SUNONWEALTH ELECTRIC MACHINE INDUSTRY CO., LTD.

AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023

AND

INDEPENDENT AUDITORS' REVIEW REPORT

CONTENTS

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INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Sunonwealth Electric Machine Industry Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Sunonwealth Electric Machine Industry Co., Ltd. and subsidiaries (the "Group") as of June 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2024 and 2023 and the consolidated statements of changes in equity and cash flows for the six months ended June 30, 2024 and 2023, and notes to the consolidated financial statements (including a summary of significant accounting policies). 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 Accounting Standards 34, "Interim Financial Reporting" as endorsed and became effective by Financial Supervisory Commission (FSC) of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as disclosed in basis for qualified conclusion, we conducted our reviews in accordance with Statement of Review Standards No. 2410, "Review of Financial Information Performed by the Independent Review of the Entity" of the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards in the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Basis for Qualified Conclusion

As disclosed in Note 4(3), the financial statements of non-significant subsidiaries and related information declared in Note 13 were consolidated based on their unreviewed financial statements as of and for the same periods. These subsidiaries' total assets amounted to $1,872,668 thousand and $1,341,781 thousand, representing 12.73% and 10.93% of the consolidated assets, and their total liabilities amounted to $498,600 thousand and $507,060 thousand, representing 6.56% and 7.46% of the consolidated liabilities as of June 30, 2024 and 2023, respectively; as well as their total comprehensive income amounted to ($21,110) thousand, $14,127 thousand, ($32,648) thousand and $40,163 thousand, representing (5.46%), 3.73%, (3.89)% and 5.96% of the consolidated comprehensive income for the three months and six months ended June 30, 2024 and 2023, respectively. In addition, as described in Note 6(8) to the consolidated financial statements, the financial statements of investments accounted for using equity method were not reviewed by independent accountants. The carrying values of these investments amounted to $18,237 thousand and $18,906 thousand representing 0.12% and 0.15% of the consolidated assets as of June 30, 2024 and 2023, and share of profit (loss) of these associates accounted for using equity method amounted to ($3,675) thousand, ($649) thousand, ($5,979) thousand and ($511) thousand, representing (0.66%), (0.12%), (0.62%) and (0.06%) of the consolidated income before income tax for the three months and six months ended June 30, 2024 and 2023, respectively. In addition, share of other comprehensive income of these associates accounted for using equity method amounted to both $0 thousand, representing both 0% of total consolidated comprehensive income for the three months and six months ended June 30, 2024 and 2023. These amounts were recognized solely based on these investees' unreviewed financial statements for the same periods. The information related to above subsidiaries and investees accounted for under the equity method disclosed in Note 13 was also not reviewed by independent accountants.

Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain subsidiaries described in basis for qualified conclusion paragraph and related information declared in Note 13 been reviewed by independent auditors, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2024 and 2023, its consolidated financial performance for the three months and six months ended June 30, 2024 and 2023 and its consolidated cash flows for the six months ended June 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" as endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Kuo Ming Li and Ling Wen Huang

Crowe (TW) CPAs

Crowe (TW) CPAs
Kaohsiung, Taiwan
Republic of China

August 8, 2024

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and consolidated financial statements shall prevail.

SUNONWEALTH ELECTRIC MACHINE INDUSTRY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In Thousands of New Taiwan Dollars)

		June 30, 2024		December 31, 2023		June 30, 2023	
Assets	Note	Amount	%	Amount	%	Amount	%
CURRENT ASSETS							
Cash and cash equivalents	6(1)	$4,926,466	33.5	$4,030,886	31.9	$3,280,784	26.7
Financial assets at fair value through profit or loss - current	6(2)	-	-	-	-	82,947	0.7
Notes receivable, net	6(3)	23,535	0.2	30,090	0.2	56,480	0.5
Accounts receivable, net	6(4)	3,733,688	25.4	3,049,309	24.2	3,140,636	25.6
Other receivables		126,226	0.9	100,770	0.8	105,382	0.9
Current tax assets		14,483	0.1	13,151	0.1	37	-
Inventories	6(5)	2,167,518	14.7	2,052,438	16.3	2,209,772	18.0
Prepayments		154,187	1.0	82,655	0.7	126,642	1.0
Other financial assets - current	6(6)	227,662	1.5	216,761	1.7	215,478	1.7
Total current assets		11,373,765	77.3	9,576,060	75.9	9,218,158	75.1
NONCURRENT ASSETS							
Financial assets at fair value through profit or loss - noncurrent	6(2)	169,129	1.2	-	-	8,640	0.1
Financial assets at fair value through other comprehensive income or loss - noncurrent	6(7)	28,280	0.2	27,231	0.2	25,192	0.2
Investments accounted for using equity method	6(8)	18,237	0.1	20,968	0.2	18,906	0.2
Property, plant and equipment	6(9)	2,321,390	15.8	2,171,464	17.2	2,175,240	17.7
Right-of-use assets	6(10)	535,372	3.6	590,714	4.7	582,196	4.7
Investment properties, net	6(11)	84,554	0.6	84,738	0.7	84,921	0.7
Intangible assets	6(12)	55,562	0.4	23,956	0.2	26,779	0.2
Deferred income tax assets		90,708	0.6	94,334	0.7	98,739	0.8
Refundable deposits		21,639	0.2	20,961	0.2	21,226	0.2
Other noncurrent assets - others		6,890	-	4,305	-	16,862	0.1
Total noncurrent assets		3,331,761	22.7	3,038,671	24.1	3,058,701	24.9
TOTAL ASSESTS		$14,705,526	100.0	$12,614,731	100.0	$12,276,859	100.0

Liabilities and Equity							
CURRENT LIABLITIES							
Short-term loans	6(13)	$769,493	5.2	$457,581	3.6	$775,726	6.3
Contract liabilities - current	6(23)	221,153	1.5	109,540	0.9	103,187	0.8
Notes payables		34,641	0.2	31,067	0.2	35,152	0.3
Accounts payable		3,166,110	21.6	2,737,012	21.7	2,284,742	18.6
Other payables	6(14)	1,945,990	13.2	942,278	7.5	1,351,051	11.0
Current tax liabilities		254,279	1.7	124,712	1.0	159,724	1.3
Provisions - current	6(15)	57,985	0.4	52,467	0.4	49,659	0.4
Lease liabilities - current	6(10)	75,118	0.5	82,727	0.7	81,792	0.7
Advance receipts		-	-	571	-	135	-
Long-term liabilities-current portion	6(17)	96,225	0.7	182,775	1.4	120,947	1.0
Total current liabilities		6,620,994	45.0	4,720,730	37.4	4,962,115	40.4

Liabilities and Equity	Note	June 30, 2024 Amount	%	December 31, 2023 Amount	%	June 30, 2023 Amount	%
NONCURRENT LIABILITIES							
Bonds payable	6(16)	-	-	-	-	1,129,338	9.2
Long-term loans	6(17)	552,506	3.7	212,931	1.7	324,827	2.6
Deferred income tax liabilities		304,387	2.1	286,730	2.3	217,477	1.8
Lease liabilities - noncurrent	6(10)	100,081	0.7	146,042	1.2	128,949	1.1
Net defined benefit liabilities - noncurrent	6(18)	25,289	0.2	28,731	0.2	32,285	0.3
Guarantee deposits		859	-	839	-	737	-
Total noncurrent liabilities		983,122	6.7	675,273	5.4	1,833,613	15.0
Total Liabilities		$7,604,116	51.7	$5,396,003	42.8	$6,795,728	55.4
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT							
Share capital	6(19)						
Ordinary shares		$2,734,437	18.6	$2,725,243	21.6	$2,509,297	20.4
Bond conversion entitlement certificates		-	-	$9,194	0.1	-	-
Capital surplus	6(20)	1,518,788	10.3	1,518,788	12.0	624,250	5.1
Retained earnings	6(21)						
Legal reserve		1,129,127	7.7	995,720	7.9	995,720	8.1
Special reserve		300,185	2.0	257,757	2.0	257,757	2.1
Unappropriated earnings		1,584,920	10.8	2,012,211	16.0	1,387,719	11.3
Other equity	6(22)	(166,047)	(1.1)	(300,185)	(2.4)	(293,612)	(2.4)
Total equity attributable to owners of the parent		7,101,410	48.3	7,218,728	57.2	5,481,131	44.6
NON-CONTROLLING INTERESTS		-	-	-	-	-	-
Total equity		7,101,410	48.3	7,218,728	57.2	5,481,131	44.6
TOTAL LIABILITIES AND EQUITY		$14,705,526	100.0	$12,614,731	100.0	$12,276,859	100.0

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

SUNONWEALTH ELECTRIC MACHINE INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

		Three Months Ended June 30				Six Months Ended June 30			
		2024		2023		2024		2023	
	Note	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUES	6(23)	$3,676,894	100.0	$3,279,820	100.0	$6,736,958	100.0	$6,355,147	100.0
OPERATING COSTS	6(5)	(2,637,758)	(71.7)	(2,356,581)	(71.9)	(4,898,558)	(72.7)	(4,618,371)	(72.7)
GROSS PROFIT		1,039,136	28.3	923,239	28.1	1,838,400	27.3	1,736,776	27.3
OPERATING EXPENSES									
Sales and marketing expenses		(219,752)	(6.0)	(152,706)	(4.7)	(386,711)	(5.7)	(287,562)	(4.5)
General and administrative expenses		(182,710)	(4.9)	(157,920)	(4.8)	(346,362)	(5.2)	(304,676)	(4.8)
Research and development expenses		(213,875)	(5.8)	(203,200)	(6.1)	(408,922)	(6.1)	(389,399)	(6.1)
Expected credit gain (loss)	6(4)	(3,020)	(0.1)	(2,500)	(0.1)	(1,722)	-	(331)	-
Total operating expenses		(619,357)	(16.8)	(516,326)	(15.7)	(1,143,717)	(17.0)	(981,968)	(15.4)
NET OPERATING INCOME (LOSS)		419,779	11.5	406,913	12.4	694,683	10.3	754,808	11.9
NON-OPERATING INCOME AND EXPENSES									
Interest income	6(25)	36,258	1.0	23,047	0.7	70,278	1.0	32,582	0.5
Other income	6(26)	69,792	1.9	25,676	0.8	87,805	1.3	60,105	0.9
Other gains and losses	6(27)	38,735	1.0	97,132	3.0	136,352	2.1	81,092	1.3
Finance costs	6(28)	(7,460)	(0.2)	(12,889)	(0.4)	(14,405)	(0.2)	(24,753)	(0.4)
Share of loss of associates and joint ventures accounted for using equity method	6(8)	(3,675)	(0.1)	(649)	-	(5,979)	(0.1)	(511)	-
Total non-operating income and expenses		133,650	3.6	132,317	4.1	274,051	4.1	148,515	2.3
INCOME BEFORE INCOME TAX		553,429	15.1	539,230	16.5	968,734	14.4	903,323	14.2
INCOME TAX EXPENSE	6(29)	(174,288)	(4.7)	(107,640)	(3.3)	(263,137)	(3.9)	(193,744)	(3.0)
NET INCOME		379,141	10.4	431,590	13.2	705,597	10.5	709,579	11.2
OTHER COMPREHENSIVE INCOME (LOSS)	6(30)								
Items that may be reclassified subsequently to profit or loss:									
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income		276	-	3,370	0.1	940	-	3,037	-
Exchange differences on translation of foreign operations		9,322	0.3	(70,714)	(2.1)	166,497	2.5	(48,615)	(0.8)
Income tax (expense) benefit related to items that may be reclassified subsequently to profit or loss		(1,864)	(0.1)	14,143	0.4	(33,299)	(0.5)	9,723	0.2
Total other comprehensive income (loss) , net of income tax		7,734	0.2	(53,201)	(1.6)	134,138	2.0	(35,855)	(0.6)
TOTAL COMPREHENSIVE INCOME		$386,875	10.6	$378,389	11.6	$839,735	12.5	$673,724	10.6
NET INCOME ATTRIBUTABLE TO:									
Owners of the parent		$379,141	10.4	$431,590	13.2	$705,597	10.5	$709,579	11.2
Non-controlling interests		-	-	-	-	-	-	-	-
Total		$379,141	10.4	$431,590	13.2	$705,597	10.5	$709,579	11.2
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:									
Owners of the parent		$386,875	10.6	$378,389	11.6	$839,735	12.5	$673,724	10.6
Non-controlling interests		-	-	-	-	-	-	-	-
Total		$386,875	10.6	$378,389	11.6	$839,735	12.5	$673,724	10.6
EARNINGS PER SHARE									
Basic	6(31)	$1.39		$1.72		$2.58		$2.83	
Diluted	6(31)	$1.39		$1.68		$2.58		$2.78	

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

SUNONWEALTH ELECTRIC MACHINE INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Shareholders of the Parent										
	Capital Stock			Retained Earnings			Others Equity				
	Odinary Share	Certificate of Bond Exchange Rights	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive income	Total Equity Attributable to Shareholders of the Parent	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2023	$2,509,297	$ -	$366,903	$885,799	$295,358	$1,402,877	($257,757)	$ -	$5,202,477	$ -	$5,202,477
Appropriations and distributions of prior year's earnings:											
Legal reserve	-	-	-	109,921	-	(109,921)	-	-	-	-	-
Cash dividends - $2.6 per share	-	-	-	-	-	(652,417)	-	-	(652,417)	-	(652,417)
Special reserve	-	-	-	-	(37,601)	37,601	-	-	-	-	-
Due to the issuance of convertible corporate bonds , the equity component items are recognized - stock options	-	-	257,347	-	-	-	-	-	257,347	-	257,347
Net income for the six months ended June 30, 2023	-	-	-	-	-	709,579	-	-	709,579	-	709,579
Other comprehensive income (loss) for the six months ended June 30, 2023, net of income tax	-	-	-	-	-	-	(38,892)	3,037	(35,855)	-	(35,855)
Total comprehensive income for the six months ended June 30, 2023, net of income tax	-	-	257,347	-	-	709,579	- 38,892	3,037	931,071	-	673,724
Increase (decrease) in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-
BALANCE AT JUNE 30, 2023	$2,509,297	$ -	$624,250	$995,720	$257,757	$1,387,719	($296,649)	$3,037	$5,481,131	$ -	$5,481,131
BALANCE AT JANUARY 1, 2024	$2,725,243	$9,194	$1,518,788	$995,720	$257,757	$2,012,211	($305,248)	$5,063	$7,218,728	$ -	$7,218,728
Appropriations and distributions of prior year's earnings:											
Legal reserve	-	-	-	133,407	-	(133,407)	-	-	-	-	-
Special reserve	-	-	-	-	42,428	(42,428)	-	-	-	-	-
Cash dividends - $3.5 per share	-	-	-	-	-	(957,053)	-	-	(957,053)	-	(957,053)
Due to the issuance of convertible corporate bonds , the equity component items are recognized - stock options	-	-	-	-	-	-	-	-	-	-	-
Net income for the six months ended June 30, 2024	-	-	-	-	-	705,597	-	-	705,597	-	705,597
Other comprehensive income (loss) for the six months ended June 30, 2024, net of income tax	-	-	-	-	-	-	133,198	940	134,138	-	134,138
Total comprehensive income for the six months ended June 30, 2024, net of income tax	-	-	-	-	-	705,597	133,198	940	839,735	-	839,735
Bond conversion entitlement certificate	9,194	(9,194)	-	-	-	-	-	-	-	-	-
Increase (decrease) in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-
BALANCE AT JUNE 30, 2024	$2,734,437	$ -	$1,518,788	$1,129,127	$300,185	$1,584,920	($172,050)	$6,003	$7,101,410	$ -	$7,101,410

