

SUNONWEALTH ELECTRIC MACHINE INDUSTRY CO., LTD.
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024
AND
INDEPENDENT AUDITORS' REVIEW REPORT

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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 March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months then ended, and notes to the consolidated financial statements (including a summary of significant accounting policies). Management is responsible for the preparation and fair presentation of 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.

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 \$2,007,705 thousand and \$1,291,160 thousand, representing 12.68% and 9.71% of the consolidated assets, and their total liabilities amounted to \$519,575 thousand and \$382,732 thousand, representing 7.05% and 6.81% of the consolidated liabilities as of March 31, 2025 and 2024, respectively; as well as their total comprehensive income amounted to \$14,722 thousand and (\$11,538) thousand, representing 2.72% and (2.55%) of the consolidated comprehensive income for the three months ended March 31, 2025 and 2024, 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 \$15,911 thousand and \$19,467 thousand, representing 0.10% and 0.15% of the consolidated assets as of March 31, 2025 and 2024, and share of profit (loss) of these associates accounted for using equity method amounted to (\$1,999) thousand and (\$2,304) thousand, representing (0.34%) and (0.55%) of the consolidated income before income tax for the three months ended March 31, 2025 and 2024, 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 ended March 31, 2025 and 2024. 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 March 31, 2025 and 2024, its consolidated financial performance and its consolidated cash flows for the three months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" as endorsed 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
May 8, 2025

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)

Assets	Note	March 31, 2025		December 31, 2024		March 31, 2024	
		Amount	%	Amount	%	Amount	%
CURRENT ASSETS							
Cash and cash equivalents	6(1)	\$5,279,220	33.3	\$4,678,438	31.2	\$4,450,089	33.4
Notes receivable, net	6(2)	15,635	0.1	5,749	-	24,568	0.2
Accounts receivable, net	6(3)	4,429,026	28.0	4,097,028	27.3	3,196,178	24.0
Other receivables		119,436	0.7	144,504	1.0	93,902	0.7
Current tax assets		19,160	0.1	18,624	0.1	13,706	0.1
Inventories	6(4)	2,179,316	13.8	2,180,914	14.6	2,120,667	16.0
Prepayments		103,620	0.7	84,871	0.6	88,703	0.7
Other financial assets - current	6(5)	-	-	228,041	1.5	225,511	1.7
Total current assets		12,145,413	76.7	11,438,169	76.3	10,213,324	76.8
NONCURRENT ASSETS							
Current financial assets at fair value through profit or loss - noncurrent	6(6)	179,871	1.1	173,170	1.2	-	-
Financial assets at fair value through other comprehensive income or loss - noncurrent	6(7)	30,619	0.2	31,549	0.2	27,982	0.2
Investments accounted for using equity method	6(8)	15,911	0.1	17,676	0.1	19,467	0.2
Property, plant and equipment	6(9)	2,509,758	16.0	2,460,697	16.4	2,208,248	16.6
Right-of-use assets	6(10)	663,908	4.2	617,290	4.1	587,717	4.4
Investment properties, net	6(11)	84,279	0.5	84,371	0.6	84,646	0.6
Intangible assets	6(12)	51,679	0.3	53,211	0.4	55,121	0.4
Deferred income tax assets	6(28)	114,366	0.7	93,367	0.6	67,119	0.5
Refundable deposits		25,649	0.2	21,428	0.1	20,404	0.2
Other noncurrent assets - others		8,406	-	7,433	-	8,077	0.1
Total noncurrent assets		3,684,446	23.3	3,560,192	23.7	3,078,781	23.2
TOTAL ASSESTS		\$15,829,859	100.0	\$14,998,361	100.0	\$13,292,105	100.0
Liabilities and Equity							
CURRENT LIABILITIES							
Short-term loans	6(13)	\$1,056,180	6.7	\$927,601	6.2	\$587,490	4.4
Contract liabilities - current	6(22)	97,528	0.6	109,304	0.7	140,287	1.1
Notes payables		21,817	0.1	28,095	0.2	36,342	0.3
Accounts payable		3,642,120	23.0	3,434,772	22.9	2,888,740	21.8
Other payables	6(14)	989,332	6.2	1,152,199	7.7	815,050	6.1
Current tax liabilities		241,394	1.5	164,177	1.1	148,042	1.1
Provisions - current	6(15)	63,673	0.4	61,697	0.4	54,881	0.4
Lease liabilities - current	6(10)	93,065	0.6	82,041	0.6	84,586	0.6
Current portion of long-term loans	6(16)	123,055	0.8	122,333	0.8	186,377	1.4
Total current liabilities		6,328,164	39.9	6,082,219	40.6	4,941,795	37.2

Liabilities and Equity	Note	March 31, 2025		December 31, 2024		March 31, 2024	
		Amount	%	Amount	%	Amount	%
NONCURRENT LIABILITIES							
Long-term loans	6(16)	432,292	2.7	478,426	3.2	167,885	1.3
Deferred income tax liabilities	6(28)	448,699	2.9	384,761	2.5	350,856	2.6
Lease liabilities - noncurrent	6(10)	141,712	0.9	113,168	0.8	132,121	1.0
Net defined benefit liabilities - noncurrent	6(17)	16,403	0.1	18,148	0.1	27,005	0.2
Guarantee deposits		1,390	-	1,377	-	855	-
Total noncurrent liabilities		1,040,496	6.6	995,880	6.6	678,722	5.1
Total Liabilities		\$7,368,660	46.5	\$7,078,099	47.2	\$5,620,517	42.3
EQUITY							
Share capital	6(18)						
Ordinary shares		\$2,734,437	17.3	2,734,437	18.2	\$2,734,437	20.6
Capital surplus	6(19)	1,518,788	9.6	1,518,788	10.1	1,518,788	11.4
Retained earnings	6(20)						
Legal reserve		1,129,127	7.1	1,129,127	7.5	995,720	7.5
Special reserve		300,185	1.9	300,185	2.0	257,757	1.9
Unappropriated earnings		2,846,582	18.0	2,374,387	15.9	2,338,667	17.6
Other equity	6(21)	(67,920)	(0.4)	(136,662)	(0.9)	(173,781)	(1.3)
Total equity attributable to owners of the parent		8,461,199	53.5	7,920,262	52.8	7,671,588	57.7
NON-CONTROLLING INTERESTS		-	-	-	-	-	-
Total equity		8,461,199	53.5	7,920,262	52.8	7,671,588	57.7
TOTAL LIABILITIES AND EQUITY		\$15,829,859	100.0	\$14,998,361	100.0	\$13,292,105	100.0

