>	<p>Article 31 The Company shall distribute employees’ compensation at 10% to 25% of the profit of the current year, <u>with no less than 5% of the total employees’ compensation allocated to grassroots employees.</u> The remuneration of directors shall be distributed at no higher than 3% of the profit of the current year. However, if the Company still has a cumulative loss, it shall make up for the loss first.</p> <p>The remuneration of employees may be paid in shares or cash, and the recipients of shares or cash may include employees of subsidiary companies who meet certain conditions. The term “profit of the current year” as mentioned in Paragraph 1 refers to the Company’s profit before tax of the current year before deducting the distributed remuneration of employees and directors.</p> <p>The resolution on the distribution of the remuneration of employees and directors shall be made by the Board of Directors, which is attended by more than two-thirds of the directors and shall be adopted by the majority of the directors present, and the proposal shall be reported to the shareholders’ meeting.</p>	<p>According to Article 14, Paragraph 6 of the Securities and Exchange Law and the Financial Regulatory Authority’s interpretation letter No. 1130385442 dated November 8, 2014.</p>

Contents		Basis and reasons for amendment
Article before amendment	Article after amendment	
<p>Article 33</p> <p>The Articles of Incorporation was established on October 8, 1997.</p> <p>The 1st amendment was made on December 26, 1997.</p> <p>The 2nd amendment was made on July 13, 2000.</p> <p>The 3rd amendment was made on June 22, 2001.</p> <p>The 4th amendment was made on June 4, 2002.</p> <p>The 5th amendment was made on May 29, 2003.</p> <p>The 6th amendment was made on May 25, 2004.</p> <p>The 7th Amendment was made on June 14, 2005.</p> <p>The 8th amendment was made on June 12, 2006.</p> <p>The 9th Amendment was made on June 13, 2007.</p> <p>The 10th Amendment was made on June 13, 2008.</p> <p>The 11th Amendment was made on June 25, 2010.</p> <p>The 12th Amendment was made on June 24, 2011.</p> <p>The 13th Amendment was made on June 22, 2012.</p> <p>The 14th Amendment was made on June 25, 2015.</p> <p>The 15th amendment was made on June 20, 2017.</p> <p>The 16th amendment was made on June 25, 2019.</p>	<p>Article 33</p> <p>The Articles of Incorporation was established on October 8, 1997.</p> <p>The 1st amendment was made on December 26, 1997.</p> <p>The 2nd amendment was made on July 13, 2000.</p> <p>The 3rd amendment was made on June 22, 2001.</p> <p>The 4th amendment was made on June 4, 2002.</p> <p>The 5th amendment was made on May 29, 2003.</p> <p>The 6th amendment was made on May 25, 2004.</p> <p>The 7th Amendment was made on June 14, 2005.</p> <p>The 8th amendment was made on June 12, 2006.</p> <p>The 9th Amendment was made on June 13, 2007.</p> <p>The 10th Amendment was made on June 13, 2008.</p> <p>The 11th Amendment was made on June 25, 2010.</p> <p>The 12th Amendment was made on June 24, 2011.</p> <p>The 13th Amendment was made on June 22, 2012.</p> <p>The 14th Amendment was made on June 25, 2015.</p> <p>The 15th amendment was made on June 20, 2017.</p> <p>The 16th amendment was made on June 25, 2019.</p>	<p>Added revision period.</p>

Contents		Basis and reasons for amendment
Article before amendment	Article after amendment	
	<u>The 17th amendment was made on June 23, 2025.</u>	

## Anpec Electronics Corporation

### Measures for the Issuance of Employee Restricted stock awards in 2025

Passed by the Board of Directors meeting on May 9, 2025

#### **1. Purpose of issue**

In order to attract and retain professionals required by the Company, improve employees' loyalty and sense of belonging to the Company, and jointly create the interests of the Company and shareholders, the Company formulates the measures for the issuance of employee restricted stock awards in accordance with Article 267 of the Company Act and the Regulations Governing the Offering and Issuance of Securities by Securities Issuers ("Offering Regulations") issued by the Financial Supervisory Commission.

#### **2. Issue period**

Within two years from the date of the declaration being filed with the competent authority and the notice of effectiveness being received, the shares shall be issued in one go or multiple instalments according to actual needs, and the actual issuance date shall be determined by the Chairman authorized by the Board of Directors.

#### **3. Employee qualifications and number of shares allocated**

- (1) Limited to full-time employees of the Company.
- (2) The number of shares allocated to each employee will be determined by considering factors such as their length of service, job position, job performance, overall contribution, special achievements, and other relevant management factors. After the proposal is approved by the Chairman, it will be submitted to the Board of Directors for approval. However, if such employees are Directors or Managers of the Company, the proposal must first be approved by the Remuneration Committee. For non-Directors or non-Managers, approval from the Audit Committee is required.
- (3) For the number of shares allocated to a single employee, in accordance with Article 56-1, Paragraph 1 of the "Offering Regulations", the cumulative number of shares that can be subscribed by a single subscriber after the issuance of employee stock option certificates, plus the total number of employee restricted stock awards acquired by the subscriber, shall not exceed 3/1000 of the total number of shares issued. In addition, in accordance with Article 56-1, Paragraph 1 of the "Offering Regulations", this number plus the cumulative number of shares that can be subscribed by a single subscriber after the issuance of employee stock option certificates shall not exceed 1% of the total number of shares issued. However, those who have been approved by the competent authority of each central government agency for special projects shall not be subject to the above ratio limitation.