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

SUNONWEALTH ELECTRIC MACHINE INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	Six Months Ended June 30	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$968,734	$903,323
Adjustments :		
Adjustments to reconcile profit (loss)		
Depreciation expense	204,560	198,512
Amortization expense	43,773	73,694
Expected credit loss (gain)	1,722	331
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	(8,879)	(5,594)
Interest expense	14,405	24,753
Interest income	(70,278)	(32,582)
Share of loss of associates and joint ventures accounted for using equity method	5,979	511
Loss (gain) on disposal and retirement of property, plant and equipment	2,190	1,054
Transfer of property, plant and equipment to expenses	39	2,163
Loss (gain) on disposal of other assets	(39)	14,824
Gain on disposal of investments	-	(570)
Others	-	14
Total adjustments to reconcile profit and loss	193,472	277,110
Net changes in operating assets and liabilities		
Decerase (increase) in financial assets mandatorily classified as at fair value through profit or loss	-	128,463
Decerase (increase) in notes receivable	6,555	(26,385)
Decrease (increase) in accounts receivable	(686,251)	243,156
Decrease (increase) in other receivables	(22,966)	28,484
Decrease (increase) in inventories	(119,314)	444,165
Decrease (increase) in prepayments	(92,188)	6,965
Decrease (increase) in other financial assets	(10,901)	(215,478)
Total changes in operating assets	(925,065)	609,370
Net changes in operating liabilities		
Increase (decrease) in contract liabilities	111,613	(72,977)
Increase (decrease) in notes payable	3,574	(101,203)
Increase (decrease) in accounts payable	429,098	(894,546)
Increase (decrease) in other payables	26,901	(294,795)
Increase (decrease) in provisions	3,915	(4,545)
Increase (decrease) in advance receipts	(571)	135
Increase (decrease) in net defined benefit liabilities	(3,442)	(3,382)
Total changes in operating liabilities	571,088	(1,371,313)

	Six Months Ended June 30	
	2024	2023
Total net changes in operating assets and liabilities	(353,977)	(761,943)
Total adjustments	(160,505)	(484,833)
Cash generated from operations	808,229	418,490
Interest received	67,788	26,165
Interest paid	(14,515)	(24,585)
Income tax paid	(146,918)	(190,971)
Net cash generated from operating activities	714,584	229,099
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income or loss	-	(22,155)
Acquisition of financial assets at fair value through profit or loss	(160,250)	-
Acquisition of investments accounted for using equity method	(2,279)	(13,737)
Acquisition of property, plant and equipment	(243,588)	(166,302)
Proceeds from disposal of property, plant and equipment	-	67
Increase in refundable deposits	(678)	(1,453)
Decrease in other receivables	-	13,229
Acquisition of intangible assets	(40,943)	(11,098)
Increase in other noncurrent assets	(6,869)	(35,843)
Net cash used in investing activities	(454,607)	(237,292)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	311,912	-
Decrease in short-term loans	-	(511,790)
Issuance of corporate bonds	-	1,381,273
Proceeds from long-term borrowings	253,025	38,701
Increase in guarantee deposits	20	-
Decrease in guarantee deposits	-	(2,292)
Repayments of lease principal	(35,809)	(47,014)
Net cash generated from (used in) financing activities	529,148	858,878
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	106,455	(27,238)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	895,580	823,447
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	4,030,886	2,457,337
CASH AND CASH EQUIVALENTS, END OF PERIOD	$4,926,466	$3,280,784

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2024 and 2023
(In Thousands of New Taiwan Dollars, Except Stated Otherwise)

1. GENERAL INFORMATION

Sunonwealth Electric Machine Industry Co., Ltd. (collectively as the "Company") was incorporated in October 1980. The Company engages mainly in the manufacturing and selling of AC/DC brushless fans, electric fans, motors and related components, and micro cooling fans. The principal operating activities of the Company and its subsidiaries (collectively as the "Group") are described in Note 4(3). In addition, the Company is the Group's ultimate parent company.

The consolidate financial statements are presented in the Group's functional currency, New Taiwan Dollars.

2. THE AUTHORIZATION OF CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved and authorized for issue by the Board of Directors on August 8, 2024.

3. APPLICATION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS

(1) Effect of adoption of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

New standards, interpretations and amendments endorsed by the FSC and effective from 2024 are as follows:

New IFRSs	Effective Date Announced by IASB
Amendments to IFRS 16 "Lease Liability in A Sale and LeaseBack "	January 1, 2024 (Note)
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current,"	January 1, 2024 (Note)
Amendment to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024 (Note)
Amendment to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024 (Note)

Note: This amendment will apply to annual reporting periods beginning after January 1, 2024.

A. Amendments to IFRS 16“Lease liability in a sale and leaseback”

This amendment clarifies that for a sale and leaseback transaction, if the transfer of the asset is treated as a sale in accordance with IFRS 15, the liabilities incurred by the seller and lessee due to the leaseback should be treated in accordance with IFRS 16 regarding lease liabilities; however, if variable lease payments that do not depend on an index or rate are involved, the seller-lessee should still determine and recognize the lease liability arising from such variable payments in a manner that does not recognize gains and losses related to the retained right of use. The difference between the subsequent actual lease payment amount and the reduced carrying amount of the lease liability is recognized in profit or loss.

B. Amendments to IAS 1 “Classification of Liabilities as Current or Noncurrent”

The amendments clarify that when the Company determines whether a liability is classified as noncurrent, the Company should assess whether the Company has the right to defer the settlement for at least twelve months after the reporting period. If the Company has that right on the end of reporting period, that liability must be classified as non-current regardless whether the Company expects whether to exercise the right or not. If the Company must follow certain conditions to have the right to defer the settlement of a liability, the Company must have followed those conditions on the end of reporting period in order to have that right even if the lender tests the Company’s compliance on a later date.

The aforementioned settlement means transferring cash, other economic resources or the Company’s equity instruments to the counter-party to extinguish the liability. If the terms of the liability give the counterparty an option to extinguish the liability by the Company’s equity instruments, and this option is recognized separately in equity in accordance with IAS 32 “Financial Instruments: Presentation” then the classification of the liability will not be affected.

C. Amendment to IAS 1 “Non-current Liabilities with Covenants”

This amendment further clarifies that only contractual terms that are required to be complied with before the end of the reporting period will affect the classification of the liability at that date. The contractual terms that required to be complied with within 12 months after the reporting period do not affect the classification of liabilities at the reporting date. However, for liabilities classified as non-current and must be repaid within 12 months after the reporting period due to potential non-compliance, the relevant facts and circumstances should be disclosed in the notes.

D. Amendments to IAS 7 and IFRS 7 “Supplier finance arrangements "

Supplier financing arrangements involve one or more financing providers making payments to suppliers on behalf of Company, and Company agrees to repay the financing providers on the payment date agreed with the suppliers or a later date. The amendments to IAS 7 require Company to disclose information on its supplier financing arrangements to enable users of financial statements to assess the impact of these arrangements on Company's liabilities, cash flows and exposure to liquidity. The amendments to IFRS 7 include into its application guidance that when disclosing how Company manages the liquidity risk of its financial liabilities, it may also consider whether it has obtained or can obtain financing facilities through supplier financing arrangements, and whether these arrangements may cause concentration of liquidity risk.

The Group has evaluated the aforementioned standards and interpretations, and there is no significant effect to the Group's financial position and performance.

(2) Effect of new issuances or amendments to IFRSs as endorsed by the FSC but not yet adopted: None.

(3) Effect of the IFRSs issued by IASB but not yet endorsed and issued into effect by FSC:

New IFRSs	Effective Date Announced by IASB
Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures" - Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial application IFRS 17 and IFRS 9 – Compare Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Disclosure Initiative - Subsidiaries without Public Accountability: Disclosures"	January 1, 2027
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025

Except as stated below, The Group has assessed that the above standards and interpretations have no significant impact on the Group's financial position and financial performance.

A. The Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures" - Amendments to the Classification and Measurement of Financial Instruments include:

(A) Clarify that a financial liability is derecognized on the settlement date and describe the accounting treatment for a financial liability (or part of it) that will be settled in cash using an electronic payment system to be discharged before the settlement date if, and only if, the entity has initiated a payment instruction that has resulted in:

a. The entity having no practical ability to withdraw, stop or cancel the payment instruction
b. The entity having no practical ability to access the cash to be used for settlement as a result of the payment instruction
c. The settlement risk associated with the electronic payment system being insignificant

(B) Clarify and add to the application guidance on how to assess whether contractual cash flows of a financial asset are solely payments of principal and interest (SPPI) on the principal amount outstanding. The amendments further address the assessment on the contractual cash flow that could change subject to a contingent event, for example, interests linked to an ESG metric, as well as the treatment of non-recourse assets and contractually linked instruments.

(C) Require additional disclosures for financial instruments with contractual terms that that could change contractual cash flows of a contingent event (including those that are ESG-linked). Disclosures include a qualitative description of the nature of the contingent event, quantitative information about the possible changes to contractual cash flows as well as the gross carrying amount of financial assets and the amortized cost of financial liabilities subject to those contractual terms.

(D) Require additional disclosures for equity instruments classified at fair value through other comprehensive income(FVTOCI). It is required to disclose the fair value gain or loss presented in OCI during the reporting period, showing separately the fair value gain or loss that relates to investments derecognized in the reporting period and the fair value gain or loss that relates to investments held at the end of the reporting period. If an entity derecognizes investments in equity instruments measured at FVTOCI during the reporting period, it is now required, under the amendments, to disclose any transfers of the cumulative gain or loss within equity during the reporting period related to the investments derecognized during that reporting period. Also, it is no longer required to disclose the fair value of each equity instruments designated at FVTOCI, this information can be provided by class of instruments.

B. Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

The amendment resolve the difference between IFRS10 and IAS28, Transactions in which investors sell (invest) assets to their affiliated companies or joint ventures. Depending on the nature of the trading assets, all or part of the disposal gains and losses will be recognized. When the assets traded are in line with the "business", all gains and losses from the disposal will be recognized; when the assets traded are not in line with the "business", only part of the gains and losses from the disposal within the scope of the interests of the non-related investors in the related enterprises or joint ventures can be recognized.

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

IFRS 18 will replace IAS1 and update the structure of the consolidated income statement. Added new disclosures on management performance measurement, and strengthened the aggregation and segmentation principles applied to the main financial statements and notes.

D. IFRS 19 “Disclosure Initiative - Subsidiaries without Public Accountability: Disclosures”

IFRS 19 permits eligible subsidiaries to apply reduced disclosure requirements instead of the disclosure requirements in other IFRS Accounting Standards.

E. Amendments to IAS 21 “Lack of Exchangeability”

This amendment defines “Lack of Exchangeability”, and provide when a currency lacks of Exchangeability. Application guidance on how enterprises determine the spot exchange rate on the measurement date. This amendment also requires companies to provide more useful information in their financial statements when a currency is not convertible into another currency.

As of the date the accompany consolidated financial statements are authorized for issue, the Group is still evaluating the impact on its financial position and financial performance as a result of the initial adoption of the aforementioned standards or interpretations. The related impact will be disclosed when the Group completes the evaluation.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except for the following, the accounting policies applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2023. These policies have been consistently applied to all the periods presented unless otherwise stated.

(1) Compliance statement

A. The accompanying consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34, “Interim Financial Reporting”, endorsed and issued into effect by the FSC.

B. The consolidated financial statements should be read with the consolidated financial statements for the year ended December 31, 2023.

(2) Basis of preparation

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

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

b. Financial assets at fair value through other comprehensive income or loss.

c. Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. The basis for the consolidated financial statements:

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

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

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

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

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

B. The consolidated entities were as follows:

Investee / Subsidiary	Main Businesses	Percentage of Ownership June 30, 2024	December 31, 2023	June 30, 2023
1.Sunonwealth Electric Machine Industry Co., Ltd.				
Sunon INC.	Manufacturing and selling of fans	100.00%	100.00%	100.00%
Sunon SAS.	Manufacturing and selling of fans	100.00%	100.00%	100.00%
Sunon Corporation	Manufacturing and selling of fans	100.00%	100.00%	100.00%
Sunonwealth Electric Machine Ind.(H.K.)Ltd.	Manufacturing and selling of fans	99.99%	99.99%	99.99%
Successful Century Co., Ltd.	Investments	100.00%	100.00%	100.00%
BVI Sunon International Limited	Investments	100.00%	100.00%	100.00%
Sunon Electronics India Private Limited	Manufacturing and selling of fans	99.99%	99.99%	99.99%
Sunon Electronics Philippines Corp.	Manufacturing and selling of fans	99.99%	99.99%	99.99%
Sunon Properties Philippines Corp.	Real estate development and investment	99.99%	99.99%	99.99%
2.BVI Sunon International Limited				
Sunon Electronic (Foshan) Co., Ltd.	General investment and trade	100.00%	100.00%	100.00%
Sunon Electronic (Bei Hai) Co., Ltd.	Manufacturing and selling of new type electronic parts	100.00%	100.00%	100.00%
3.Sunon Electronic (Foshan) Co., Ltd.				
Beihai Li Zhun Electronics Co., Ltd.	Manufacturing and selling of fans	66.67%	66.67%	66.67%
4.Successful Century Co., Ltd.				
Sunon Electronic (Kunshan) Co., Ltd.	Manufacturing and selling of fans	100.00%	100.00%	100.00%
5. Sunon Electronic (Kunshan) Co., Ltd.				
Beihai Li Zhun Electronics Co., Ltd.	Manufacturing and selling of fans	33.33%	33.33%	33.33%
6.Sunon SAS				
Sunon Deutschland GmbH	Selling of fans	100.00%	100.00%	100.00%

a. The financial statements of above mentioned subsidiaries, expect for those of the significant subsidiaries, Successful Century Co., Ltd., Sunon Electronic (Kunshan)

Co., Ltd., BVI Sunon International Limited and Sunon Electronic (Bei Hai) Co., Ltd. were not reviewed by independent auditors.

b. Changes in subsidiaries: None.

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

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

E. Material restrictions: None.

F. Contents of the parent company’s securities held by subsidiaries: None.

G. Subsidiaries that have non-controlling interest that are material to the Group: None.

(4) Retirement benefits

The pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

(5) Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period’s pre-tax income the tax rate that would be applicable to expected total annual earnings. The effect of a change in tax rate resulting from a change in tax law is recognized consistently with the accounting for the transaction itself which gives rise to the tax consequence, and this is recognized in profit or loss, other comprehensive income or directly in equity in full in the period in which the change in tax rate occurs.

5. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The same critical accounting judgments and key sources of estimates and uncertainty have been followed in these consolidated financial statements as were applied in the preparation of the consolidated financial statements for the year ended December 31, 2023.

6. CONTENTS OF SIGNIFICANT ACCOUNTS

Except for the following, please refer to Note 6 to the consolidated financial statements for the year ended December 31, 2023.

(1) Cash and cash equivalents

Item	June 30, 2024	December 31, 2023	June 30, 2023
Cash on hand	$757	$636	$535
Cash in banks	4,925,709	4,030,250	3,280,249
Total	$4,926,466	$4,030,886	$3,280,784

A. The Group deposits its cash and cash equivalents at several financial institutions that have high credit quality to diversify its risk. Therefore, the Group considers its cash and cash equivalents to have low credit risk.