The accompanying notes are an integral part of the parent company only 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 March 31			
		2025		2024	
	Note	Amount	%	Amount	%
OPERATING REVENUES	6(22)	\$4,162,103	100.0	\$3,060,064	100.0
OPERATING COSTS	6(4)	(2,944,425)	(70.7)	(2,260,800)	(73.9)
GROSS PROFIT		1,217,678	29.3	799,264	26.1
OPERATING EXPENSES					
Sales and marketing		(264,105)	(6.4)	(166,959)	(5.5)
General and administrative		(187,014)	(4.5)	(163,652)	(5.3)
Research and development		(251,412)	(6.0)	(195,047)	(6.3)
Expected credit loss (gain)	6(3)	425	-	1,298	-
Total operating expenses		(702,106)	(16.9)	(524,360)	(17.1)
INCOME FROM OPERATIONS		515,572	12.4	274,904	9.0
NON-OPERATING INCOME AND EXPENSES					
Interest income	6(24)	31,911	0.8	34,020	1.1
Other income	6(25)	60,922	1.4	18,013	0.6
Other gains and losses	6(26)	(15,600)	(0.4)	97,617	3.2
Finance costs	6(27)	(10,769)	(0.3)	(6,945)	(0.2)
Share of gain (loss) of associates and joint ventures accounted for using equity method		(1,999)	-	(2,304)	(0.1)
Total non-operating income and expenses		64,465	1.5	140,401	4.6
INCOME BEFORE INCOME TAX		580,037	13.9	415,305	13.6
INCOME TAX EXPENSE	6(28)	(107,842)	(2.6)	(88,849)	(2.9)
NET INCOME		472,195	11.3	326,456	10.7
OTHER COMPREHENSIVE INCOME (LOSS)	6(29)				
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		(963)	-	664	-
Exchange differences on translation of foreign operations		87,131	2.1	157,175	5.1
Income tax (expense) benefit related to items that may be reclassified subsequently to profit or loss		(17,426)	(0.4)	(31,435)	(1.0)
Total other comprehensive income (loss), net of income tax		68,742	1.7	126,404	4.1
TOTAL COMPREHENSIVE INCOME		\$540,937	13.0	\$452,860	14.8
NET INCOME ATTRIBUTABLE TO:					
Owners of the parent		472,195	11.3	326,456	10.7
Non-controlling interests		-	-	-	-
Total		\$472,195	11.3	\$326,456	10.7
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Owners of the parent		\$540,937	13.0	\$452,860	14.8
Non-controlling interests		-	-	-	-
Total		\$540,937	13.0	\$452,860	14.8
EARNINGS PER SHARE					
Basic	6(30)	\$1.73		\$1.19	
Diluted	6(30)	\$1.72		\$1.19	

The accompanying notes are an integral part of the parent company only 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										
						Others Equity					
	Capital Stock			Retained Earnings		Exchange Differences on	Unrealized Gain (Loss) on Financial	Total Equity			
	Ordinary Share	Certificate of Bond Exchange Rights	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Translating foreign Operations	Assets at Fair Value Through Other Comprehensive income	Attributable to Shareholders of the Parent	Non-controlling Interests	Total Equity
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
Net income for the three months ended March 31, 2024	-	-	-	-	-	326,456	-	-	326,456	-	326,456
Other comprehensive income (loss) for the three months ended March 31, 2024, net of income tax	-	-	-	-	-	-	125,740	664	126,404	-	126,404
Total comprehensive income for the three months ended March 31, 2024, net of income tax	-	-	-	-	-	326,456	125,740	664	452,860	-	452,860
Bond conversion entitlement certificate	9,194	(9,194)									
Increase (decrease) in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-
BALANCE AT MARCH 31, 2024	\$2,734,437	\$ -	\$1,518,788	\$995,720	\$257,757	\$2,338,667	(\$179,508)	\$5,727	\$7,671,588	\$ -	\$7,671,588
BALANCE AT JANUARY 1, 2025	\$2,734,437		\$1,518,788	\$1,129,127	\$300,185	\$2,374,387	(\$145,931)	\$9,269	\$7,920,262	\$ -	\$7,920,262
Net income for the three months ended March 31, 2025	-	-	-	-	-	472,195	-	-	472,195	-	472,195
Other comprehensive income (loss) for the three months ended March 31, 2025, net of income tax	-	-	-	-	-	-	69,705	(963)	68,742	-	68,742
Total comprehensive income for the three months ended March 31, 2025, net of income tax	-	-	-	-	-	472,195	69,705	(963)	540,937	-	540,937
Increase (decrease) in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-
BALANCE AT MARCH 31, 2025	\$2,734,437	\$ -	\$1,518,788	\$1,129,127	\$300,185	\$2,846,582	(\$76,226)	\$8,306	\$8,461,199	\$ -	\$8,461,199

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)

	Three Months Ended March 31	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$580,037	\$415,305
Adjustments :		
Adjustments to reconcile profit (loss)		
Depreciation	113,079	101,680
Amortization	18,936	21,004
Expected credit loss (gain)	(425)	(1,298)
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	(6,701)	-
Interest expense	10,769	6,945
Interest income	(31,911)	(34,020)
Share of loss (profit) of associates and joint ventures accounted for using equity method	1,999	2,304
Loss (gain) on disposal and retirement of property, plant and equipment	139	-
Transfer of property, plant and equipment to expenses	1,244	38
Loss (gain) on disposal of other assets	-	(38)
Total adjustments to reconcile profit (loss)	107,129	96,615
Net changes in operating assets and liabilities		
Decrease (increase) in notes receivable	(9,886)	5,522
Decrease (increase) in accounts receivable	(331,621)	(145,667)
Decrease (increase) in other receivables	15,269	16,879
Decrease (increase) in inventories	271	(71,402)
Decrease (increase) in prepayments	(28,022)	(16,404)
Decrease (increase) in other financial assets	228,041	(8,750)
Total changes in operating assets	(125,948)	(219,822)
Net changes in operating liabilities		
Increase (decrease) in contract liabilities	(11,776)	30,747
Increase (decrease) in notes payable	(6,278)	5,275
Increase (decrease) in accounts payable	207,348	151,728
Increase (decrease) in other payables	(130,529)	(119,727)
Increase (decrease) in provisions	1,195	1,181
Increase (decrease) in advance receipts	-	(571)
Increase (decrease) in net defined benefit liabilities	(1,745)	(1,726)
Total changes in operating liabilities	58,215	66,907
Total net changes in operating assets and liabilities	(67,733)	(152,915)
Total adjustments	39,396	(56,300)

	Three Months Ended March 31	
	2025	2024
Cash generated from (used in) operations	\$619,433	\$359,005
Interest received	41,710	24,009
Interest paid	(10,623)	(7,960)
Income tax paid	(5,648)	(6,168)
Net cash generated from (used in) operating activities	644,872	368,886
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(147,197)	(78,563)
Increase in refundable deposits	(4,221)	-
Decrease in refundable deposits	-	557
Acquisition of intangible assets	(5,691)	(35,373)
Increase in other noncurrent assets	(975)	(5,524)
Net cash used in investing activities	(158,084)	(118,903)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	128,579	129,909
Repayment of long-term loans	(45,412)	(41,444)
Increase in guarantee deposits	13	16
Repayments of lease principal	(18,972)	(14,292)
Net cash generated from (used in) financing activities	64,208	74,189
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	49,786	95,031
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	600,782	419,203
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	4,678,438	4,030,886
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$5,279,220	\$4,450,089

The accompanying notes are an integral part of the parent company only financial statements.