#### **4. Total number of issues**

The total amount of this issue of employee restricted stock awards is NT\$12,000,000, with a par value of NT\$10 per share, and a total of 1,200,000 ordinary shares are issued.

#### **5. Conditions of issue**

(1) Issue price: Each share is issued at NT\$0, that is, there is no cash consideration and shares are distributed to employees without compensation.

(2) Conditions of Vesting

A. If an employee being allocated employee restricted stock awards is still in service after the expiration of the following periods and meets the performance required by the Company, the share proportion of the vesting conditions respectively achieved are as follows.

a. Employees who remain in service for one year from the date of this issuance and receive an excellent rating in their performance evaluation during the period will be granted 50% of the allocated employee restricted stock awards.

b. Employees who remain in service for two years from the date of this issuance and receive an excellent rating in their performance evaluation during the period will be granted 50% of the allocated employee restricted stock awards.

c. If an employee does not meet the performance required by the Company within one year before the expiration of the above periods, the Company will retrieve the restricted shares without compensation and cancel them pursuant to the law. However, the distribution of shares to employees who are not the Company's managerial officers or board members may be made in whole or in part, or postponed, subject to the approval of the Chairman.

B. After an employee has been allocated restricted stock awards by the Company, in the event of a violation of the labor contract, work rules, or contractual agreements with the Company, for the restricted stock awards that the employee has been allocated but the vesting conditions are not yet met, the Company has the right to retrieve their shares without compensation and cancel them.

(3). Types of issued shares: new ordinary shares of the Company.

(4). Measure to be taken where employees fail to meet the vesting conditions or in the event of inheritance:

A. Resignation (voluntary/retirement/Layoff/dismissal):

An employee who does not meet the vesting conditions will be deemed to have not met the vesting conditions from the effective date, and the Company will retrieve the

employee's restricted stock awards without compensation and cancel them according to the law.

**B. General death:**

An employee who does not meet the vesting conditions will be deemed to have not met the vesting conditions on the date of death, and the Company will retrieve the employee's restricted stock awards without compensation and cancel them according to the law.

**C. Disabled or killed due to occupational disasters:**

- a. An employee who is unable to continue employment due to physical disability from an occupational accident and therefore applies for resignation and does not meet the vesting conditions of the employee's restricted stock awards, may collect shares within one month from the effective date of resignation.
- b. In the event an employee dies from an occupational accident and does not meet the vesting conditions of employee's restricted stock awards, the employee's legal heir may collect the share within one year from the date of death.

**D. Leave without pay:**

An employee who does not meet the vesting conditions of their restricted stock awards will have their rights and interests restored from the date of reinstatement. However, the vesting period conditions shall be extended by the period of leave without pay. After the extension in accordance with the aforementioned provisions, if the day when the vesting conditions are met falls on a holiday, it will be postponed to the next business day for share payment.

**E. Transfer:**

If an employee is transferred to an affiliated company or another company (except a subsidiary), the employee's restricted stock awards shall be handled in the same way as "resignation" in Subparagraph 1 of this Paragraph. However, if the employee is assigned by the Company to be transferred to the Company's affiliated companies or another company due to the needs of the Company's operations, the employee's restricted stock awards will not be affected by the transfer.

- F. An Employee or their heirs shall, in accordance with the trust agreement, collect the shares of those who have met the vesting conditions or who have become disabled or died due to occupational accidents.

**6. Restricted rights after the allotment of new shares but before the vesting conditions are met**

- (1) The restricted stock awards issued to employees under these regulations will be delivered to the stock trust in the name of the employee for safekeeping. After an employee is allocated new shares, the restricted rights before the vesting conditions are met are as follows:

- A. After an employee is allocated new shares, unless the vesting conditions are met, with the exception of inheritance, the employee shall not sell, collateralize, transfer, gift, pledge or otherwise dispose of the restricted stock awards.
  - B. The attendance, proposal, speech and voting at the shareholders' meeting shall be implemented by the trustee institution in accordance with the law.
- (2) In addition to the restrictions imposed by the trust agreement in the preceding paragraph, before the vesting conditions are met, the restricted stock awards allocated to employees in accordance with these regulations have other rights, including but not limited to: dividends, bonuses, the right to receive the allocation of legal reserves and capital surplus, options for cash capital increase, and voting rights, which are the same as those of the ordinary shares issued by the Company.

## **7. Procedures for allotment of new shares**

- (1) When an employee is allocated restricted stock awards, the Company will record the number of shares allocated to the employee in the Company's register of shareholders and then deliver the Company's new ordinary shares or new share rights certificates by means of book transfer. In accordance with the trust deed, the shares or certificates will be delivered to the trust for custody within the period of the vesting condition restrictions.
- (2) Change registration for the restricted stock awards issued by the Company in accordance with these regulations shall be handled in accordance with the law.

## **8. Other important matters**

- (1) These Measures shall become effective after a resolution by the Board of Directors with more than two-thirds of the directors attending and the consent of more than one-half of the directors present and shall be declared to and approved by the competent authority. The same applies if there is any amendment before issuance. If, during the submission review process, it is necessary to revise these regulations due to the requirements of the competent authority, the Chairman shall be authorized to make the revision, and the Board of Directors shall then ratify it before issuance.
- (2) If there are any matters not covered in these regulations, they shall be handled in accordance with relevant laws and regulations.