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

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

Item	June 30, 2024	December 31, 2023	June 30, 2023
Non-derivative financial assets - current			
Beneficiary certificates	$ -	$ -	$82,947
Non-derivative financial assets - noncurrent			
Convertible bonds	$169,129	$ -	$ -
Redemption and put options of convertible bonds	$ -	$ -	$8,640

A. The Group recognized net gain (loss) of financial assets at fair value through profit or loss of $8,879 thousand, $5,206 thousand, $8,879 thousand and $6,164 thousand for the three months and six months ended June 30, 2023 and 2022, respectively.

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

(3) Notes receivable, net

Item	June 30, 2024	December 31, 2023	June 30, 2023
At amortized cost			
Notes receivable	$23,559	$30,114	$56,504
Less: Loss allowance	(24)	(24)	(24)
Net	$23,535	$30,090	$56,480

A. The Group has no notes receivable pledged to others.

B. Please refer to Note 6(4) for the relevant disclosure of loss allowance for notes receivable.

(4) Accounts receivable, net

Item	June 30, 2024	December 31, 2023	June 30, 2023
At amortized cost			
Accounts receivable	$3,744,007	$3,057,756	$3,149,883
Less: Loss allowance	(10,319)	(8,447)	(9,247)
Net	$3,733,688	$3,049,309	$3,140,636

A. The accounts receivable that were neither past due nor impaired was following the Group’s credit policy determined by reference to the industry characteristics, operation scale and current financial position of the counterparties. The average credit period on sales of goods was 3-4 months.

B. The Group has no accounts receivable pledged to others.

C. To reduce major credit risk, the Group bought credit guarantee insurance.

D. The Group applies the simplified approach to provisions for expected credit losses, which permits the use of a lifetime expected credit losses provision for trade receivables (including other receivables). The expected credit losses on trade receivables are estimated by reference to past account aging records of the debtor, an analysis of the debtor’s current financial position, industrial trend. The Group recognizes loss allowance hazed on the expected credit loss ratio of customers by different risk levels with consideration of factors of historical loss ratios and customers’ financial conditions, competitiveness and business outlook.

E. The Group measures the loss allowance for notes receivable and accounts receivable (including other receivables) according to the preparation matrix:

June 30, 2024	Expected Credit Loss Rate	Gross Carrying Amount	Loss Allowance (Lifetime ECL)	Amortized Cost
No past due	0.05%-5%	$3,777,471	($9,809)	$3,767,662
Past due within 30 days	0.05%-5%	86,375	(387)	85,988
Past due 31-90 days	0.05%-5%	29,030	(50)	28,980
Past due over 91 days	0.05%-5%	916	(97)	819
Total		$3,893,792	($10,343)	$3,883,449

December 31, 2023	Expected Credit Loss Rate	Gross Carrying Amount	Loss Allowance (Lifetime ECL)	Amortized Cost
No past due	0.05%-5%	$3,042,607	($7,899)	$3,034,708
Past due within 30 days	0.05%-5%	139,175	(445)	138,730
Past due 31-90 days	0.05%-5%	6,436	(35)	6,401
Past due over 91 days	0.05%-5%	422	(92)	330
Total		$3,188,640	($8,471)	$3,180,169

June 30, 2023	Expected Credit Loss Rate	Gross Carrying Amount	Loss Allowance (Lifetime ECL)	Amortized Cost
No past due	0.05%-5%	$3,207,852	($8,799)	$3,199,053
Past due within 30 days	0.05%-5%	64,845	(350)	64,495
Past due 31-90 days	0.05%-5%	26,614	(26)	26,588
Past due over 91 days	0.05%-5%	12,458	(96)	12,362
Total		$3,311,769	($9,271)	$3,302,498

F. The movements of the loss allowance for notes and accounts receivable were as follows:

	Six Months Ended June 30	
	2024	2023
Beginning balance	$8,471	$9,006
Add: Provision for impairment	1,722	331
Less: Reversal of impairment losses	-	-
Less: Amounts written off	-	-
Foreign exchange differences gains and losses	150	(66)
Ending balance	$10,343	$9,271

The above provision has already taken into consideration of collateral or other credit enhancement. The other credit enhancement possessed by above receivables was $1,550,009 thousand, $1,202,827 thousand and $1,067,967 thousand as of June 30, 2024, December 31, 2023 and June 30, 2023, respectively.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery of the receivable. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables which are due.

Where recoveries are made, these are recognized in profit or loss. The Group's trade receivables for offsetting the contract amount are both $0 thousand for the six months ended June 30, 2024 and 2023.

G. Please refer to Note 12 for the information on related credit risk management and valuation method.

(5) Inventories and operating costs

Item	June 30, 2024	December 31, 2023	June 30, 2023
Raw materials	$692,009	$671,116	$768,129
Supplies	23,710	21,993	24,925
Work in process	270,538	249,583	246,759
Finished goods	1,181,261	1,109,746	1,169,959
Total	$2,167,518	$2,052,438	$2,209,772

A. The related inventory gains (losses) recognized as current operating cost were as follows:

Item	Three Months Ended June 30	
	2024	2023
Cost of goods sold	$2,585,048	$2,330,115
Unallocated overheads and labor cost	21,433	18,376
Gain (loss) on inventory valuation	11,602	(13,822)
Others	19,675	21,912
Total	$2,637,758	$2,356,581

Item	Six Months Ended June 30	
	2024	2023
Cost of goods sold	$4,810,591	$4,585,691
Unallocated overheads and labor cost	43,514	42,518
Gain (loss) on inventory valuation	16,250	(31,998)
Others	28,203	22,150
Total	$4,898,558	$4,618,371

B. The Group recognized inventory valuation loss (gain) of $11,602 thousand, ($13,822) thousand, $16,250 thousand and ($31,988) thousand for the three months and six months ended June 30, 2024 and 2023, respectively, as a result of inventory's write-down to net realizable value or increasing price of some products and decreasing part of inventory.

C. The Group has no inventories pledged to others.

(6) Other financial assets - current

Item	June 30, 2024	December 31, 2023	June 30, 2023
Time deposits with maturities of more than three months	$227,662	$216,761	$215,478

(7) Financial assets at fair value through other comprehensive income or loss - noncurrent

Item	June 30, 2024	December 31, 2023	June 30, 2023
Equity instruments			
Domestic listed stocks	$28,280	$27,231	$25,192

A. The Group invests in domestic unlisted stocks in accordance with its medium/ long-term strategies and expects to make a profit through long-term investment. Management of the Group believes that it is not consistent with the afore-mentioned long-term investment planning if the short-term fair value changes of such investment are presented in profit or loss. Therefore, the Group elects to designate such investment as to be measured at FVTOCI.

B. Please refer to Note 12 for relevant credit risk management and assessment methods.

C. The financial assets at FVTOCI were not pledged as collateral.

(8) Investments accounted for using equity method

Item	June 30, 2024	December 31, 2023	June 30, 2023
Associates:			
Associates without significance	$18,237	$20,968	$18,906

A. Associates:

Shares of individually insignificant associates of the Group are summarized as follows:

	Three Months Ended June 30	
	2024	2023
Share of:		
Net loss	($3,675)	($649)
Other comprehensive income (loss) (net after tax)	-	-
Total comprehensive loss	($3,675)	($649)

	Six Months Ended June 30	
	2024	2023
Share of:		
Net loss	($5,979)	($511)
Other comprehensive income (loss) (net after tax)	-	-
Total comprehensive loss	($5,979)	($511)

B. For the six months ended June 30, 2024, investment was accounted for using the equity method and the share of profit or loss and other comprehensive income of investment was calculated based on financial statements which have been not reviewed.

(9) Property, plant and equipment

Item	June 30, 2024	December 31, 2023	June 30, 2023
Land	$820,335	$820,335	$820,335
Buildings	485,448	472,542	468,932
Machinery and equipment	1,204,829	1,113,619	1,132,100
Miscellaneous equipment	716,208	656,536	498,003
Leasehold improvements	355,150	328,876	323,305
Equipment to be inspected and construction in progress	176,559	54,465	65,089
Total cost	$3,758,529	$3,446,373	$3,307,764
Less: Accumulated depreciation and impairment	(1,437,139)	(1,274,909)	(1,132,524)
Net	$2,321,390	$2,171,464	$2,175,240

	Land	Buildings	Machinery and Equipment	Miscellaneous Equipment	Leasehold Improvement	Equipment to be Inspected and Construction in Progress	Total
Cost							
Balance at January 1, 2024	$820,335	$472,542	$1,113,619	$656,536	$328,876	$54,465	$3,446,373
Additions	-	248	38,446	27,838	5,667	186,534	258,733
Disposals	-	(112)	(43,778)	(16,773)	-	-	(60,663)
Reclassification	-	-	40,489	19,339	7,437	(67,265)	-
Transfer to expenses	-	-	-	-	-	(39)	(39)
Transfer to other noncurrent assets	-	-	-	-	-	(280)	(280)
Effect of foreign currency exchange differences	-	12,770	56,053	29,268	13,170	3,144	114,405
Balance at June 30, 2024	$820,335	$485,448	$1,204,829	$716,208	$355,150	$176,559	$ 3,758,529
Accumulated Depreciation and Impairment							
Balance at January 1, 2024	$ -	$267,581	$448,774	$363,847	$194,707	$ -	$1,274,909
Depreciation expense	-	5,601	92,943	41,148	20,181	-	159,873
Disposals	-	(112)	(41,880)	(16,481)	-	-	(58,473)
Reclassification	-	-	(582)	582	-	-	-
Effect of foreign currency exchange differences	-	7,960	28,368	16,870	7,632	-	60,830
Balance at June 30, 2024	$ -	$281,030	$527,623	$405,966	$222,520	$ -	$1,437,139

	Land	Buildings	Machinery and Equipment	Miscellaneous Equipment	Leasehold Improvement	Equipment to be Inspected and Construction in Progress	Total
Cost							
Balance at January 1, 2023	$820,335	$474,211	$1,103,363	$478,998	$304,607	$135,597	$3,317,111
Additions	-	572	9,240	27,803	3,643	89,981	131,239
Disposals	-	-	(24,067)	(16,092)	-	-	(40,159)
Reclassification	-	-	73,922	16,600	21,740	(112,262)	-
Transfer to expenses	-	-	-	-	-	(2,163)	(2,163)
Transfer to Other noncurrent assets	-	-	-	-	-	(220)	(220)
Return and discount	-	-	-	-	(904)	(45,292)	(46,196)
Effect of foreign currency exchange differences	-	(5,851)	(30,358)	(9,306)	(5,781)	(552)	(51,848)
Balance at June 30, 2023	$820,335	$468,932	$1,132,100	$498,003	$323,305	$65,089	$3,307,764
Accumulated Depreciation and Impairment							
Balance at January 1, 2023	$ -	$256,366	$369,659	$255,384	$162,288	$ -	$1,043,697
Depreciation expense	-	7,915	97,514	29,273	16,865	-	151,567
Disposals	-	-	(22,949)	(16,089)	-	-	(39,038)
Effect of foreign currency exchange differences	-	(3,589)	(12,141)	(4,885)	(3,087)	-	(23,702)
Balance at June 30, 2023	$ -	$260,692	$432,083	$263,683	$176,066	$ -	$1,132,524

A. The information on interest capitalization: None.

B. The Group did not assess the impairment because there is no sign of impairment for the six months ended June 30, 2024.

C. Property, plant and equipment pledged for the borrowings: Please refer to Note 8.

D. Reconciliations of current additions and the acquisition of property, plant and equipment in statement of cash flows were as follows:

Item	Six Months Ended June 30 2024	2023
Acquisition of property, plant and equipment	$258,733	$85,043
Decrease (increase) in equipment payable	(15,145)	81,259
Cash paid for acquisition of property, plant and equipment	$243,588	$166,302

E. The Group's Property, plant and equipment are depreciated on a straight-line basis with its useful life as follows:
Buildings, 2 to 57 years;
Machinery and Equipment, 2 to 15 years;
Miscellaneous Equipment, 1 to 24 years;
Leasehold Improvement, 1 to 22 years.

(10) Lease agreement

A. Right-of-use assets

Item	June 30, 2024	December 31, 2023	June 30, 2023
Land-use right	$397,069	$397,081	$403,747
Land and building	378,329	449,162	414,166
Other equipment	26,605	26,456	30,069
Total cost	$802,003	$872,699	$847,982
Less: Accumulated depreciation and impairment	(266,631)	(281,985)	(265,786)
Net	$535,372	$590,714	$582,196

Cost	Land-use Right	Land and Buildings	Other Equipment	Total
Balance at January 1, 2024	$397,081	$449,162	$26,456	$872,699
Additions	-	7,868	2,090	9,958
Disposals	-	(27,719)	-	(27,719)
Derecognition	-	(65,756)	(2,524)	(68,280)
Effect of foreign currency exchange differences	(12)	14,774	583	15,345
Balance at June 30, 2024	$397,069	$378,329	$26,605	$802,003
Accumulated Depreciation and Impairment				
Balance at January 1, 2024	$19,815	$247,376	$14,794	$281,985
Depreciation expense	2,872	37,970	3,661	44,503
Derecognition	-	(65,756)	(2,524)	(68,280)
Effect of foreign currency exchange differences	67	8,009	347	8,423
Balance at June 30, 2024	$22,754	$227,599	$16,278	$266,631

Cost	Land-use Right	Land and Buildings	Other Equipment	Total
Balance at January 1, 2023	$393,707	$397,582	$29,663	$820,952
Additions	-	24,756	5,841	30,597
Disposals	-	(3,813)	(405)	(4,218)
Derecognition	-	(1,860)	(4,872)	(6,732)
Effect of foreign currency exchange differences	10,040	(2,499)	(158)	7,383
Balance at June 30, 2023	$403,747	$414,166	$30,069	$847,982
Accumulated Depreciation and Impairment				
Balance at January 1, 2023	$14,093	$196,060	$16,922	$227,075
Depreciation expense	2,831	39,948	3,981	46,760
Derecognition	-	(1,860)	(4,872)	(6,732)
Effect of foreign currency exchange differences	308	(1,508)	(117)	(1,317)
Balance at June 30, 2023	$17,232	$232,640	$15,914	$265,786

B. Lease liabilities

Item	June 30, 2024	December 31, 2023	June 30, 2023
Carrying amount of lease liabilities			
- current	$75,118	$82,727	$81,792
- noncurrent	$100,081	$146,042	$128,949

The ranges of discount rates for lease liabilities:

Item	June 30, 2024	December 31, 2023	June 30, 2023
Land and buildings	0.63%-7.21%	0.63%-7.21%	0.63%-6.87%
Other equipment	0.73%-6.09%	0.72%-4.60%	0.67%-4.60%

Please refer to Note 12(3) for information on the maturity analysis of the lease liabilities.

C. Material lease-in activities and terms

The Group leased some land and buildings, etc. for operation, with the lease terms of 3 to 75 years. There is no sign of impairment of right-of-use assets as of June 30, 2024. Therefore, the Group didn’t assess the impairment.

D. Subleasing: None.

E. Other lease information:

(1) Please refer to Note 6(11) for lease-out agreements under operating lease for investment properties.

(2) Cash outflow relating to leases is as follows:

	Three Months Ended June 30	
Item	2024	2023
Short-term lease expense	$3,081	$2,553
Low-value asset lease expense	$62	$77
Variable lease payments that were excluded in the measurement of lease liabilities	$ -	$ -
Total cash outflow for leases (Note)	($24,660)	($26,237)

	Six Months Ended June 30	
Item	2024	2023
Short-term lease expense	$5,384	$4,805
Low-value asset lease expense	141	153
Variable lease payments that were excluded in the measurement of lease liabilities	$ -	$ -
Total cash outflow for leases (Note)	($41,334)	($51,972)

(Note): Payments of the principal portion of lease liabilities are included.