SUNONWEALTH ELECTRIC MACHINE INDUSTRY CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2025 and 2024

(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 has no ultimate parent company.

The consolidated financial statements are presented in the Company'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 May 8, 2025.

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 2025 are as follows:

New IFRSs	Effective Date Announced by IASB
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025

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:

New standards, interpretations and amendments endorsed by the FSC and effective from 2025 are as follows:

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 Partial amendments to the Application Guidance on the Classification of Financial Assets	January 1, 2026

A. The FSC has endorsed partial amendments stipulating that, if an entity elects to early apply only the amendments to the application guidance of Section 4.1 of IFRS 9 (Classification of Financial Assets), it shall concurrently apply paragraphs 20B, 20C, and 20D of IFRS 7. The details of the amendments are as follows:

(A) 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.

(B) 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.

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

(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 Partial amendments to the Application Guidance on the Classification of Financial Assets	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Nature-dependent electricity"	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
Annual Improvements to IFRS Accounting Standards — Volume 11	January 1, 2026

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 Partial amendments to the Application Guidance on the Classification of Financial Assets

The FSC has endorsed partial amendments, and the parts not yet endorsed are as follows:

(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) 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. Recognition of the gain or loss from the sale or contribution of assets depends on whether the assets constitute a business.

(A) The gain or loss resulting from the sale or contribution of assets that constitute a business, between an investor and its associate or joint venture is recognized in full;

- (B) The partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business.
- 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.

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, 2024. 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, 2024.

(2) Basis of preparation

- A. Except for the following items, these 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 compliance 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. Basis for preparation of consolidated financial statements:

- a. All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- b. Inter-company transactions, balances and 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		
		March 31, 2025	December 31, 2024	March 31, 2024
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%
Sunon Cooling Technology (Thailand) Co.,Ltd	Manufacture and pin of heat dissipation modules	100.00% (refer to B.b.I)	-	-
	Sales of all kinds of electronics, motors			
	Import and wholesale of components and components			
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%
Sunon Cooling Technology (Huizhou)Co., Ltd.	Liquid cooling and heat dissipation related products Manufacture and sale of goods	100.00% (refer to B.b.II)	-	-

Investee / Subsidiary	Main Businesses	Percentage of Ownership		
		March 31, 2025	December 31, 2024	March 31, 2024
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:

I. The Group established Sunon Cooling Technology (Thailand) Co., Ltd. in March 2025, which was invested by Sunonwealth Electric Machine Industry Co., Ltd. with 100.00% shareholding.

II. The Group established Sunon Cooling Technology (Huizhou) Co., Ltd. in February 2025, which was invested by Sunonwealth Electric Machine Industry Co., Ltd. with 100.00% shareholding.

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 those applied in the preparation of the consolidated financial statements for the year ended December 31, 2024.

6. CONTENTS OF SIGNIFICANT ACCOUNTS

Except for the following, please refer to Note 6 to the consolidated financial statements for year ended December 31, 2024.

(1) Cash and cash equivalents

Item	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand	\$1,078	\$1,093	\$742
Cash in banks	4,579,054	3,678,647	4,449,347
Cash equivalents			
Short term notes with original maturities within three months	699,088	998,698	-
Total	<u>\$5,279,220</u>	<u>\$4,678,438</u>	<u>\$4,450,089</u>

A. The financial institutions dealing with the Group are credit worthy, and the Group does transactions with a number of financial institutions to diversify credit risk that are unlikely to be expected to default

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

(2) Notes receivable, net

Item	March 31, 2025	December 31, 2024	March 31, 2024
At amortized cost			
Notes receivable	\$15,659	\$5,773	\$24,592
Less: Loss allowance	(24)	(24)	(24)
Net	<u>\$15,635</u>	<u>\$5,749</u>	<u>\$24,568</u>

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

B. Please refer to Note 6(3) for the relevant disclosure of loss allowance for notes receivable.

(3) Accounts receivable, net

Item	March 31, 2025	December 31, 2024	March 31, 2024
At amortized cost			
Accounts receivable	\$4,440,756	\$4,109,135	\$3,203,423
Less: Loss allowance	(11,730)	(12,107)	(7,245)
Net	<u>\$4,429,026</u>	<u>\$4,097,028</u>	<u>\$3,196,178</u>

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 had 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 provision matrix:

March 31, 2025	Expected Credit Loss Rate	Gross Carrying Amount	Loss Allowance (Lifetime ECL)	Amortized Cost
Not past due	0.05%-5%	\$4,188,587	\$(10,871)	\$4,177,716
Past due within 30 days	0.05%-5%	367,939	(770)	367,169
Past due 31-90 days	0.05%-5%	19,137	(13)	19,124
Past due over 91 days	0.05%-5%	188	(100)	88
Total		<u>\$4,575,851</u>	<u>\$(11,754)</u>	<u>\$4,564,097</u>

December 31, 2024	Expected Credit Loss Rate	Gross Carrying Amount	Loss Allowance (Lifetime ECL)	Amortized Cost
Not past due	0.05%-5%	\$4,059,669	\$(11,327)	\$4,048,342
Past due within 30 days	0.05%-5%	182,451	(471)	181,980
Past due 31-90 days	0.05%-5%	16,768	(235)	16,533
Past due over 91 days	0.05%-5%	524	(98)	426
Total		<u>\$4,259,412</u>	<u>\$(12,131)</u>	<u>\$4,247,281</u>

March 31, 2024	Expected Credit Loss Rate	Gross Carrying Amount	Loss Allowance (Lifetime ECL)	Amortized Cost
Not past due	0.05%-5%	\$3,091,760	\$(6,919)	\$3,084,841
Past due within 30 days	0.05%-5%	219,137	(248)	218,889
Past due 31-90 days	0.05%-5%	10,179	(4)	10,175
Past due over 91 days	0.05%-5%	841	(98)	743
Total		<u>\$3,321,917</u>	<u>\$(7,269)</u>	<u>\$3,314,648</u>

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

	Three Months Ended March 31	
	2025	2024
Beginning balance	\$12,131	\$8,471
Add: Provision for impairment	-	-
Less: Reversal of impairment	(425)	(1,298)
Less: Write-offs	-	-
Less: Foreign exchange differences	48	96
Ending balance	<u>\$11,754</u>	<u>\$7,269</u>

The above provision has already taken into consideration of collateral or other credit enhancement. The other credit enhancement possessed by above receivables was \$1,564,547 thousand, \$1,648,891 thousand and \$1,327,289 thousand as of March 31, 2025, December 31, 2024 and March 31, 2024, 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 \$0 thousand for the three months ended March 31, 2025 and 2024.