(11) Investment properties, net

Item	June 30, 2024	December 31, 2023	June 30, 2023
Land	$77,109	$77,109	$77,109
Buildings	40,062	40,062	40,062
Total cost	$117,171	$117,171	$117,171
Less: Accumulated depreciation and impairment	(32,617)	(32,433)	(32,250)
Net	$84,554	$84,738	$84,921

Cost	Land	Buildings	Total
Balance at January 1, 2024	$77,109	$40,062	$117,171
Additions	-	-	-
Balance at June 30, 2024	$77,109	$40,062	$117,171
Accumulated Depreciation and Impairment			
Balance at January 1, 2024	$ -	$32,433	$32,433
Depreciation expense	-	184	184
Balance at June 30, 2024	$ -	$32,617	$32,617

Cost	Land	Buildings	Total
Balance at January 1, 2023	$77,109	$40,062	$117,171
Additions	-	-	-
Balance at June 30, 2023	$77,109	$40,062	$117,171
Accumulated Depreciation and Impairment			
Balance at January 1, 2023	$ -	$32,065	$32,065
Depreciation expense	-	185	185
Balance at June 30, 2023	$ -	$32,250	$32,250

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

Item	Three Months Ended June 30	
	2024	2023
Rental income from investment properties	$481	$480
Direct operating expense arising from the investment properties that generated rental income during the period	$183	$185

Item	Six Months Ended June 30 2024	2023
Rental income from investment properties	$961	$960
Direct operating expense arising from the investment properties that generated rental income during the period	$275	$278

B. The maturity analysis of lease payments receivable under operating leases of investment properties is as follow:

	June 30, 2024	December 31, 2023	June 30, 2023
Year 1	$1,921	$1,921	$1,921
Year 2	1,835	1,921	1,921
Year 3	1,750	1,750	1,835
Year 4	875	1,750	1,750
Year 5	-	-	875
Over 5 years	-	-	-
Total	$6,381	$7,342	$8,302

C. Investment properties are depreciated on a straight-line basis with its useful life of 10 to 57 years.

D. The fair values of investment properties held by the Group was $168,677 thousand, $168,677 thousand and $160,060 thousand as of June 30, 2024, December 31, 2023 and June 30, 2023, respectively. The fair value determination was performed by independent qualified professional appraisers. The valuation was based on the comparison method, and the fair value was measured by using Level 3 inputs. Please refer to Note12(4).

E. The accumulated impairment of investment properties were all $0 thousand, as of June 30, 2024, December 31, 2023 and June 30, 2023, respectively.

F. The Group had no investment properties pledged to others.

(12) Intangible assets

Item	June 30, 2024	December 31, 2023	June 30, 2023
Trademark	$8,750	$8,447	$8,523
Computer software	75,389	38,693	37,551
Total cost	$84,139	$47,140	$46,074
Less: Accumulated amortization and impairment	(28,577)	(23,184)	(19,295)
Net	$55,562	$23,956	$26,779

Cost	Trademark	Computer Software	Total
Balance at January 1, 2024	$8,447	$38,693	$47,140
Additions	-	45,666	45,666
Derecognition	-	(9,419)	(9,419)
Effect of foreign exchange differences	303	449	752
Balance at June 30, 2024	$8,750	$75,389	$84,139
Accumulated Amortization and Impairment			
Balance at January 1, 2024	$ -	$23,184	$23,184
Amortization expenses	-	14,496	14,496
Derecognition	-	(9,419)	(9,419)
Effect of foreign exchange differences	-	316	316
Balance at June 30, 2024	$ -	$28,577	$28,577

Cost	Trademark	Computer Software	Total
Balance at January 1, 2023	$8,448	$37,465	$45,913
Additions	-	8,309	8,309
Derecognition	-	(8,051)	(8,051)
Effect of foreign exchange differences	75	(172)	(97)
Balance at June 30, 2023	$8,523	$37,551	$46,074
Accumulated Amortization and Impairment			
Balance at January 1, 2023	$ -	$18,860	$18,860
Amortization expenses	-	8,590	8,590
Derecognition	-	(8,051)	(8,051)
Effect of foreign exchange differences	-	(104)	(104)
Balance at June 30, 2023	$ -	$19,295	$19,295

(13) Short-term loans

Item	June 30, 2024	December 31, 2023	June 30, 2023
Unsecured loans	$769,493	$457,581	$775,726
Interest	1.20%-3.20%	0.50%-3.30%	0.50%-3.43%

(14) Other payables

Item	June 30, 2024	December 31, 2023	June 30, 2023
Accrued payroll	$303,692	$352,857	$260,371
Service fee payable	20,878	51,659	8,410
R & D payable	46,159	50,003	35,152
Bonus to employees and remuneration to directors and supervisors	75,900	49,800	62,666
Equipment payable	50,295	35,150	16,518
Dividend payable	957,053	-	652,426
Others	492,013	402,809	315,508
Total	$1,945,990	$942,278	$1,351,051

(15) Provisions - current

Item	June 30, 2024	December 31, 2023	June 30, 2023
Employee benefits	$57,985	$52,467	$49,659

	Six Months Ended June 30	
	2024	2023
Balance, January 1	$52,467	$54,643
Recognized during the period	4,312	465
Used during the period	(397)	(5,010)
Effect of foreign exchange differences	1,603	(439)
Balance, June 30	$57,985	$49,659

Provision for employee benefits is estimated, based on vested short-term service leave.

(16) Bonds Payable

Item	June 30, 2024	December 31, 2023	June 30, 2023
The third unsecured convertible domestic bonds	$ -	$ -	$1,200,000
Subtotal	-	-	1,200,000
Less: discounts on bonds payable	-	-	(70,662)
Net	$ -	$ -	$1,129,338

A. Third unsecured convertible domestic bonds:

a. The Company issued the third unsecured domestic convertible bonds, which was approved by the regulatory authority on April 21, 2023. The total issuance amount is $1,200,000 thousand and it is zero coupon bonds with the maturity of 5 years from May 24, 2023 to May 24, 2028.

b. The conversion price of the bonds is set up based on the pricing model in the terms of the bonds. The conversion price at the time of issuance was $54.90. As of September 30, 2023, the conversion price adjusted to $53.30 based on the pricing model. As of December 31, 2023, all the shares have been converted.

c. Under the terms of the bonds, all bonds redeemed, matured and converted are retired and not to be re-issued; all rights and obligation attached to the bonds are also extinguished.

d. In accordance with the conversion provisions, the bond holders may request the Company to redeem the convertible bonds two years at the bond redemption base date. The company shall send the "Bond Redemption Notice" to the bondholders 30 days before the sell-back base date. The bond holders have the right to require the Company to redeem all of the bonds in cash with an interest calculated " 101.0025% of the face value of the bond after two years " the real rate of return is 0.5% "".

e. After the following events occur during the period from the date after three months of the bonds issued to 40 days before the maturity date, the Company may redeem the outstanding convertible bonds in cash: (i) the closing price of the Company's common shares is above the then conversion price by 30% for 30 consecutive trading days, or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount.

f. As of December 31, 2023, the Company redeemed the issued convertible bonds from open market by own funds at principal amount to $0 thousand.

(17) Long-term loans and current portion

Item	June 30, 2024	December 31, 2023	June 30, 2023
Credit loans	$648,731	$395,706	$445,774
Less: current portion due within one year	(96,225)	(182,775)	(120,947)
Total	$552,506	$212,931	$324,827
Interest	0.75%-7.25%	0.75%-7.49%	0.75%-7.21%

Please refer to Note 8 for assets pledged as collateral for long-term loans.

(18) Pension

A. Defined contribution plans

a. The plan under the Labor Pension Act (the “Act”) is deemed a defined contribution plan. Pursuant to the Group has made monthly contributions equal to 6% of each employee’s monthly salary to employees’ pension accounts.

b. The employees of the Group’s subsidiaries are members of a state-managed retirement benefit plan operated by local government. The subsidiary is required to contribute amounts calculated at a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions to the fund.

c. The pension expenses were $43,016 thousand, $41,803 thousand, $91,648 thousand and $88,891 thousand for the three months and six months ended June 30, 2024 and 2023, respectively.

B. Defined benefit plans

a. The pension under the defined benefit plans were $87 thousand, $109 thousand, $173 thousand and $218 thousand for three months and six months ended June 30, 2024 and 2023, respectively. The pensions were calculated using the actuarially determined pension cost discount rates as of December 31, 2023 and 2022.

b. The Group estimated that the Labor Retirement Account is insufficient to pay the labor pension that is expected to meet the retirement conditions next year at the year end of 2023, and funded the difference to reduce net defined benefit liability in March 2024 for $0 thousand.

(19) Share capital

A. Movements in the number of the Group’s ordinary shares outstanding were as follows:

	Six months Ended June 30, 2024	
	Shares (in thousands)	Amount
Balance at January 1	272,525	$2,725,243
Capital increase in cash	-	-
Conversion of bonds payable	919	9,194
Balance at June 30	273,444	$2,734,437

	Six months Ended June 30, 2023	
	Shares (in thousands)	Amount
Balance at January 1	250,930	$2,509,297
Capital increase in cash	-	-
Conversion of bonds payable	-	-
Balance at June 30	250,930	$2,509,297

B. As of June 30, 2024, the authorized capital was $5,000,000 thousand, consisting of 500,000 thousand shares.

C. While 9,194 thousand was recorded as bond conversion entitlement certificates have completed the registration in February 2024.

(20) Capital surplus

Item	June 30, 2023	December 31, 2022	June 30, 2023
From merger	$18,227	$18,227	$18,227
From convertible bonds	1,477,900	1,477,900	326,015
Treasury share transactions	21,464	21,464	21,464
Reorganization	1,050	1,050	1,050
Differences between considerations and carrying amounts of subsidiaries acquired or disposed	147	147	147
Stock options	-	-	257,347
Total	$1,518,788	$1,518,788	$624,250

Under the Company Act, the capital surplus generated from the excess of the issuance price over the par value of capital stock and donations can be used to offset deficit or may be distributed as stock dividends or in cash. Under the regulations of the Security Exchange Law, the maximum amount transferred from the foregoing capital surplus to the Company's capital per year shall not be over 10% of the Company's paid-in capital. Capital surplus can't be used to offset deficit unless legal reserve is insufficient. The capital surplus from long-term investments may not be used for any purpose.

(21) Retained earnings and dividend policy

(1) In accordance with the dividend policy as set forth in the amended Articles, where the Company made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside a special reserve in accordance with the laws and regulations, and the remainder plus prior year's unappropriated earnings will be recommended by The Board of Directors and approved through the Shareholders' meeting.

In consideration of its operation and capital expenditure demands, the Company stipulates appropriate dividend distribution ratio, and proposes for approval in the shareholders' meeting. However, at least 20% of total dividends should be distributed in cash.

(2) Legal reserve may be used to offset a deficit, and be transferred to capital or distributed in cash. However, legal reserve can be transferred to capital or distributed in cash only when the legal reserve has exceeded 25% of the Company's paid-in capital.

(3) Special reserve

Item	June 30, 2024	December 31, 2023	June 30, 2023
Provision for the debit balance of other equity	$221,030	$178,602	$178,602
Provision for initial application of IAS	79,155	79,155	79,155
Total	$300,185	$257,757	$257,757

A. The Company may allocate earnings only after providing special reserve for debt balance in other equity on the date of balance sheet, and the reversal of debit balance in other equity, if any, may be stated into allocable earnings.

B. Upon first-time adoption of IFRSs, the special reserve provided pursuant to the official letter under Jin-Guan-Jheng-Fa-Zih No. 1010012865 dated April 6, 2012 may be reversed to allocable retained earnings in proportion to the special reserve as provided originally, if the Company uses, disposes of or reclassifies the relevant assets in the future.

(4) The appropriation of earnings for 2023 approved by the stockholders' meeting held in June 2024, while the appropriation of earnings for 2022 was approved by the stockholders' meeting held in July 2023. The details of appropriation are as follows:

	Appropriation of Earnings		Dividends Per Share (NT$)	
Item	2023	2022	2023	2022
Legal reserve	$133,407	$109,921		
Special reserve	42,428	(37,601)		
Cash dividends	957,053	652,417	3.5	2.6
Total	$1,132,888	$724,737		

In the event of repurchase of the Company's shares, transfer of treasury stocks to employees or other share change factors leading to a change in the number of outstanding shares and a consequent change in dividend yield, it is proposed that the chairman is authorized by the Board of Directors to duly adjust stocks and cash payout rates.

(4) Information on the earnings appropriation proposed by the Board of Directors and approved by the shareholders is available on the "Market Observation Post System" on the website of TWSE.

(22) Other equity

Item	Exchange differences on translation of foreign financial statements	Unrealized gain (loss) on financial asset at fair value through other comprehensive income	Total
Balance, January 1, 2024	($305,248)	$5,063	($300,185)
Share of subsidiaries, associates and joint ventures accounted for using equity method	133,198	-	133,198
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	-	940	940
Balance, June 30, 2024	($172,050)	$6,003	($166,047)

Item	Exchange differences on translation of foreign financial statements	Unrealized gain (loss) on financial asset at fair value through other comprehensive income	Total
Balance, January 1, 2023	($257,757)	$ -	($257,757)
Share of subsidiaries, associates and joint ventures accounted for using equity method	(38,892)	-	(38,892)
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	-	3,037	3,037
Balance, June 30, 2023	($296,649)	$3,037	($293,612)

(23) Operating revenues

Item	Three Months Ended June 30	
	2024	2023
Revenue from contracts with customers		
Sales revenue	$3,693,825	$3,312,564
Sales return	(12,336)	(19,501)
Sales discount	(4,595)	(13,243)
Net	$3,676,894	$3,279,820

Item	Six Months Ended June 30	
	2024	2023
Revenue from contracts with customers		
Sales revenue	$6,779,042	$6,403,352
Sales return	(23,812)	(27,131)
Sales discount	(18,272)	(21,074)
Net	$6,736,958	$6,355,147

A. Details of contract revenue

Sales of fans and other related goods are mainly to system manufacturers and distributors. Please refer to Note 14 for the main sale areas.

B. The Group's timing of recognition is transferred the goods at a certain point of time.

C. Contract balances

The Group recognized the receivables, contract assets and contract liabilities in relation to contract revenue as follows:

Item	June 30, 2023	December 31, 2023	June 30, 2023
Receivables	$3,757,223	$3,079,399	$3,197,116
Contract assets	-	-	-
Total	$3,757,223	$3,079,399	$3,197,116
Contract liabilities - current	$221,153	$109,540	$103,187

a. Significant changes in contract assets and contract liabilities

The change in the contract assets and contract liabilities primarily result from the timing difference between the satisfaction of performance obligation and the customer's payment, and there is no other significant change.

b. Amount from previous period's satisfied performance obligations and beginning contract liabilities recognized in the current period as income were as follows:

	Six Months Ended June 30	
Revenue in the current period	2024	2023
From beginning contract liabilities	$109,540	$176,164
From previous period's satisfied performance obligations	$ -	$ -

(24) Labor cost, depreciation and amortization

	Three Months ended June 30, 2024		
Item	Operating cost	Operating expenses	Total
Labor cost			
Salaries	$351,277	$243,612	$594,889
Insurance	27,125	19,714	46,839
Pension	31,089	12,014	43,103
Others	138,217	19,494	157,711
Depreciation	80,516	22,364	102,880
Amortization	7,808	14,961	22,769
Total	$636,032	$332,159	$968,191

Item	Three Months ended June 30, 2023		
	Operating cost	Operating expenses	Total
Labor cost			
Salaries	$266,325	$238,119	$504,444
Insurance	25,803	19,153	44,956
Pension	31,087	10,825	41,912
Others	128,227	16,591	144,818
Depreciation	76,939	23,117	100,056
Amortization	23,685	13,530	37,215
Total	$552,066	$321,335	$873,401

Item	Six Months ended June 30, 2024		
	Operating cost	Operating expenses	Total
Labor cost			
Salaries	$646,810	$472,351	$1,119,161
Insurance	55,134	42,771	97,905
Pension	68,547	23,274	91,821
Others	251,014	34,655	285,669
Depreciation	159,610	44,950	204,560
Amortization	16,013	27,760	43,773
Total	$1,197,128	$645,761	$1,842,889

Item	Six Months ended June 30, 2023		
	Operating cost	Operating expenses	Total
Labor cost			
Salaries	$534,639	$436,910	$971,549
Insurance	55,047	40,923	95,970
Pension	67,273	21,836	89,109
Others	265,796	31,351	297,147
Depreciation	152,514	45,998	198,512
Amortization	48,753	24,941	73,694
Total	$1,124,022	$601,959	$1,725,981

1. The Company accrued employees’ compensation and remuneration to directors and supervisors at the rates not less than 2% and not higher than 5% of net income before

income tax, employees' compensation and remuneration to directors and supervisors during the period. For the three months and six months ended June 30, 2024 and 2023, employees' compensation was accrued at $11,000 thousand, $11,636 thousand, $20,800 thousand and $18,644 thousand, respectively, while directors' remuneration was accrued at $2,700 thousand, $3,103 thousand, $5,300 thousand and $4,022 thousand, respectively.

2. The employees' compensation and remuneration to directors for the years ended December 31, 2023 and 2022 had been approved by the Company's Board of Directors meeting held on March 7, 2024 and March 9, 2023, respectively, and the relevant amounts recognized in the consolidated financial statements were as follows:

	Year ended December 31			
	2023		2022	
	Employees' compensation	Remuneration to directors	Employees' compensation	Remuneration to directors
Resolution amount of allotment	$39,800	$10,000	$32,000	$8,000
Recognized in financial statements	39,800	10,000	32,000	8,000
Difference	$ -	$ -	$ -	$ -

The above mentioned employees' compensation will be paid by cash.

3. Information about the appropriation of employees' compensation and directors' remuneration by the Company as resolved by the Board of Directors can be obtained from the "Market Observation Post System" on the website of TWSE.

(25) Interest income

Item	Three Months Ended June 30 2024	Three Months Ended June 30 2023
Interest on bank deposits	$34,941	$22,120
Interest on early payment	1,305	915
Others	12	12
Total	$36,258	$23,047

Item	Six Months Ended June 30 2024	Six Months Ended June 30 2023
Interest on bank deposits	$67,822	$30,675
Interest on early payment	2,432	1,857
Others	24	50
Total	$70,278	$32,582

(26) Other income

Item	Three Months Ended June 30	
	2024	2023
Rental income	$494	$494
Others - Sample sales, etc.	21,728	13,282
Others - Subsidy	977	4,431
Others	46,593	7,469
Total	$69,792	$25,676

Item	Six Months Ended June 30	
	2024	2023
Rental income	$987	$987
Others - Sample sales, etc.	31,626	24,053
Others - Subsidy	1,624	17,043
Others	53,568	18,022
Total	$87,805	$60,105

(27) Other gains and losses

Item	Three Months Ended June 30	
	2024	2023
Net gain (loss) on financial instruments at FVTPL	$8,879	$4,636
Net currency exchange gain (loss)	38,379	110,892
Gain (loss) on disposal of property, plant and equipment	(2,190)	(954)
Gain on disposal of investments	-	570
Others	(6,333)	(18,012)
Total	$38,735	$97,132

Item	Six Months Ended June 30	
	2024	2023
Net gain (loss) on financial instruments at FVTPL	$8,879	$5,594
Net currency exchange gain (loss)	138,007	95,886
Gain (loss) on disposal of property, plant and equipment	(2,190)	(1,054)
Gain on disposal of investments	-	570
Others	(8,344)	(19,904)
Total	$136,352	$81,092

(28) Finance costs

Item	Three Months Ended June 30	
	2024	2023
Interest on loans	$5,385	$9,693
Interest on lease liabilities	2,075	1,758
Interest of convertible bonds	-	1,438
Less: capitalized amount for qualified assets	-	-
Carrying amount	$7,460	$12,889

Item	Six Months Ended June 30	
	2024	2023
Interest on loans	$9,929	$19,701
Interest on lease liabilities	4,476	3,614
Interest of convertible bonds	-	1,438
Less: capitalized amount for qualified assets	-	-
Carrying amount	$14,405	$24,753

(29) Income tax expense

A. Components of tax expense:

	Three Months Ended June 30	
Current income tax	2024	2023
Income tax incurred in current year	$242,977	$151,879
Prior year income tax (over) under estimation	3,623	(55,082)
Total	$246,600	$96,797
Deferred income tax		
The origination and reversal of temporary differences	($72,312)	$10,843
Total	($72,312)	$10,843
Income tax expense	$174,288	$107,640

	Six Months Ended June 30	
Current income tax	2024	2023
Income tax incurred in current year	$266,599	$188,645
Prior year income tax (over) under estimation	11,933	(46,151)
Total	$278,532	$142,494

Deferred income tax		
The origination and reversal of temporary differences	($15,395)	$51,250
Total	($15,395)	$51,250
Income tax expense	$263,137	$193,744

The applicable tax rate used by the Group is 20%. In addition, the tax rate applicable to unappropriated earning is 5%. Tax rates used by other group entities operating in other jurisdictions are based on the tax laws in those jurisdictions.

B. Income tax expense (benefit) recognized in other comprehensive income

	Three Months Ended June 30	
Item	2024	2023
Exchange differences on translation of foreign operations	$1,864	($14,143)

	Six Months Ended June 30	
Item	2024	2023
Exchange differences on translation of foreign operations	$33,299	($9,723)

C. The tax authorities have rectified Company’s income tax returns through 2020.

(30) Other comprehensive income (loss)

	Three Months Ended June 30, 2024		
Item	Before tax	Income tax expense (benefit)	After tax
Items that will not be reclassified subsequently to profit or loss：			
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	$276	$ -	$276
Subtotal	$276	$ -	$276
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign financial statements	$9,322	($1,864)	$7,458
Subtotal	$9,322	($1,864)	$7,458
Recognized in other comprehensive income (loss)	$9,598	($1,864)	$7,734

Item	Three Months Ended June 30, 2023 Before tax	Income tax expense (benefit)	After tax
Items that will not be reclassified subsequently to profit or loss：			
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	$3,370	$ -	$3,370
Subtotal	$3,370	$ -	$3,370
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign financial statements	($70,714)	$14,143	($56,571)
Subtotal	($70,714)	$14,143	($56,571)
Recognized in other comprehensive income (loss)	($67,344)	$14,143	($53,201)

Item	Six Months Ended June 30, 2024 Before tax	Income tax expense (benefit)	After tax
Items that will not be reclassified subsequently to profit or loss：			
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	$940	$ -	$940
Subtotal	$940	$ -	$940
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign financial statements	$166,497	($33,299)	$133,198
Subtotal	$166,497	($33,299)	$133,198
Recognized in other comprehensive income (loss)	$167,437	($33,299)	$134,138

Item	Six Months Ended June 30, 2023 Before tax	Income tax expense (benefit)	After tax
Items that will not be reclassified subsequently to profit or loss：			
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	$3,037	$ -	$3,037
Subtotal	$3,037	$ -	$3,037
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign financial statements	($48,615)	$9,723	($38,892)
Subtotal	($48,615)	$9,723	($38,892)
Recognized in other comprehensive income (loss)	($45,578)	$9,723	($35,855)

(31) Earnings per share

Item	Three Months Ended June 30 2024	2023
(1) Basic earnings per share:		
Net income attributable to owners of the parent	$379,141	$431,590
Weighted average shares outstanding (in thousands)	273,444	250,930
Basic earnings per share (after tax)	$1.39	$1.72
(2) Diluted earnings per share:		
Net income attributable to owners of the parent	$379,141	$431,590
Interest of convertible bonds	-	1,150
Net income used in computation of diluted earnings per share	$379,141	$432,740
Weighted average shares outstanding (in thousands)	273,444	250,930
Convertible bonds (in thousands)	-	4,589
Impact on employees’ compensation (Note)	181	200
Weighted average number of ordinary shares outstanding after dilution (in thousands)	273,625	255,719
Diluted earnings per share (after tax)	$1.39	$1.68

Item	Six Months Ended June 30	
	2024	2023
(1) Basic earnings per share:		
Net income attributable to owners of the parent	$705,597	$709,579
Weighted average shares outstanding (in thousands)	273,444	250,930
Basic earnings per share (after tax)	$2.58	$2.83
(2) Diluted earnings per share:		
Net income attributable to owners of the parent	$705,597	$709,579
Interest of convertible bonds	-	1,150
Net income used in computation of diluted earnings per share	$705,597	$710,729
Weighted average shares outstanding (in thousands)	273,444	250,930
Convertible bonds (in thousands)	-	4,589
Impact on employees' compensation (Note)	314	494
Weighted average number of ordinary shares outstanding after dilution (in thousands)	273,758	256,013
Diluted earnings per share (after tax)	$2.58	$2.78

(Note) Since the Company offered to settle compensation paid to employees in cash or shares, the Company assumed the entire amount of the compensation would be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

7. RELATED PARTY TRANSACTIONS

(1) Parent Company and ultimate controlling party:

The Group has no parent Company and ultimate controlling party.

(2) Related party name and category:

Related Party Name	Related Party Category
Guang Sheng Investment Corporation	Other related party
Shehng-Yuan Children Development and Adult Support Services Center	Other related party
Yo Yuan Investment Corporation	Other related party
Suzhou Shengyixing Heat Transfer Technology Co., Ltd.	Associates

(3) Significant transactions with related parties:

A. Sales:

Related Party Category	Three months ended June 30 2024	Three months ended June 30 2023
Associates	$ -	$112

Related Party Category	Six months ended June 30 2024	Six months ended June 30 2023
Associates	$ -	$112

The selling price is equivalent to ordinary customers, and the collection period is 2-4 months. Collection can be delayed when agreed on by both parties.

B. Purchase:

Related Party Category	Three months ended June 30 2024	Three months ended June 30 2023
Associates	$26,443	$26,053

Related Party Category	Six months ended June 30 2024	Six months ended June 30 2023
Associates	$44,578	$53,003

The purchase price is equivalent to other suppliers, and the payment period is 3-4 months. Except for the agreement of both parties to pay in advance and collect interest on the payment.

C. Contract assets: None.

D. Contract liabilities: None.

E. Balance of receivables (excluding lending to related parties and contract assets):

Item	Related Party Category	June 30, 2024	December 31, 2023	June 30, 2023
Accounts receivable	Associates	$ -	$ -	$124

F. Balance of payables (excluding borrowing from related parties):

Item	Related Party Category	June 30, 2024	December 31, 2023	June 30, 2023
Accounts payable	Associates	$17,920	$18,733	$14,606
Other payables	Associates	$1,205	$103	$327

G. Advance receipts: None.

H. Property transactions: None.

I. Lessee arrangements:

Item	Related Party Category	June 30, 2024	December 31, 2023	June 30, 2023
Refundable deposits	Other related parties	$26	$26	$26
Lease liabilities - current	Other related parties	$52	$129	$52

Item	Related Party Category	Three Months Ended June 30	
		2024	2023
Interest expense	Other related parties	$ -	$ -

Item	Related Party Category	Six Months Ended June 30	
		2024	2023
Interest expense	Other related parties	$1	$1

Above lease terms are based on the contract, and rent is paid monthly.

J. Rent arrangements: None.

K. Financing activities - lending to related parties:

(a) Ending balance

Item	Related Party Category	June 30, 2024	December 31, 2023	June 30, 2023
Other receivables	Associates	$ -	$ -	$ -

(b) Interest income

Related Party Category	Three months ended June 30	
	2024	2023
Associates	$ -	$ -
Rate	-	-

Related Party Category	Six months ended June 30	
	2024	2023
Associates	$ -	$27
Rate	-	4.35%

L. Financing activities - borrowing from related parties: None.

M. Guarantee for related parties: None.

N. Others:

a. Guarantee deposits:

Related Party Category	June 30, 2024	December 31, 2023	June 30, 2023
Other related parties	$55	$55	$55

b. Miscellaneous income:

	Three Months Ended June 30	
Related Party Category	2024	2023
Other related parties	$48	$48

	Six Months Ended June 30	
Related Party Category	2024	2023
Other related parties	$97	$97

Miscellaneous income is rent income. Rent prices are based on the contract agreements and received monthly.

c. Miscellaneous expense

	Three Months Ended June 30	
Related Party Category	2024	2023
Associates	$1,362	$263

	Six Months Ended June 30	
Related Party Category	2024	2023
Associates	$3,966	$416

Miscellaneous expense is research and development expenses.

(4) Key management compensation

	Three Months Ended June 30	
Item	2024	2023
Salaries and other short-term employee benefits	$21,116	$23,614
Post-employment benefits	-	-
Other long-term employee benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
Total	$21,116	$23,614

Item	Six Months Ended June 30 2024	2023
Salaries and other short-term employee benefits	$40,322	$40,198
Post-employment benefits	-	-
Other long-term employee benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
Total	$40,322	$40,198

8. PLEDGED ASSETS

Item	June 30, 2024	December 31, 2023	June 30, 2023
Property, plant and equipment (net)	$496,858	$496,858	$496,858

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) As of June 30, 2024, December 31, 2023 and June 30, 2023, the Group issued guarantee notes for bank loans amounting to $3,260,557 thousand, $3,404,317 thousand and $3,116,599 thousand, respectively.

(2) As of June 30, 2024, December 31, 2023 and June 30, 2023, the unused letters of credit issued by the Group were as follows:

(In thousands)

Item	June 30, 2024	December 31, 2023	June 30, 2023
L/C Amount	USD 1,512	USD 815	USD 129

(3) As of June 30, 2024, December 31, 2023 and June 30, 2023, the note endorsement for material purchase were as follows:

(In thousands)

Item	June 30, 2024	December 31, 2023	June 30, 2023
Bank acceptance	USD 1,691	USD 1,239	USD 620

(4) As of June 30, 2024, December 31, 2023 and June 30, 2023, the Group provided guarantees for others. Please refer to Note 13 for the information.

(5) Significant contract

A. The Group entered into the land usage right transfer contract with Hermosa Ecozone Development Corporation in Year 2020. The main contents are as below:

(A) Transfer object: land usage right of 137,096 square meters at Lot 1 Block 12 in Hermosa Ecozone Industrial Park for the construction of the plant.

(B) Land usage right period: 75 years.

(C) Transfer price of land usage right: $410,992 thousand (PHP 685,480 thousand).

B. The Group entered into the land usage right transfer contract with Farms Agribusiness Corporation in Kunshan Economic and Technological Development Zone in Year 2000. The contents of the contract were as below:

(A) Transfer object: land usage right of 48,688 square meters at Kunshan Economic and Technological Development Zone for the construction of the plant and dormitory.

(B) Land usage right period: 50 years.

(C) Transfer price of land usage right: US$828 thousand (RMB 6,842 thousand).