G. Please refer to Note 12 for the relevant credit risk management and assessment method.

(4) Inventories and operating costs

Item	March 31, 2025	December 31, 2024	March 31, 2024
Raw materials	\$786,642	\$660,396	\$729,259
Supplies	25,687	24,253	25,378
Work in process	284,003	256,323	276,639
Finished goods	1,082,984	1,239,942	1,089,391
Net	<u>\$2,179,316</u>	<u>\$2,180,914</u>	<u>\$2,120,667</u>

A. The related inventory gain (loss) recognized as operating cost for the three months ended March 31, 2025 and 2024 were as follows:

Item	Three Months Ended March 31	
	2025	2024
Cost of goods sold	\$2,905,100	\$2,225,543
Unallocated overheads and labor cost	20,560	22,081
Gain (loss) on inventory valuation	26,789	4,648
Others	(8,024)	8,528
Total	<u>\$2,944,425</u>	<u>\$2,260,800</u>

B. The Group recognized inventory valuation loss (gain) of \$26,789 and \$4,648 thousand for the three months ended March 31, 2025 and 2024, 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 had no inventories pledged to others.

(5) Other financial assets - current

Item	March 31, 2025	December 31, 2024	March 31, 2024
Time deposits with maturities of more than three months	\$ -	\$228,041	\$225,511

(6) Financial assets at fair value through profit or loss - noncurrent

Item	March 31, 2025	December 31, 2024	March 31, 2024
Non-derivative financial assets-noncurrent			
Convertible bonds	\$179,871	\$173,170	\$ -

A. The Group recognized net gain (loss) of financial assets at fair value through profit or loss of \$6,701 thousand and \$0 thousand for the three months ended March 31, 2025 and 2024, respectively.

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

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

Item	March 31, 2025	December 31, 2024	March 31, 2024
Equity instruments			
Unlisted stocks	\$30,619	\$31,549	\$27,982

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	March 31, 2025	December 31, 2024	March 31, 2024
Associates:			
Associates without significance	\$15,911	\$17,676	\$19,467

A. Associates:

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

	Three Months Ended March 31	
	2025	2024
Share of:		
Net gain (loss)	\$(1,999)	\$(2,304)
Other comprehensive income (loss) (net after tax)	-	-
Total comprehensive income (loss)	\$(1,999)	\$(2,304)

B. For the three months ended March 31, 2025 and 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	March 31, 2025	December 31, 2024	March 31, 2024
Land	\$820,335	\$820,335	\$820,335
Buildings	566,329	571,866	482,681
Machinery and equipment	1,408,278	1,307,669	1,173,708
Miscellaneous equipment	815,434	764,728	683,196
Leasehold improvements	366,641	359,569	346,548
Equipment to be inspected and construction in progress	147,458	145,782	80,304
Total cost	\$4,124,475	\$3,969,949	\$3,586,772
Less: Accumulated depreciation and impairment	(1,614,717)	(1,509,252)	(1,378,524)
Net	\$2,509,758	\$2,460,697	\$2,208,248

	Land	Buildings	Machinery and Equipment	Miscellaneous Equipment	Leasehold Improvement	Equipment to be Inspected and Construction in Progress	Total
Cost							
Balance at January 1, 2025	\$820,335	\$571,866	\$1,307,669	\$764,728	\$359,569	\$145,782	\$3,969,949
Additions	-	1,620	6,978	19,608	962	85,411	114,579
Disposals	-	(12,112)	(3,312)	(1,604)	-	-	(17,028)
Reclassification	-	-	67,892	16,115	1,216	(85,223)	-
Transfer to expenses	-	-	-	-	-	(1,244)	(1,244)
Effect of foreign currency exchange differences	-	4,955	29,051	16,587	4,894	2,732	58,219
Balance at March 31, 2025	\$820,335	\$566,329	\$1,408,278	\$815,434	\$366,641	\$147,458	\$ 4,124,475
Accumulated Depreciation and Impairment							
Balance at January 1, 2025	\$ -	\$288,669	\$562,545	\$413,334	\$244,704	\$ -	\$1,509,252
Depreciation expense	-	4,009	47,974	26,652	10,433	-	89,068
Disposals	-	(12,112)	(3,226)	(1,551)	-	-	(16,889)
Effect of foreign currency exchange differences	-	2,457	16,796	10,826	3,207	-	33,286
Balance at March 31, 2025	\$ -	\$283,023	\$624,089	\$449,261	\$258,344	\$ -	\$1,614,717

	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	-		15,547	8,846	2,329	43,914	70,636
Disposals	-	(112)	(12,012)	(12,296)	-	-	(24,420)
Reclassification	-	-	10,276	6,199	3,897	(20,372)	-
Transfer to expenses	-	-	-	-	-	(38)	(38)
Transfer to other noncurrent assets	-	-	-	-	-	(277)	(277)
Effect of foreign currency exchange differences	-	10,251	46,278	23,911	11,446	2,612	94,498
Balance at March 31, 2024	<u>\$820,335</u>	<u>\$482,681</u>	<u>\$1,173,708</u>	<u>\$683,196</u>	<u>\$346,548</u>	<u>\$80,304</u>	<u>\$ 3,586,772</u>
Accumulated Depreciation and Impairment							
Balance at January 1, 2024	\$ -	\$267,581	\$448,774	\$363,847	\$194,707	\$ -	\$1,274,909
Depreciation expense	-	2,854	45,805	20,096	9,644	-	78,399
Disposals	-	(112)	(12,012)	(12,296)	-	-	(24,420)
Reclassification	-	-	(573)	573	-	-	-
Effect of foreign currency exchange differences	-	6,386	23,230	13,660	6,360	-	49,636
Balance at March 31, 2024	<u>\$ -</u>	<u>\$276,709</u>	<u>\$505,224</u>	<u>\$385,880</u>	<u>\$210,711</u>	<u>\$ -</u>	<u>\$1,378,524</u>

A. The details of interest capitalized: None.

B. The Group did not assess the impairment because there is no sign of impairment for the three months ended March 31, 2025.

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	Three Months Ended March 31	
	2025	2024
Acquisition of property, plant and equipment	\$114,579	\$70,636
Decrease (increase) in equipment payable	32,618	7,927
Cash paid for acquisition of property, plant and equipment	<u>\$147,197</u>	<u>\$78,563</u>

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	March 31, 2025	December 31, 2024	March 31, 2024
Land use right	\$470,660	\$460,304	\$408,793
Land and building	498,022	433,279	425,170
Other equipment	30,702	30,008	26,880
Total cost	\$999,384	\$923,591	\$860,843
Less: Accumulated depreciation and impairment	(335,476)	(306,301)	(273,126)
Net	\$663,908	\$617,290	\$587,717

Cost	Land-use Right	Land and Buildings	Other Equipment	Total
Balance at January 1, 2025	\$460,304	\$433,279	\$30,008	\$923,591
Additions	-	58,253	287	58,540
Derecognition	-	(43)	-	(43)
Effect of foreign currency exchange differences	10,356	6,533	407	17,296
Balance at March 31, 2025	\$470,660	\$498,022	\$30,702	\$999,384
Accumulated Depreciation and Impairment				
Balance at January 1, 2025	\$27,052	\$262,068	\$17,181	\$306,301
Depreciation expense	1,910	20,228	1,781	23,919
Derecognition	-	(43)	-	(43)
Effect of foreign currency exchange differences	637	4,452	210	5,299
Balance at March 31, 2025	\$29,599	\$286,705	\$19,172	\$335,476
Cost	Land-use Right	Land and Buildings	Other Equipment	Total
Balance at January 1, 2024	\$397,081	\$449,162	\$26,456	\$872,699
Additions	-	743	1,487	2,230
Derecognition	-	(38,971)	(1,545)	(40,516)
Effect of foreign currency exchange differences	11,712	14,236	482	26,430
Balance at March 31, 2024	\$408,793	\$425,170	\$26,880	\$860,843
Accumulated Depreciation and Impairment				
Balance at January 1, 2024	\$19,815	\$247,376	\$14,794	\$281,985
Depreciation expense	1,437	19,934	1,818	23,189
Derecognition	-	(38,971)	(1,545)	(40,516)
Effect of foreign currency exchange differences	626	7,565	277	8,468
Balance at March 31, 2024	\$21,878	\$235,904	\$15,344	\$273,126

B. Lease liabilities

Item	March 31, 2025	December 31, 2024	March 31, 2024
Carrying amount of lease liabilities			
- current	\$93,065	\$82,041	\$84,586
- noncurrent	\$141,712	\$113,168	\$132,121

Ranges of discount rates for lease liabilities are as follows:

Item	March 31, 2025	December 31, 2024	March 31, 2024
Land and buildings	0.63%-7.21%	0.63%-7.21%	0.63%-7.21%
Other equipment	0.73%-6.09%	0.73%-6.09%	0.72%-6.09%

Please refer to Note 12(3) for lease liabilities with repayment periods.

C. Material lease-in activities and terms

The Group leased some land and buildings, etc. as factory, with the lease terms of 3 to 75 years. There is no sign of impairment of right-of-use assets as for the three months ended March 31, 2025. Therefore, the Group didn't assess the impairment.

D. Subleasing: None.

E. Other lease information:

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

(2) The current lease relevant expense information is as follows:

	Three Months Ended March 31	
	2025	2024
Short-term lease expense	\$2,891	\$2,303
Low-value asset lease expense	\$62	\$79
Variable lease payments that excluded in the measurement of lease liabilities	\$145	\$ -
Total cash outflow for leases (Note)	\$(22,070)	(\$16,674)

(Note): Including current principle paid for lease liabilities.

(11) Investment properties, net

Item	March 31, 2025	December 31, 2024	March 31, 2024
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	(32,892)	(32,800)	(32,525)
Net	\$84,279	\$84,371	\$84,646

Cost	Land	Buildings	Total
Balance at January 1, 2025	\$77,109	\$40,062	\$117,171
Additions	-	-	-
Balance at March 31, 2025	\$77,109	\$40,062	\$117,171

Accumulated Depreciation and Impairment			
Balance at January 1, 2025	\$ -	\$32,800	\$32,800
Depreciation expense	-	92	92
Balance at March 31, 2025	\$ -	\$32,892	\$32,892

Cost	Land	Buildings	Total
Balance at January 1, 2024	\$77,109	\$40,062	\$117,171
Additions	-	-	-
Balance at March 31, 2024	<u>\$77,109</u>	<u>\$40,062</u>	<u>\$117,171</u>
Accumulated Depreciation and Impairment			
Balance at January 1, 2024	\$ -	\$32,433	\$32,433
Depreciation expense	-	92	92
Balance at March 31, 2024	<u>\$ -</u>	<u>\$32,525</u>	<u>\$32,525</u>

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

Item	Three Months Ended March 31	
	2025	2024
Rental income of investment properties	<u>\$480</u>	<u>\$480</u>
Direct operating expense incurred for the investment properties with current rental income	<u>\$92</u>	<u>\$92</u>

B. The maturity analysis of operating lease payments receivable for investment properties is as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Year 1	\$1,878	\$1,921	\$1,921
Year 2	1,750	1,750	1,878
Year 3	1,312	1,750	1,750
Year 4	-	-	1,312
Year 5	-	-	-
Over 5 years	-	-	-
Total	<u>\$4,940</u>	<u>\$5,421</u>	<u>\$6,861</u>

C. Investment property is depreciated on a straight-line basis over its estimated useful life of 10 to 57 years.

D. The fair values of investment properties held by the Group were all \$168,677 thousand as of March 31, 2025, December 31, 2024 and March 31, 2024, 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 March 31, 2025, December 31, 2024 and March 31, 2024, respectively.

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

(12) Intangible assets

Item	March 31, 2025	December 31, 2024	March 31, 2024
Trademark	\$8,881	\$8,808	\$8,672
Computer software	78,278	81,563	69,292
Total cost	\$87,159	\$90,371	\$77,964
Less: Accumulated amortization and impairment	(35,480)	(37,160)	(22,843)
Net	\$51,679	\$53,211	\$55,121

	Trademark	Computer Software	Total
Cost			
Balance at January 1, 2025	\$8,808	\$81,563	\$90,371
Additions	-	5,825	5,825
Derecognition	-	(9,304)	(9,304)
Effect of foreign exchange differences	73	194	267
Balance at March 31, 2025	\$8,881	\$78,278	\$87,159

Accumulated Amortization and Impairment

Balance at January 1, 2025	\$ -	\$37,160	\$37,160
Amortization expenses	-	7,563	7,563
Derecognition	-	(9,304)	(9,304)
Effect of foreign exchange differences	-	61	61
Balance at March 31, 2025	\$ -	\$35,480	\$35,480

	Trademark	Computer Software	Total
Cost			
Balance at January 1, 2024	\$8,447	\$38,693	\$47,140
Additions	-	36,814	36,814
Derecognition	-	(6,608)	(6,608)
Effect of foreign exchange differences	225	393	618
Balance at March 31, 2024	\$8,672	\$69,292	\$77,964

Accumulated Amortization and Impairment

Balance at January 1, 2024	\$ -	\$23,184	\$23,184
Amortization expenses	-	6,016	6,016
Derecognition	-	(6,608)	(6,608)
Effect of foreign exchange differences	-	251	251
Balance at March 31, 2024	\$ -	\$22,843	\$22,843

(13) Short-term loans

Item	March 31, 2025	December 31, 2024	March 31, 2024
Unsecured loan	\$1,056,180	\$927,601	\$587,490
Interest range	1.83%-2.80%	1.20%-2.70%	0.50%-3.30%

(14) Other payables

Item	March 31, 2025	December 31, 2024	March 31, 2024
Accrued payroll	\$290,716	\$444,277	\$244,146
Service fee payable	20,348	16,215	22,557
R & D payable	66,956	64,757	51,788
Bonus to employees and remuneration to directors and supervisors	72,750	55,000	62,200
Equipment payable	54,546	87,164	27,223
Others	484,016	484,786	407,136
Total	\$989,332	\$1,152,199	\$815,050

Please refer to Note 7(3) for transactions with related parties.

(15) Provisions - current

Item	March 31, 2025	December 31, 2024	March 31, 2024
Employee benefits	\$63,673	\$61,697	\$54,881

Item	Three Months Ended March 31	
	2025	2024
Beginning balance	\$61,697	\$52,467
Additional provisions recognized	1,195	1,934
Provisions used	-	(753)
Effect of foreign exchange differences	781	1,233
Ending balance	\$63,673	\$54,881

Provision for employee benefits represents vested short-term service leave entitlements accrued.