10. SIGNIFICANT DISASTER LOSS: NONE.

11. SIGNIFICANT SUBSEQUENT EVENTS: NONE.

12. OTHERS

(1) Seasonality or periodicity of operations

The operation of the Group's is not influenced by seasonality and periodicity.

(2) Capital risk management

There were no significant changes in the Group's policies for capital risk management for the six months ended June 30, 2024 as compared with the consolidated financial statements for the year ended December 31, 2023. Please refer to Note 12(1) of the consolidated financial statements for the year ended December 31, 2023 for the related information.

(3) Financial instruments

A. Financial risk of financial instruments

Financial risk management policies

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

The plans for material treasury activities are reviewed by board of directors in accordance with procedures required by relevant regulations or internal controls. During the implementation of such plans, the Group Treasury function must comply with certain treasury procedures that provide guiding principles for overall financial risk management and segregation of duties.

Significant financial risks and degrees of financial risks

a. Market risk

(a) Foreign exchange rate risk

There were no significant changes in the nature and degree of material financial risk for the six months ended June 30, 2024 as compared with the consolidated financial statements for the year ended December 31, 2023. Please refer to Note 12(2) of the consolidated financial statements for the year ended December 31, 2023 for the related information.

(b) Foreign currency risk and sensitivity analysis (including consolidated elimination items and incompletely write-off of exchange rate risk)

			June 30, 2024			
				Sensitivity Analysis		
	Foreign Currency	Exchange Rate	Carrying Value (NTD)	Variation	Profit and Loss Impact	Equity Impact
Financial assets						
Monetary item						
USD:NTD	155,079	32.4500	5,032,302	increase 1%	50,323	-
EUR:NTD	7,290	34.7100	253,041	increase 1%	2,530	-
RMB:NTD	75,078	4.5532	341,845	increase 1%	3,418	-
USD:RMB	114,424	7.1268	3,713,062	increase 1%	37,131	-
USD:PHP	18,813	58.8680	610,493	increase 1%	6,105	-
RMB:USD	91,001	0.1403	414,345	increase 1%	4,143	-
Financial liabilities						
Monetary item						
USD:NTD	95,441	32.4500	3,097,073	increase 1%	(30,971)	-
USD:RMB	57,623	7.1268	1,869,867	increase 1%	(18,699)	-
USD:EUR	3,660	58.8680	118,781	increase 1%	(1,188)	-

			December 31, 2023			
				Sensitivity Analysis		
	Foreign Currency	Exchange Rate	Carrying Value (NTD)	Variation	Profit or Loss Impact	Equity Impact
Financial assets						
Monetary items						
USD:NTD	147,441	30.7050	4,527,187	Increase 1%	45,272	-
EUR:NTD	6,295	33.9800	213,894	Increase 1%	2,139	-
USD:RMB	88,522	7.0827	2,718,070	Increase 1%	27,181	-
USD:EUR	3,391	0.9036	104,123	Increase 1%	1,041	-
USD:PHP	3,974	55.5646	122,018	Increase 1%	1,220	-

	Foreign Currency	Exchange Rate	Carrying Value (NTD)	Variation	Profit or Loss Impact	Equity Impact
Financial liabilities						
Monetary items						
USD:NTD	79,851	30.7050	2,451,815	Increase 1%	(24,518)	-
USD:RMB	48,235	7.0827	1,481,042	Increase 1%	(14,810)	-
USD:EUR	4,518	0.9036	138,725	Increase 1%	(1,387)	-

			June 30, 2023			
				Sensitivity Analysis		
	Foreign Currency	Exchange Rate	Carrying Value (NTD)	Variation	Profit or Loss Impact	Equity Impact
Financial assets						
Monetary items						
USD:NTD	146,921	31.1400	4,575,115	increase 1%	45,751	-
EUR:NTD	9,595	33.8100	324,406	increase 1%	3,244	-
USD:RMB	88,068	7.2258	2,742,440	increase 1%	27,424	-
RMB:USD	44,001	0.1384	189,626	increase 1%	1,896	-
Financial liabilities						
Monetary item						
USD:NTD	80,345	31.1400	2,501,931	increase 1%	(25,019)	-
USD:RMB	45,711	7.2258	1,423,450	increase 1%	(14,235)	-
USD:EUR	5,169	0.9210	160,971	increase 1%	(1,610)	-

When New Taiwan Dollar appreciates and other variation factors stay unchanged, there will be the same but opposite amount of influence as of June 30, 2024, December 31, 2023 and June 30, 2023.

The details of unrealized exchange gain (loss) for monetary items due to material exchange rate fluctuation were as follow:

	Six Months Ended June 30, 2024			Six Months Ended June 30, 2023		
	Foreign Exchange Gain (Loss)			Foreign Exchange Gain (Loss)		
	Foreign Currency (In thousands)	Exchange Rate	Currying Amount	Foreign Currency (In thousands)	Exchange Rate	Currying Amount
Financial Assets						
Monetary Items						
USD: NTD	-	31.9070	51,249	-	30.5580	75,415
EUR: NTD	-	34.5100	1,065	-	33.0300	7,301
USD: RMB	2,543	7.1051	11,419	23,241	6.9291	102,496
USD: PHP	2,133	56.8700	1,196	(1,460)	55.2470	(807)
RMB: USD	234	0.1407	7,475	(211)	0.1443	(6,437)
Financial Liabilities						
Monetary Items						
USD: NTD	-	31.9070	(80,247)	-	30.5580	(49,530)
USD: RMB	(1,331)	7.1051	(5,978)	(10,601)	6.9291	(46,753)

b. Price risk

The Group is exposed to equity instrument price risk because the investments held by the Group are classified on the consolidated balance sheet as at fair value through profit or loss.

The Group is exposed to beneficiary certificates. If the price of the Group's equity investments rises (or falls) 1%, the net income resulting from equity instruments at fair value through profit and loss will increase (or decrease) $1,691 thousand and $916 thousand for the six months ended June 30, 2024 and 2023, respectively. The other comprehensive income from equity instruments at fair value through other comprehensive income or loss will increase (or decrease) 283 thousand and $252 thousand for the six months ended June 30, 2024 and 2023, respectively.

c. Interest rate risk

The carrying amount of the financial assets and liabilities that exposed interest rate risk as reporting date was as follow:

	Carrying Amount		
Item	June 30, 2024	December 31, 2023	June 30, 2023
Fair value interest rate risk:			
Financial assets	$227,662	$216,761	$215,478
Financial liabilities	(175,199)	(228,769)	(1,340,079)
Net	$52,463	($12,008)	($1,124,601)
Cash flow interest rate risk:			
Financial assets	$4,921,086	$4,023,416	$3,275,411
Financial liabilities	(1,418,224)	(853,287)	(1,221,500)
Net	$3,502,862	$3,170,129	$2,053,911

(a) Sensitivity analysis of fair value interest rate risk instrument

The Group does not classify any fixed-rate instruments as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. In addition, the Group does not designate derivatives (interest rate swap) as hedge instruments under hedge accounting. Therefore, the change of interest rate at reporting date does not have influence on net income and other comprehensive income.

(b) Sensitivity analysis of cash flow interest rate risk instrument

The Group's financial instruments with variable interest rate are those with floating-rate. If interest rate increases 1%, the net income will increase (decrease) $17,514 thousand and $10,270 thousand for the six months ended June 30, 2024 and 2023, respectively.

B. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a contract leading to a financial loss to the Group. The Group is exposed to credit risk from operating activities, primarily accounts receivables, and from investing activities, primarily deposit and other financial instruments. Credit risk is managed separately for business related and financial related exposures.

a. Business related credit risk

In order to maintain the credit quality of accounts receivables, the Group has established procedures to monitor and limit exposure to credit risk on trade receivables. Credit evaluation is performed in the consideration of the relevant factors which may affects the customer's paying ability such as financial condition, external and internal credit scoring, historical experience, and economic conditions.

b. Financial credit risk

The Group’s exposure to financial credit risk which pertained to bank deposits and other financial instruments were evaluated and monitored by Group Treasury function. The Group only deals with creditworthy counterparties, banks, and government so that no significant credit risk was identified. In addition, the Group has no financial assets at amortized and investments in debt instruments at fair value through other comprehensive income.

(a) Credit concentration risk:

As of June 30, 2024, December 31, 2023 and June 30, 2023, the Group’s ten largest customers accounted for 38.96%, 30.44% and 29.16% of accounts receivable, respectively. The Group believes the concentration of credit risk is insignificant for the remaining accounts receivable. The Group continuously evaluated customers' financial situation. To reduce major credit risk, the Group bought credit guarantee insurance, and asked customers to make payment in advance.

(b) Measured in expected credit loss

(i) Account receivables apply the simplified approach. Please prefer to Note 6(4) for details.

(ii) Indications for determining whether the credit risk increased significantly: None (the Group does not have any debt instrument investments that are either measured at amortized cost, or at FVTOCI).

c. Collaterals and other credit enhancement held to avoid credit risks from financial assets.

The following table shows the maximum exposure to credit risk regarding financial assets recognized in the consolidated balance sheets, pledged collateral, master netting arrangements and other credit enhancement held by the Group:

June 30, 2024	Carrying Value	Decrease Amount of Credit Risk Maximum Exposure			
		Collateral	Net Settlement Agreement	Other Credit Strengthening	Total
Financial instruments subject to IFRS 9 impairment requirements and derogated from credit	$ -	$ -	$ -	$ -	$ -
Financial instruments not subject to IFRS 9 impairment requirements:					
Financial assets at fair value through profit or loss	169,129	-	-	-	-
Financial assets at fair value through other comprehensive income or loss	28,280	-	-	-	-
Total	$197,409	$ -	$ -	$ -	$ -

December 31, 2023	Carrying Value	Decrease Amount of Credit Risk Maximum Exposure			
		Collateral	Net Settlement Agreement	Other Credit Strengthening	Total
Financial instruments subject to IFRS 9 impairment requirements and derogated from credit	$ -	$ -	$ -	$ -	$ -
Financial instruments not subject to IFRS 9 impairment requirements:					
Financial assets at fair value through profit or loss	-	-	-	-	-
Financial assets at fair value through other comprehensive income or loss	27,231	-	-	-	-
Total	$27,231	$ -	$ -	$ -	$ -

June 30, 2023	Carrying Value	Decrease Amount of Credit Risk Maximum Exposure			
		Collateral	Net Settlement Agreement	Other Credit Strengthening	Total
Financial instruments subject to IFRS 9 impairment requirements and derogated from credit	$ -	$ -	$ -	$ -	$ -
Financial instruments not subject to IFRS 9 impairment requirements:					
Financial assets at fair value through profit or loss	91,587	-	-	-	-
Financial assets at fair value through other comprehensive income or loss	25,192	-	-	-	-
Total	$116,779	$ -	$ -	$ -	$ -

C. Liquidity risk

a. Liquidity risk management:

There were no significant changes in the Group's objects and policies for liquidity risk management for the six months ended June 30, 2024 as compared with the consolidated financial statements for the year ended December 31, 2023.

b. Financial liabilities with repayment periods:

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods.

	June 30, 2024					
Non-derivative Financial liabilities	Within 1 year	1-2 years	2-5 years	Over 5 years	Contract Cash Flow	Carrying Value
Short-term loans	$769,493	$ -	$ -	$ -	$769,493	$769,493
Notes payable	34,641	-	-	-	34,641	34,641
Accounts payable	3,165,713	397	-	-	3,166,110	3,166,110
Other payables	1,945,410	189	391	-	1,945,990	1,945,990
Long-term loans	96,225	122,062	333,944	96,500	648,731	648,731
(Inclusive of current portion)						
Lease liabilities	81,538	63,784	33,335	13,059	191,716	175,199
Guarantee deposits	859	-	-	-	859	859
Total	$6,093,879	$186,432	$367,670	$109,559	$6,757,540	$6,741,023

Further information for lease liabilities with repayment periods was as follows:

Item	Within 1 year	1-5 years	5-10 years	10-15 years	15-20 years	Over 20 years	Undiscounted payments
Lease liabilities	$81,538	$97,119	$13,059	$ -	$ -	$ -	$191,716

	December 31, 2023					
Non-derivative Financial liabilities	Within 1 year	1-2 years	2-5 years	Over 5 years	Contract Cash Flow	Carrying Value
Short-term loans	$457,581	$ -	$ -	$ -	$457,581	$457,581
Notes payable	31,067	-	-	-	31,067	31,067
Accounts payable	2,737,012	-	-	-	2,737,012	2,737,012
Other payables	941,732	221	325	-	942,278	942,278
Long-term loans	182,775	124,042	88,889	-	395,706	395,706
(Inclusive of current portion)						
Lease liabilities	106,577	78,942	61,481	17,519	264,519	228,769
Guarantee deposits	839	-	-	-	839	839
Total	$4,457,583	$203,205	$150,695	$ 17,519	$4,829,002	$4,793,252

Further information for lease liabilities with repayment periods was as follows:

Item	Within 1 year	1-5 years	5-10 years	10-15 years	15-20 years	Over 20 years	Undiscounted payments
Lease liabilities	$106,577	$140,423	$17,519	$ -	$ -	$ -	$264,519

Non-derivative Financial liabilities	June 30, 2023					
	Within 1 year	1-2 years	2-5 years	Over 5 years	Contract Cash Flow	Carrying Value
Short-term loans	$775,726	$ -	$ -	$ -	$775,726	$775,726
Notes payable	35,152	-	-	-	35,152	35,152
Accounts payable	2,284,718	-	24	-	2,284,742	2,284,742
Other payables	1,350,152	229	670	-	1,351,051	1,351,051
Long-term loans	120,947	189,372	135,455	-	445,774	445,774
(Inclusive of current portion)						
Bonds payable	-	-	1,200,000	-	1,200,000	1,129,338
Lease liabilities	87,800	71,824	61,439	-	221,063	210,741
Guarantee deposits	737	-	-	-	737	737
Total	$4,655,232	$261,425	$1,397,588	$ -	$6,314,245	$6,233,261

Further information for lease liabilities with repayment periods was as follows:

Item	Within 1 year	1-5 years	5-10 years	10-15 years	15-20 years	Over 20 years	Undiscounted payments
Lease liabilities	$87,800	$133,263	$ -	$ -	$ -	$ -	$221,063

The Group does not expect a maturity analysis of which the cash flows timing would be significantly earlier, or the actual amount would be significantly different.

2. Categories of financial instruments

The carrying value of financial assets and liabilities of the Group as of June 30, 2024, December 31, 2023 and June 30, 2023 was as follows:

Financial assets	June 30, 2024	December 31, 2023	June 30, 2023
Financial assets measured at amortized cost			
Cash and cash equivalents	$ 4,926,466	$ 4,030,886	$ 3,280,784
Notes and accounts receivable	3,757,223	3,079,399	3,197,116
Other receivables	126,226	100,710	105,382
Other financial assets - current	227,662	216,761	215,478
Refundable deposits	21,639	20,961	21,226
Financial asset at fair value through profit or loss - current	-	-	82,947
Financial asset at fair value through profit or loss -noncurrent	169,129	-	8,640
Financial asset at fair value through other comprehensive income or loss noncurrent	28,280	27,231	25,192

Financial liabilities			
Financial liabilities measured at amortized cost			
Short-term loans	769,493	457,581	775,726
Notes and accounts payable (including related parties)	3,200,751	2,768,079	2,319,894
Other payables (including related parties)	1,945,990	942,278	1,351,051
Lease liabilities (including current and noncurrent)	175,199	228,769	210,741
Long-term loans	648,731	395,706	445,774
Bonds payable	-	-	1,129,338
Guarantee deposits	859	839	737

(4) Fair value information

A. Details of the fair value of the Group’s financial assets and financial liabilities not measured at fair value are provided in Note 12(4) C. Details of the fair value of the Group's investment properties measured at cost are provided in Note 6(11).