(16) Long-term loans and current portion of long-term loans

Item	March 31, 2025	December 31, 2024	March 31, 2024
Credit loans	\$555,347	\$600,759	\$354,262
Less: current portion due within one year	(123,055)	(122,333)	(186,377)
Long-term loans	\$432,292	\$478,426	\$167,885
Interest rate range	0.75%-6.46%	0.75%-6.61%	0.75%-7.49%

A. Refer to Note 8 for assets pledged as collateral for long-term loans.

(17) 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 total pension expenses were \$45,019 thousand and \$48,632 thousand for the three months ended March 31, 2025 and 2024, respectively.

B. Defined benefit plans

- a. The pension under the defined benefit plans were \$55 thousand and \$86 thousand for three months ended March 31, 2025 and 2024. The pensions were calculated using the actuarially determined pension cost discount rates as of December 31, 2024 and 2023.
- 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 2024, and funded the difference to reduce net defined benefit liability in March 2025 for \$0 thousand.

(18) Share capital

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

Item	Three months Ended March 31, 2025	
	Shares (in thousands)	Amount
Balance at January 1	273,444	\$2,734,437
Capital increase in cash	-	-
Conversion of bonds payable	-	-
Balance at March 31	273,444	\$2,734,437

Item	Three months Ended March 31, 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 March 31	273,444	\$2,734,437

- A. As of March 31, 2025, the authorized capital was \$5,000,000 thousand, consisting of 500,000 thousand shares.
- B. While 9,194 thousand was recorded as bond conversion entitlement certificates have completed the registration in February 2024.

(19) Capital surplus

Item	March 31, 2025	December 31, 2024	March 31, 2024
From merger	\$18,227	\$18,227	\$18,227
From convertible bonds	1,477,900	1,477,900	1,477,900
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
Total	<u>\$1,518,788</u>	<u>\$1,518,788</u>	<u>\$1,518,788</u>

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.

(20) 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	March 31, 2025	December 31, 2024	March 31, 2024
Provision for the debit balance of other equity	\$221,030	\$221,030	\$178,602
Provision for initial application of IAS	79,155	79,155	79,155
Total	<u>\$300,185</u>	<u>\$300,185</u>	<u>\$257,757</u>

- 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 2024 was proposed by the Board of Directors' meeting held in March 2025, while the appropriation of earnings for 2023 was approved by the stockholders' meeting held in June 2024. The details of appropriation are as follows:

Item	Appropriation of Earnings		Dividends Per Share (NT\$)	
	2024	2023	2024	2023
Legal reserve	\$149,507	\$133,407		
Special reserve	(163,523)	42,428		
Cash dividends	1,011,742	957,053	3.7	3.5
Total	<u>\$997,726</u>	<u>\$1,132,888</u>		

- A. The appropriation of earnings for 2024 are to be presented for approval in the shareholders' meeting to be held in May 2025.
- B. In the event of repurchase of the Company's shares, transfer, conversion or annulment of treasury stocks, and exercise of employees' stock options, 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.
- (5) Information on the earnings appropriation proposed by the Company's Board of Directors and approved by the Company's shareholders is available on the Market Observation Post System website of the Taiwan Stock Exchange.

(21)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, 2025	\$(145,931)	\$9,269	\$(136,662)
Share of subsidiaries, associates and joint ventures accounted for using equity method	69,705	-	69,705
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	-	(963)	(963)
Balance, March 31, 2025	<u>\$(76,226)</u>	<u>\$8,306</u>	<u>\$(67,920)</u>

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	125,740	-	125,740
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	-	664	664
Balance, March 31, 2024	(\$179,508)	\$5,727	(\$173,781)

(22) Operating revenues

Item	Three Months Ended March 31	
	2025	2024
Revenue from contracts with customers		
Sales	\$4,210,947	\$3,085,217
Sales return	(12,016)	(11,476)
Sales discount	(36,828)	(13,677)
Net	\$4,162,103	\$3,060,064

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 revenue 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	March 31, 2025	December 31, 2024	March 31, 2024	January 1, 2024
Receivables	\$4,444,661	\$4,102,777	\$3,220,746	\$3,079,399
Contract assets	-	-	-	-
Total	\$4,444,661	\$4,102,777	\$3,220,746	\$3,079,399
Contract liabilities	\$97,528	\$109,304	\$140,287	\$109,540
- current				

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:

Revenue in the current period	Three Months Ended March 31	
	2025	2024
From beginning contract liabilities	\$109,304	\$109,540
From previous period's satisfied performance obligations	\$ -	\$ -

(23) Labor cost, depreciation and amortization

Item	Three Months ended March 31, 2025		
	Operating cost	Operating expenses	Total
Labor cost			
Salaries	\$337,634	\$299,473	\$637,107
Insurance	29,040	26,555	55,595
Pension	31,745	13,329	45,074
Others	148,066	20,692	168,758
Depreciation	85,736	27,343	113,079
Amortization	5,422	13,514	18,936
Total	\$637,643	\$400,906	\$1,038,549

Item	Three Months ended March 31, 2024		
	Operating cost	Operating expenses	Total
Labor cost			
Salaries	\$295,533	\$228,739	\$524,272
Insurance	28,009	23,057	51,066
Pension	37,458	11,260	48,718
Others	112,797	15,161	127,958
Depreciation	79,094	22,586	101,680
Amortization	8,205	12,799	21,004
Total	\$561,096	\$313,602	\$874,698

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 ended March 31, 2025 and 2024, employees' compensation was accrued at \$14,200 thousand and \$3,550 thousand, respectively, while directors' remuneration was accrued at \$9,800 thousand and \$2,600 thousand, respectively.
2. The employees' compensation and remuneration to directors for the years ended December 31, 2024 and 2023 had been approved by the Company's Board of Directors meeting held on March 6, 2025 and March 7, 2024, respectively, and the relevant amounts recognized in the consolidated financial statements were as follows:

	Year ended December 31			
	2024		2023	
	Employees' compensation	Remuneration to directors	Employees' compensation	Remuneration to directors
Resolution amount of allotment	\$44,000	\$11,000	\$39,800	\$10,000
Recognized in the annual financial statements	44,000	11,000	39,800	10,000
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 proposed by the Board of Directors and resolved by the shareholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(24)Interest income

Item	Three months ended March 31	
	2025	2024
Interest on bank deposits	\$30,535	\$32,881
Interest on early payment	1,353	1,127
Others	23	12
Total	\$31,911	\$34,020

(25) Other income

Item	Three Months Ended March 31	
	2025	2024
Rental income	\$531	\$493
Others – Sample sales, etc.	21,646	9,898
Others	38,745	7,622
Total	\$60,922	\$18,013

(26) Other gains and losses

Item	Three Months Ended March 31	
	2025	2024
Net gain (loss) on financial instruments at FVTPL	\$ 6,701	\$ -
Net currency exchange gain (loss)	(7,997)	99,628
Gain (loss) on disposal of property, plant and equipment	(139)	-
Others	(14,165)	(2,011)
Total	\$(15,600)	\$97,617

(27) Finance costs

Item	Three Months Ended March 31	
	2025	2024
Interest on loans	\$8,662	\$4,544
Interest on lease liabilities	2,105	2,401
Others Interest	2	-
Less: capitalized amount for qualified assets	-	-
Carrying amount	<u>\$10,769</u>	<u>\$6,945</u>

(28) Income tax expense

A. Components of tax expense:

Current income tax	Three Months Ended March 31	
	2025	2024
Income tax incurred in current year	\$85,228	\$23,622
Prior year income tax (over) under estimation	49	8,310
Total	<u>\$85,277</u>	<u>\$31,932</u>
Deferred income tax		
The origination and reversal of temporary differences	\$22,565	\$56,917
Total	<u>\$22,565</u>	<u>\$56,917</u>
Income tax expense	<u>\$107,842</u>	<u>\$88,849</u>

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

Current income tax	Three Months Ended March 31	
	2025	2024
Exchange differences on translation of foreign operations	<u>\$17,426</u>	<u>\$31,435</u>

C. The tax authorities have rectified Company's income tax returns through 2023.

(29) Other comprehensive income (loss)

Item	Three Months Ended March 31, 2025		
	Before tax	Income tax benefit (expense)	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	\$(963)	\$ -	\$(963)
Subtotal	<u>\$(963)</u>	<u>\$ -</u>	<u>\$(963)</u>

Items that may be reclassified subsequently to profit or loss:

Exchange differences on translation of foreign financial statements	\$87,131	\$(17,426)	\$69,705
Subtotal	<u>\$87,131</u>	<u>\$(17,426)</u>	<u>\$69,705</u>
Recognized in other comprehensive income (loss)	<u><u>\$86,168</u></u>	<u><u>\$(17,426)</u></u>	<u><u>\$68,742</u></u>

Three Months Ended March 31, 2024

Item	Before tax	Income tax benefit (expense)	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	\$664	\$ -	\$664
Subtotal	<u>\$664</u>	<u>\$ -</u>	<u>\$664</u>

Items that may be reclassified subsequently to profit or loss:

Exchange differences on translation of foreign financial statements	\$157,175	\$(31,435)	\$125,740
Subtotal	<u>\$157,175</u>	<u>\$(31,435)</u>	<u>\$125,740</u>
Recognized in other comprehensive income (loss)	<u><u>\$157,839</u></u>	<u><u>\$(31,435)</u></u>	<u><u>\$126,404</u></u>

(30) Earnings per share

Item	Three Months Ended March 31	
	2025	2024
(1) Basic earnings per share:		
Net income attributable to owners of the parent	\$472,195	\$326,456
Weighted average shares outstanding (in thousands)	<u>273,444</u>	<u>273,444</u>
Basic earnings per share (after tax)	<u>\$1.73</u>	<u>\$1.19</u>
(2) Diluted earnings per share:		
Net income attributable to owners of the parent	\$472,195	\$326,456
Effect of potential dilutive ordinary shares	-	-
Net income used in computation of diluted earnings per share	<u>\$472,195</u>	<u>\$326,456</u>
Weighted average shares outstanding (in thousands)	<u>\$273,444</u>	<u>\$273,444</u>
Impact on employees' compensation (Note)	569	340
Weighted average number of ordinary shares outstanding after dilution (in thousands)	<u>\$274,013</u>	<u>\$273,784</u>
Diluted earnings per share (after tax)	<u><u>\$1.72</u></u>	<u><u>\$1.19</u></u>

(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: None.

B. Purchase:

Related Party Category	Three months ended March 31	
	2025	2024
Associates	\$15,231	\$18,135

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): None.

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

Item	Related Party Category	March 31, 2025	December 31, 2024	March 31, 2024
Account payable	Associates	\$9,092	\$12,779	\$14,700
Other payables	Associates	\$276	\$421	\$2,569

G. Advance receipts: None.

H. Property transactions: None.

I. Lessee arrangements:

Item	Related Party Category	March 31, 2025	December 31, 2024	March 31, 2024
Refundable deposits	Other related parties	\$ -	\$ -	\$26
Lease liabilities - current	Other related parties	\$ -	\$ -	\$91

Item	Related Party Category	Three Months Ended March 31	
		2025	2024
Interest expense	Other related parties	\$ -	\$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: None.

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

M. Guarantee for related parties: None.

N. Others:

a. Guarantee deposits

Related Party Category	March 31, 2025	December 31, 2024	March 31, 2024
Other related parties	\$55	\$55	\$55

b. Miscellaneous income

Related Party Category	Three Months Ended March 31	
	2025	2024
Other related parties	\$49	\$49

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

c. Miscellaneous expenses:

Related Party Category	Three Months Ended March 31	
	2025	2024
Associates	\$379	\$2,604

Miscellaneous expenses are R&D expenses.

(4) Key management compensation

Item	Three Months Ended March 31	
	2025	2024
Salaries and other short-term employee benefits	\$34,220	\$19,206
Post-employment benefits	-	-
Other long-term employee benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
Total	\$34,220	\$19,206

8. PLEDGED ASSETS

Item	March 31, 2025	December 31, 2024	March 31, 2024
Property, plant and equipment (net)	\$496,858	\$496,858	\$496,858

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group issued guarantee notes for bank loans amounting to \$3,564,982 thousand, \$3,307,915 thousand and \$3,640,417 thousand, respectively.

(2) As of March 31, 2025, December 31, 2024 and March 31, 2024, the unused letters of credit issued by the Group were as follows:

			(In thousands)
Item	March 31, 2025	December 31, 2024	March 31, 2024
L/C Amount	USD 2,189	USD 721	USD 1,513

(3) As of March 31, 2025, December 31, 2024 and March 31, 2024, the note endorsement for material purchase were as follows:

			(In thousands)
Item	March 31, 2025	December 31, 2024	March 31, 2024
Bank acceptance	USD 1,871	USD 1,234	USD 999

(4) As of March 31, 2025, December 31, 2024 and March 31, 2024, 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 5 Block 12 in Hermosa Ecozone Industrial Park for the construction of the plant.

(B) Land usage right period: 80 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 three months ended March 31, 2025 as compared with the consolidated financial statements for the year ended December 31, 2024. Please refer to Note 12(1) of the consolidated financial statements for the year ended December 31, 2024 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 three months ended March 31, 2025 as compared with the consolidated financial statements for the year ended December 31, 2024.

Please refer to Note 12(2) of the consolidated financial statements for the year ended December 31, 2024 for the related information.