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

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group’s investments in government bonds, corporate bonds, financial debentures, convertible bonds, and most derivative instruments is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group’s investments in some derivative instruments and equity instruments without active market is included in level 3.

C. Financial instruments that are not measured at fair value

The Group considers that the carrying amounts of financial instruments except those listed in the table below, including cash and cash equivalents, receivables, other financial assets, refundable deposits, short-term loans, payables, long-term loans and guarantee deposits that are not measured at fair value approximate their fair values.

June 30, 2024: None.

December 31, 2023: None.

	June 30, 2023			
		Fair value		
Item	Carrying amount	Level 1	Level 2	Level 3
Financial Liabilities:				
Bonds payable	$1,129,338	$1,944,000	$ -	$ -

D. The related information of fair value by level

The related information of financial instruments measured at fair value on a recurring basis by level is as follows:

	June 30, 2024			
Item	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through profit or loss:				
Convertible bonds	$ -	$ -	$169,129	$169,129
Financial assets at fair value through other comprehensive income or loss:				
Domestic unlisted stocks	-	-	28,280	28,280
Total	$ -	$ -	$197,409	$197,409

	December 31, 2023			
Item	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through profit or loss:				
Beneficiary certificates	$ -	$ -	$ -	$ -
Financial assets at fair value through other comprehensive income or loss:				
Domestic unlisted stocks	-	-	27,231	27,231
Total	$ -	$ -	$27,231	$27,231

Item	June 30, 2023 Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through profit or loss:				
Beneficiary certificates	$82,947	$ -	$ -	$82,947
Redemption and put options of convertible bonds	-	8,640	-	8,640
Financial assets at fair value through other comprehensive income or loss:				
Domestic unlisted stocks	-	-	25,192	25,192
Total	$82,947	$8,640	$25,192	$116,779

E. Valuation techniques of financial instruments valued at fair value:

(a) The fair value of financial assets and liabilities traded in an active market is based on the quoted market prices. The quotation, which is published by the main exchange center or that which was deemed to be a public bond by the Treasury Bureau of Center Bank, is included in the fair value of the listed securities instruments and the debt instruments in active markets with open bid.

A financial instrument is regarded as the quoted price in an active market if the quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency; and if those prices represent the actual and regularly occurring market transactions on an arm's length basis. Otherwise, the market is deemed to be inactive. Normally, a market is considered to be inactive when the bid-ask spread is increasing; or the bid-ask spread varies significantly; or there has been a significant decline in trading volume. The fair value of financial instruments with active markets held by the Company are stated by their natures and types as follows:

a. Open-end funds: net worth.

d. corporate bonds：Weighted average price of $100.

c. Convertible (exchangeable) corporate bonds: closing price.

(b) Except for the above-mentioned financial instruments traded in an active market, the fair value is based on the valuation techniques or the quotation from the counterparty. The fair value refers to the current fair value of the other financial instruments with similar conditions and characteristics, using a discounted cash flow analysis or other valuation techniques, such as calculations of using models, based on the information acquired from the market at the balance sheet date.

When the financial instrument of the Group is not traded in an active market, the fair value is determined based on the ratio of the quoted market price of the comparative company, its book value per share and its operating situation. Also, the fair value is discounted for its lack of liquidity in the market.

The assets measured by the fair value of the third level of the fair value hierarchy of the Group are used to measure the significant unobservable inputs of fair value.

June 30, 2024:

Item	Evaluation technology	Check the input value	interval	Input value and fair value relationship
Financial assets at fair value through profit or loss	Income Approach	Discount rate	6.45%	The higher the degree of discount rate, the lower the fair value estimate
Financial assets at fair value through other comprehensive income or loss	Market Approach	Lack of liquidity discount rate	16.48%-21.29%	The higher the degree of lack of liquidity, the lower the fair value estimate

December 31, 2023:

Item	Evaluation technology	Check the input value	interval	Input value and fair value relationship
Financial assets at fair value through other comprehensive income or loss	Market Approach	Lack of liquidity discount rate	18.71%-21.29%	The higher the degree of lack of liquidity, the lower the fair value estimate

June 30, 2023:

Item	Evaluation technology	Check the input value	interval	Input value and fair value relationship
Financial assets at fair value through other comprehensive income or loss	Market Approach	Lack of liquidity discount rate	14.08%-18.44%	The higher the degree of lack of liquidity, the lower the fair value estimate

F. There was no transfer between Level 1 and Level 2 for the six months ended June 30, 2024 and 2023

G. Changes in level 3 instruments as for the six months ended June 30, 2024 and 2023:

Item	Investment in unquoted financial instruments	
	Six Months Ended June 30	
	2024	2023
Beginning balance	$27,231	$ -
Addition	160,250	22,155
Recognized in income	8,879	-
Recognized in other comprehensive income	940	3,037
Effect of foreign exchange differences	109	-
Ending balance	$197,409	$25,192

H. Valuation process for Level 3 fair value measurement:

Valuation process regarding fair value Level 3 is conducted by the Group's finance department, by which the independence of fair value of financial instruments is verified though use of independent data source in order to make the valuation results close to market conditions. Such valuation results are regularly reviewed so as to ensure their reasonableness.

(5) Transfer of financial assets: None.

(6) Offset of financial assets and liabilities: None.

13. SUPPLEMENTARY DISCLOSURES

A. Significant transactions information (before consolidated elimination)

a. Loans provided to other parties: None.

b. Endorsements/guarantees provided: Table 1.

c. Marketable securities held: Table 2.

d. Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: None.

e. Acquisition of individual real estate properties at costs of at least NT$300 million or 20% of the paid-in capital: None.

f. Disposal of individual real estate properties at prices of at least NT$300 million or 20% of the paid-in capital: None.

g. Total purchases from or sales to related parties of at least NT$100 million or 20% of the paid-in capital: Table 3.

h. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 4.

i. Information about the derivative financial instruments transaction: None.

j. The business relationship between the parent and the subsidiaries and significant transactions between them: Table 5.

B. Information on investees (before consolidated elimination): Table 6.

C. Information on investments in Mainland China (before consolidated elimination): Table 7.

D. Information on major shareholders (including name of the shareholders with shareholding above 5%, shares held and shareholding ratio): Table 8.

Table 1

SUNONWEALTH ELECTRIC MACHINE INDUSTRY CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED

JUNE 30, 2024

(Amounts in Thousands of New Taiwan Dollars and Foreign Currencies)

No. (Note 1)	Endorser	Endorsee		Endorsement Limit for a Single Entity (Note 3)	Highest Balance During the Period	Ending Balance	Actual Amount Drawn	Balance Secured by Collaterals	Ratio of Accumulated Amount to Net Worth of the Company	Maximum Amount of Endorsement (Note 4)	Provision of Endorsements by Parent Company to Subsidiary	Provision of Endorsements by Subsidiary to Parent Company	Provision of Endorsements to the Party in Mainland China
		Company Name	Relationship (Note 2)										
0	Sunonwealth Electric Machine Industry Co., Ltd.	Sunon Electronic (Kunshan) Co., Ltd.	2	2,130,423	NTD 285,764 (USD 6,000; RMB 20,000)	NTD 188,414 (USD 3,000; RMB 20,000)	-	-	2.65%	3,550,705	Y	N	Y
0	Sunonwealth Electric Machine Industry Co., Ltd.	Sunon Electronic (Bei Hai) Co., Ltd.	2	2,130,423	NTD 688,246 (USD 17,000; RMB 30,000)	NTD 688,246 (USD 17,000; RMB 30,000)	NTD 68,298 (RMB 10,000)	-	9.69%	3,550,705	Y	N	Y
0	Sunonwealth Electric Machine Industry Co., Ltd.	Bei hai Li Zhun Electronic Co., Ltd.	2	2,130,423	NTD 376,828 (USD 6,000; RMB 40,000)	NTD 376,828 (USD 6,000; RMB 40,000)	-	-	5.31%	3,550,705	Y	N	Y
1	Sunon Electronic (Bei Hai) Co., Ltd.	Bei hai Li Zhun Electronic Co., Ltd.	1	166,801	NTD 45,532 (RMB 10,000)	NTD 45,532 (RMB 10,000)	NTD 45,532 (RMB 10,000)	-	5.46%	417,004	N	N	Y
2	Sunon Electronic (Kunshan) Co., Ltd.	Sunon Electronic (Bei Hai) Co., Ltd.	1	335,444	NTD 227,660 (RMB 50,000)	NTD 113,830 (RMB 25,000)	NTD 113,830 (RMB 25,000)	-	6.77%	838,611	N	N	Y
2	Sunon Electronic (Kunshan) Co., Ltd.	Bei hai Li Zhun Electronic Co., Ltd.	1	335,444	NTD 227,660 (RMB 50,000)	NTD 227,660 (RMB 50,000)	NTD 132,043 (RMB 29,000)	-	13.53%	838,611	N	N	Y

Note 1: The description of the number column is as follows:

(1) The issuer is represented in 0.

(2) The investee company is numbered sequentially from Arabic numeral 1.

Note 2: The following code represents the relationship with the Company:

1. Trading partner.
2. Majority owned subsidiary.
3. The Company directly and indirectly owns over 50% ownership of the investee company.
4. A subsidiary jointly owned over 90% by the Company.
5. Guaranteed by the Company according to the construction contract.
6. An investee company. The guarantees were provided based on the Company's proportionate share in the investee company.
7. Joint and several guaranteed by the Company according to the pre-construction contract under Consumer Protection Act.

Note 3: Endorsements/guarantees provided by the Company to a single enterprise and a single foreign affiliate shall not exceed 20% and 30% of the Company’s net worth, respectively.

Note 4: The maximum amount of the endorsements/guarantees provided by the Company shall not exceed 50% of the Company’s net worth.

Note 5: Sunonwealth Electric Machine Industry Co., Ltd. endorsed Sunon Electronic (Kunshan) Co., Ltd. and Bei hai Li Zhun Electronic Co., Ltd. to guarantee a shared quota of NTD 91,064 thousand (RMB 20,000 thousand).

Table 2

SUNONWEALTH ELECTRIC MACHINE INDUSTRY CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

JUNE 30, 2024

(Amounts in Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Securities Issuer	Financial Statement Account	Ending Balance				Note
				Number of Shares (in thousands)	Carrying Value	Percentage of Ownership	Fair Value	
Sunon wealth Electric Machine Industry Co., Ltd.	Convertible bonds – INNOVO,INC.	None	Financial assets at fair value through profit or loss-noncurrent	-	169,129	-	169,129	
	Stock – Technology on Prototyping Ultimate Co., Ltd.	None	Financial assets at fair value through other comprehensive income or loss-noncurrent	870	25,752	15.7%	25,752	
Sunon Electronic (Kunshan) Co., Ltd.	Stock – ACP HEAT TRANSFER TECH WUXI CO LTD	None	Financial assets at fair value through other comprehensive income or loss-noncurrent	-	2,528	10.0%	2,528	

Table 3

SUNONWEALTH ELECTRIC MACHINE INDUSTRY CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST

NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL

JUNE 30, 2024

(Amounts in Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationships	Transaction Details				Abnormal Transaction		(Notes/Accounts Payable) Or Receivable		Remarks
			Purchases/ Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Sunonwealth Electric Machine Industry Co., Ltd.	Sunon Electronic (Bei Hai) Co., Ltd.	Subsidiary	Sales	462,018	9.08%	3 to 4 months	-	-	791,963	22.65%	
	Sunon SAS	Subsidiary	Sales	152,883	3.00%	2 to 3 months	-	-	130,609	3.74%	
Sunon Electronic (Kunshan) Co., Ltd.	Sunonwealth Electric Machine Industry Co., Ltd.	Parent	Sales	977,253	41.80%	3 to 4 months	-	-	527,121	39.15%	
Sunon Electronics (Bei Hai) Co., Ltd.	Sunonwealth Electric Machine Industry Co., Ltd.	Parent	Sales	2,581,569	96.47%	3 to 4 months	-	-	1,453,429	94.35%	
Bei Hai Li Zhan Electronics Co., Ltd.	Sunon Electronic (Kunshan) Co., Ltd.	The ultimate parent company	Sales	268,796	25.14%	3 to 4 months	-	-	225,130	36.79%	
Sunon Electronics Philippines Corp.	Sunonwealth Electric Machine Industry Co., Ltd.	Parent	Sales	163,529	100.00%	2 to 3 months	-	-	95,545	100.00%	

Note: The above-mentioned parent-subsidiary transactions have been eliminated.

Table 4

SUNONWEALTH ELECTRIC MACHINE INDUSTRY CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL

JUNE 30, 2024

(Amounts in Thousands of New Taiwan Dollar and Foreign Currencies)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period (Note1)	Allowance for Impairment Loss
					Amount	Action Taken		
Sunonwealth Electric Machine Industry Co., Ltd.	Sunon Electronic (Bai Hai) Co., Ltd.	Subsidiary	NTD 791,963	3.18	-	-	NTD 172,937	-
	Sunon SAS	Subsidiary	NTD 130,609	2.12	-	-	NTD 46,560	-
Sunon Electronic (Kunshan) Co., Ltd.	Sunonwealth Electric Machine Industry Co., Ltd.	Parent	NTD 527,121 (RMB 115,769)	3.79	-	-	NTD 189,737 (RMB 41,671)	-
Sunon Electronic (Bei Hai) Co., Ltd.	Sunonwealth Electric Machine Industry Co., Ltd.	Parent	NTD 1,453,429 (RMB 319,210)	4.01	-	-	NTD 473,201 (RMB 103,927)	-
Bei Hai Li Zhan Electronics Co., Ltd.	Sunon Electronic (Kunshan) Co., Ltd.	The ultimate parent company	NTD 225,130 (RMB 49,443)	2.18	-	-	NTD 60,601 (RMB 13,310)	-

Note 1: Amounts collected as of August 8, 2024.

Note 2: The above-mentioned parent-subsidiary transactions have been eliminated.

Table 5

SUNONWEALTH ELECTRIC MACHINE INDUSTRY CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

JUNE 30, 2024

Individual transactions that amount to less than $50,000 thousand are not disclosed; disclose the asset or revenue side only. No further disclosure is needed on the opposing side of the same transaction

(Amounts in Thousands of New Taiwan Dollars)

No. (Note 1)	Company Name	Counter Party	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount	Terms (Note 4)	Percentage of Consolidated Total Revenue or Assets (Note 3)
0	Sunonwealth Electric Machine Industry Co., Ltd.	Sunon SAS	1	Sales	152,883	(Note4)	2.27%
				Accounts receivable	130,609		0.89%
		Sunon INC	1	Sales	75,899	(Note4)	1.13%
		SunonElectronic (BaiHai) Co., Ltd.	1	Sales	462,018	(Note4)	6.86%
				Accounts receivable	791,963		5.39%
1	Sunon Electronic (Kunshan) Co., Ltd.	Sunonwealth Electric Machine Industry Co., Ltd.	2	Sales	977,253	(Note4)	14.51%
				Accounts receivable	527,121		3.58%
2	Sunon Electronic (BeiHai) Co., Ltd.	Sunonwealth Electric Machine Industry Co., Ltd.	2	Sales	2,581,569	(Note4)	38.32%
				Accounts receivable	1,453,429		9.88%
3	Bei Hai Li Zhan Electronics Co., Ltd.	Sunon Electronic (Kunshan) Co., Ltd.	3	Sales	268,796	(Note4)	3.99%
				Accounts receivable	225,130		1.53%
		Sunon Electronics Philippines Corp.	3	Sales	89,014	(Note4)	1.32%
				Accounts receivable	67,540		0.46%
4	Sunon Electronics Philippines Corp.	Sunonwealth Electric Machine Industry Co., Ltd.	2	Sales	163,529	(Note4)	2.43%
				Accounts receivable	95,545		0.65%

Note 1: The description of the number column is as follows:

(1) The issuer is represented in 0.

(2) The investee company is numbered sequentially from Arabic numeral 1.

Note 2: There are three types of relationships with traders. The type of mark is as follows:

(1) No. 1 represents the transactions from parent company to subsidiary.

(2) No. 2 represents the transactions from subsidiary to parent company.

(3) No. 3 represents the transactions between subsidiaries.

Note 3: The ratio of transaction amount to consolidated revenues or total assets is calculated as follows:

(1) Asset/liability items: Ending balance to total assets;

(2) Profit and loss items: Accumulated amount to consolidated revenues.

Note 4: The prices and terms to related parties were not significantly different from transactions with third parties, except for particular transactions with no similar transactions to compare with. For these transactions, the prices and terms were determined in accordance with mutual agreements.

Note 5: The above-mentioned parent-subsidiary transactions have been eliminated.

Table 6

SUNONWEALTH ELECTRIC MACHINE INDUSTRY CO., LTD. AND SUBSIDIARIES

NAMES, LOCATIONS AND OTHER INFORMATION OF INVESTEE COMPANIES (EXCLUDING INVESTEE IN MAINLAND)

JUNE 30, 2024

(Amounts in Thousands of New Taiwan Dollars and Foreign Currencies)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of June 30, 2024			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Remark
				As of June 30, 2024	As of December 31, 2023	Shares (In Thousands)	Percentage of Ownership	Carrying Value			
Sunonwealth Electric Machine Industry Co., Ltd.	Successful Century Co., Ltd.	British Virgin Islands	Investments	1,136,933	1,136,933	33,880	100.00%	1,615,578	147,434	154,460	-
	BVI Sunon International Limited	British Virgin Islands	Investments	592,197	592,197	-	100.00%	1,170,520	286,962	288,742	-
	Sunon INC	USA	Manufacturing and sales of fans	49,140	49,140	150	100.00%	201,449	(15,767)	(16,718)	-
	Sunon SAS	France	Manufacturing and sales of fans	16,127	16,127	50	100.00%	79,047	(3,945)	(4,964)	-
	Sunonwealth Electric Machine Ind.(H.K.) Ltd.	Hong Kong	Manufacturing and sales of fans	3,428	3,428	800	99.99%	1,950	(17)	(17)	-
	Sunon Corporation	Japan	Manufacturing and sales of fans	4,470	4,470	4	100.00%	1,503	(32)	(32)	-
	Sunon Electronics India Private Limited	India	Manufacturing and sales of fans	4,880	4,880	1,100	99.99%	4,793	254	254	-
	Sunon Electronics Philippines Corp.	Philippines	Manufacturing and sales of fans	325,108	325,108	5,773	99.99%	191,105	(17,440)	(18,878)	-
	Sunon Properties Philippines Corp.	Philippines	Real estate development and investment	948,195	461,445	16,435	99.99%	874,604	(7,314)	(7,314)	-
			Total					4,140,549	390,135	395,533	

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of June 30, 2024			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Remark
				As of June 30, 2024	As of December 31, 2023	Shares (In Thousands)	Percentage of Ownership	Carrying Value			
Successful Century Co., Ltd.	Sunon Electronic (Kunshan) Co., Ltd.	China	Manufacturing and selling of fans	USD 34,431	USD 34,431	-	100.00%	USD 51,686	USD 4,386	USD 4,386	-
Sunon Electronic (Kunshan) Co., Ltd.	Suzhou Shengyixing Heat Transfer Technology Co., Ltd.	China	Manufacturing and selling of cooling equipment	RMB 6,188	RMB 6,188	-	49.00%	RMB 3,507	RMB (2,713)	RMB (1,329)	-
	Beihai Li Zhun Electronics Co., Ltd.	China	Manufacturing and selling of fans	RMB 20,000	RMB 20,000	-	33.33%	RMB 39,414	RMB 29,358	RMB 9,786	-
	Kunshan Fengxinrui Electronic Technology Co., Ltd.	China	Manufacturing and selling of fans and type electronic parts	RMB 500	-	-	25.00%	RMB 498	RMB (8)	RMB (2)	-
BVI Sunon International Limited	Sunon Electronic (Foshan) Co., Ltd.	China	General investment and trade	RMB 20,298	RMB 20,298	-	100.00%	RMB 100,521	RMB 19,630	RMB 19,630	-
	Sunon Electronic (Bei Hai) Co., Ltd.	China	Manufacturing and selling of new type electronic parts	RMB 63,732	RMB 63,732	-	100.00%	RMB 183,169	RMB 44,292	RMB 44,292	-
Sunon Electronic (Foshan) Co., Ltd.	Beihai Li Zhun Electronics Co., Ltd.	China	Manufacturing and selling of fans	RMB 40,000	RMB 40,000	-	66.67%	RMB 78,828	RMB 29,358	RMB 19,572	-
Sunon SAS	Sunon Deutschland GmbH	Germany	Sales of fans	EUR 25	EUR 25	-	100.00%	EUR 158	EUR 62	EUR 62	-

Note：The above-mentioned parent-subsidiary transactions have been eliminated.

Table 7

SUNONWEALTH ELECTRIC MACHINE INDUSTRY CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA

JUNE 30, 2024

（1）Mainland Investment Information:

(Amounts in Thousands of New Taiwan Dollars and Foreign Currencies)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2024	Investment Flows		Accumulated Outflow of Investment from Taiwan as of June 30, 2024	Net Income (Loss) of the Investee Company	Percentage of Ownership	Share of Profit/Loss (Note 2)	Carrying Amount as of June 30, 2024	Accumulated Inward Remittance of Earnings as of June 30, 2024
					Outflow	Inflow						
Sunon Electronic (Kunshan) Co., Ltd.	Manufacturing and selling of fans	NTD1,148,456 (USD 34,431) (Note 6)	(2)	NTD 1,136,673 (USD 33,880)	-	-	NTD 1,136,673 (USD 33,880)	NTD 139,956 (USD 4,386)	100%	NTD 139,956 (USD 4,386) (2).B	NTD 1,677,222 (USD 51,686)	NTD 758,091 (USD 25,740)
Sunon Electronic (Foshan) Co., Ltd.	General investment and trade	NTD 84,089 (USD 2,600) (Note 7)	(2)	NTD 237,078 (USD 7,180)	-	-	NTD 237,078 (USD 7,180)	NTD 88,154 (RMB 19,630)	100%	NTD 88,154 (RMB 19,630) (2).C	NTD 457,692 (RMB 100,521)	NTD 751,056 (USD 25,095)
Sunon Electronic (Bei Hai) Co., Ltd.	Manufacturing and selling of new type electronic parts	NTD 293,115 (USD 10,000)	(2)	NTD 293,115 (USD 10,000)	-	-	NTD 293,115 (USD 10,000)	NTD 198,904 (RMB 44,292)	100%	NTD 198,904 (RMB 44,292) (2).B	NTD 834,007 (RMB 183,169)	NTD 1,052,650 (USD 34,825)
Suzhou Shengyixing Heat Transfer Technology Co., Ltd.	Manufacturing and selling of cooling equipment	NTD 51,983 (RMB 12,000)	(3)	- (Note 5)	-	-	- (Note 5)	NTD -12,184 (RMB -2,713)	49%	NTD -5,970 (RMB -1,329) (2).C	NTD 15,969 (RMB 3,507)	-
Beihai Li Zhun Electronic Co., Ltd.	Manufacturing and selling of fans	NTD 265,311 (RMB 60,000)	(3)	- (Note 8)	-	-	- (Note 8)	NTD 131,840 (RMB 29,358)	100%	NTD 131,840 (RMB 29,358) (2).C	NTD 538,379 (RMB 118,242)	-
Kunshan Fengxinrui Electronic Technology Co., Ltd.	Manufacturing and selling of fans and type electronic parts	NTD 9,116 (RMB 2,000)	(3)	- (Note 5)	-	-	- (Note 5)	NTD -35 (RMB -8)	25%	NTD -9 (RMB -2) (2).C	NTD 2,268 (RMB 498)	-

Accumulated Investment in Mainland China as of June 30, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
NTD 1,136,673 (USD 33,880) NTD 237,078 (USD 7,180) NTD 293,115 (USD 10,000)	USD 34,000 USD 8,000 USD 10,000	(Note 4)

Note: Gain and loss on investment are translated using average exchange rates for the three months ended June 30, 2024 (USD:NTD 1:31.907; CYN:NTD 1:4.4907). Additions and ending balance are translated using the exchange rates as at June 30, 2024 (USD:NTD 1:32.45; CYN:NTD 1:4.5532)

Note 1: The investment methods are divided into the following three types:

(1) Investing directly to the Mainland China;

(2) Reinvesting in the Mainland China through third-region companies (please refer to Table 6);

(3) Others.

Note 2: In the current period, the investment profit and loss column is recognized:

(1) If during incorporation with no investment income or loss, it should be indicated;

(2) The basis for recognition of investment gains and losses divided into the following three types, which should be indicated:

A. Audited financial statements by international accounting firms with cooperation relationship with accounting firms in the Republic of China.

B. Audited financial statements by parent company's auditors.

C. Others.

Note 3: The relevant figures in this form should be listed in New Taiwan Dollars.

(2) The Group's major transactions for the nine months ended June 30,2024 directly or indirectly through the third place and the mainland invested company are listed as follows:

1. Financing between the Company and investees in China: None.
2. Endorsement and guarantee provided by the Company for investees in China: Table 1 attached in Note 13.
3. Significant transactions between the Company and investees in China: Table 3 attached ~ Table 5 attached in Note 13.

Note 4: Enterprises approved by the Ministry of Economic Affairs as the operational headquarters are not subject to the amount or proportion.

Note 5: It is invested by Sunon Electronic (Kunshan) Co., Ltd.

Note 6: The Board of Directors of Sunon Electronic (Kunshan) Co., Ltd., resolved on March 15, 2021 to increase capital out of retained earnings for USD 431 thousand, and completed registration on March 25, 2021.

Note 7: The Board of directors of Sunon Electronic (Foshan) Co., Ltd. approved in January 2021 to reduce capital by cash return for USD 13,660 thousand. Issued capital after capital reduction was USD 10,000 thousand. Company registration was completed. The Board of directors of Sunon Electronic (Foshan) Co., Ltd. approved in March 9, 2022 to reduce capital to offset accumulated deficits for USD 5,400 thousand. Issued capital after capital reduction was USD 4,600 thousand. Company registration was completed. The Board's of directors of Sunon Electronic (Foshan) Co., Ltd. approved in June 2023 to reduce capital by cash retarn for USD 2,000 thousand. Issued capital after capital redaction was USD 2,600 thousand. Company registration was completed.

Note 8: It is invested by Sunon Electronic (Foshan) Co., Ltd. and Sunon Electronic (Kunshan) Co., Ltd.

Note 9: The above-mentioned parent-subsidiary transactions have been eliminated.

Table 8

SUNONWEALTH ELECTRIC MACHINE INDUSTRY CO., LTD. AND SUBSIDIARIES

INFORMATION ON MAJOR SHAREHOLDERS

JUNE 30, 2024

(Unit: share)

Name of Major Shareholder / Shares	Number of Shares	Percentage of Ownership (%)
Yo Yuan Investment Corporation	15,000,000	5.48%
Fu-Ing Hong Chen	14,707,000	5.37%

Note: The information of major shareholders is based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (included treasury shares) by the Company as of March 31, 2023. The share capital in consolidated financial report may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

14.SEGMENT INFORMATION

(1) General information

The Group's reportable segments represent the strategic business units that sell products to different areas, have revenue as well as occur expenses. The chief operating decision-maker manages and supervises the reportable segments separately because each segment needs different product and marketing strategies, and then to allocate resources and assess segment performance. The Group's reportable segments are as follows:

A. Great China: Mainly engaging business in Taiwan and China.

B. Europe and North America: Mainly engaging business in America and Europe.

C. Other: In addition to the above areas.

(2) Measurement Basis

The Group uses profit before income tax as the measurement for segment profit and the basis of performance assessment. The accounting policies of the operating segments and the accounting policies described in Note 4 of the consolidated financial statements are the same.

(3) Segment financial information

(In thousands)

Three Months Ended June 30, 2024	Great China	Europe and North America	Other Areas	Elimination	Total
Sales from external customers	$3,527,935	$148,959	$ -	$ -	$3,676,894
Sales among inter-segment	2,663,513	188	120,033	(2,783,734)	-
Total sales	$6,191,448	$149,147	$120,033	($2,783,734)	$3,676,894
Operating profit (loss)	$793,997	$4,890	($9,966)	($235,492)	$553,429

a. Total reporting segment sales should eliminate inter-segment sales of $2,783,734 thousand.

b. Income tax expense of $174,288 thousand is not included in segment profit (loss).

(In thousands)

Three Months Ended June 30, 2023	Great China	Europe and North America	Other Areas	Elimination	Total
Sales from external customers	$3,011,255	$268,565	$ -	$ -	$3,279,820
Sales among inter-segment	2,401,369	-	25,054	(2,426,423)	-
Total sales	$5,412,624	$268,565	$25,054	($2,426,423)	$3,279,820
Operating profit (loss)	$846,888	$26,092	($14,345)	($319,405)	$539,230

a. Total reporting segment sales should eliminate inter-segment sales of $2,426,423 thousand.

b. Income tax expense of $107,640 thousand is not included in segment profit (loss).

(In thousands)

Six Months Ended June 30, 2024	Great China	Europe and North America	Other Areas	Elimination	Total
Sales from external customers	$6,407,749	$329,209	$ -	$ -	$6,736,958
Sales among inter-segment	4,791,084	188	163,529	(4,954,801)	-
Total sales	$11,198,833	$329,397	$163,529	($4,954,801)	$6,736,958
Operating profit (loss)	$1,425,348	($19,712)	($24,461)	($412,441)	$968,734
Segment assets	$ -	$ -	$ -	$ -	$14,705,526
Segment liabilities	$ -	$ -	$ -	$ -	$7,604,116

a. Total reporting segment sales should eliminate inter-segment sales of $4,954,801 thousand.

b. Income tax expense of $263,137 thousand is not included in segment profit (loss).

(In thousands)

Six Months Ended June 30, 2023	Great China	Europe and North America	Other Areas	Elimination	Total
Sales from external customers	$5,749,512	$605,635	$ -	$ -	$6,355,147
Sales among inter-segment	4,644,520	-	45,100	(4,689,620)	-
Total sales	$10,394,032	$605,635	$45,100	($4,689,620)	$6,355,147
Operating profit (loss)	$1,366,187	$71,938	($30,699)	($504,103)	$903,323
Segment assets	$ -	$ -	$ -	$ -	$12,276,859
Segment liabilities	$ -	$ -	$ -	$ -	$6,795,728

a. Total reporting segment sales should eliminate inter-segment sales of $4,689,620 thousand.

b. Income tax expense of $193,744 thousand is not included in segment profit (loss).

(4) Production information: No disclosure requirement for interim financial statements.

(5) Geographic information: No disclosure requirement for interim financial statements.

(6) Major customer information: No disclosure requirement for interim financial statements.