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

March 31, 2025						
	Foreign Currency	Exchange Rate	Carrying Value (NTD)	Sensitivity Analysis		
				Variation	Profit or Loss Impact	Equity Impact
Financial assets						
Monetary items						
USD:NTD	146,664	33.2050	4,869,981	Increase 1%	48,700	-
EUR:NTD	4,866	35.9700	175,017	Increase 1%	1,750	-
USD:RMB	134,637	7.7182	4,470,615	Increase 1%	44,706	-

USD:PHP	9,567	57.3820	317,670	Increase 1%	3,177	-
Financial liabilities						
Monetary items						
USD:NTD	98,335	33.2050	3,265,205	Increase 1%	(32,652)	-
USD:RMB	65,990	7.7182	2,191,213	Increase 1%	(21,912)	-
USD:PHP	5,722	57.3820	189,994	Increase 1%	(1,900)	
December 31, 2024						
	Foreign Currency	Exchange Rate	Carrying Value (NTD)	Sensitivity Analysis		
				Variation	Profit or Loss Impact	Equity Impact
Financial assets						
Monetary items						
USD:NTD	125,416	32.7850	4,111,755	Increase 1%	41,118	-
EUR:NTD	5,350	34.1400	182,652	Increase 1%	1,827	-
USD:RMB	99,929	7.1884	3,276,176	Increase 1%	32,762	-
USD:PHP	8,678	58.0163	284,506	Increase 1%	2,845	-
Financial liabilities						
Monetary items						
USD:NTD	93,171	32.7850	3,054,610	Increase 1%	(30,546)	-
USD:RMB	62,798	7.1884	2,058,840	Increase 1%	(20,588)	-
USD:PHP	4,443	58.0163	145,661	Increase 1%	(1,457)	-
March 31, 2024						
	Foreign Currency	Exchange Rate	Carrying Value (NTD)	Sensitivity Analysis		
				Variation	Profit or Loss Impact	Equity Impact
Financial assets						
Monetary items						
USD:NTD	144,860	32.0000	4,635,516	Increase 1%	46,355	-
EUR:NTD	5,516	34.4600	190,085	Increase 1%	1,901	-
USD:RMB	90,022	7.0950	2,880,689	Increase 1%	28,807	-
USD:PHP	3,417	56.2810	109,356	Increase 1%	1,094	
Financial liabilities						
Monetary items						
USD:NTD	79,931	32.0000	2,557,798	Increase 1%	(25,578)	-
USD:RMB	51,187	7.0950	1,637,972	Increase 1%	(16,380)	-

When New Taiwan dollar appreciates and other variation factors stay unchanged, there will be the same but opposite amount of influence as of March 31, 2025, December 31, 2024 and March 31, 2024.

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

	Three Months Ended March 31, 2025			Three Months Ended March 31, 2024		
	Foreign Exchange Gain (Loss)			Foreign Exchange Gain (Loss)		
	Foreign Currency (In thousands)	Exchange Rate	Carrying Amount (In thousands)	Foreign Currency (In thousands)	Exchange Rate	Carrying Amount (In thousands)
Financial Assets						
Monetary Items						
USD: NTD	-	32.8970	66,878	-	31.4450	84,010
EUR: NTD	-	34.6300	6,451	-	34.1700	2,461
RMB: NTD	-	4.5844	443	-	4.4271	1,152
USD: RMB	425	7.1759	1,947	(384)	7.1028	(1,699)
USD: EUR	(63)	0.9500	(2,198)	30	0.9203	1,028
USD: PHP	(3,426)	57.9670	(1,943)	400	55.9690	225
Financial Liabilities						
Monetary Items						
USD: NTD	-	32.8970	(107,355)	-	31.4450	(60,983)
EUR: NTD	-	34.6300	(300)	-	34.1700	(99)
USD: RMB	(729)	7.1759	(3,340)	652	7.1028	2,887
USD: EUR	60	0.9500	2,074	(8)	0.9203	(268)
USD: PHP	2,093	57.9670.	1,187	(33)	55.9690	(18)

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, or at fair value through other comprehensive income 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) \$1,799 thousand and \$0 thousand for the three months ended March 31, 2025 and 2024, respectively. The other comprehensive income from equity instruments at fair value through other comprehensive income or loss will increase (or decrease) 306 thousand and \$280 thousand for the three months ended March 31, 2025 and 2024.

c. Interest rate risk

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

Item	Carrying Amount		
	March 31, 2025	December 31, 2024	March 31, 2024
Fair value interest rate risk:			
Financial assets	\$ -	\$228,041	\$225,511
Financial liabilities	(234,777)	(195,209)	(216,707)
Net	<u>\$(234,777)</u>	<u>\$32,832</u>	<u>\$8,804</u>
Cash flow interest rate risk:			
Financial assets	\$5,273,720	\$4,668,082	\$4,414,471
Financial liabilities	(1,611,527)	(1,528,360)	(941,752)
Net	<u>\$3,662,193</u>	<u>\$3,139,722</u>	<u>\$3,472,719</u>

(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 or loss. 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 \$9,155 thousand and \$8,682 thousand for the three months ended March 31, 2025 and 2024, 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 March 31, 2025, December 31, 2024 and March 31, 2024, the Group's ten largest customers accounted for 47.37%, 40.59% and 37.93% 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 refer to Note 6(3) for details.

(ii) Indications for determining whether the credit risk is 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:

March 31, 2025	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	179,871	-	-	-	-
Financial assets at fair value through other comprehensive income or loss	30,619	-	-	-	-
Total	\$210,490	\$ -	\$ -	\$ -	\$ -

December 31, 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	173,170	-	-	-	-
Financial assets at fair value through other comprehensive income or loss	31,549	-	-	-	-
Total	<u>\$204,719</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
March 31, 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	-	-	-	-	-
Financial assets at fair value through other comprehensive income or loss	27,982	-	-	-	-
Total	<u>\$27,982</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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 three months ended March 31, 2025 as compared with the consolidated financial statements for the year ended December 31, 2024.

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.

Non-derivative Financial liabilities	March 31, 2025					
	Within 1 year	1-2 years	2-5 years	Over 5 years	Contract Cash Flow	Carrying Value
Short-term loans	\$1,056,180	\$ -	\$ -	\$ -	\$1,056,180	\$1,056,180
Notes payable	21,817	-	-	-	21,817	21,817
Accounts payable	3,641,716	-	404	-	3,642,120	3,642,120
Other payables	988,877	251	204	-	989,332	989,332
Long-term loans	123,055	94,542	289,500	48,250	555,347	555,347
(Inclusive of current portion)						
Lease liabilities	99,683	47,789	98,911	5,917	252,300	234,777
Guarantee deposits	1,390	-	-	-	1,390	1,390
Total	<u>\$5,932,718</u>	<u>\$142,582</u>	<u>\$389,019</u>	<u>\$ 54,167</u>	<u>\$6,518,486</u>	<u>\$6,500,963</u>

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	\$99,683	\$146,700	\$5,917	\$ -	\$ -	\$ -	\$252,300

December 31, 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	\$927,601	\$ -	\$ -	\$ -	\$927,601	\$927,601
Notes payable	28,095	-	-	-	28,095	28,095
Accounts payable	3,434,374	398	-	-	3,434,772	3,434,772
Other payables	1,151,898	100	201	-	1,152,199	1,152,199
Long-term loans	122,333	140,676	289,500	48,250	600,759	600,759
(Inclusive of current portion)						
Lease liabilities	87,754	47,095	64,754	10,946	210,549	195,299
Guarantee deposits	1,377	-	-	-	1,377	1,377
Total	\$5,753,432	\$188,269	\$354,455	\$ 59,196	\$6,355,352	\$6,340,102

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	\$87,754	\$111,849	\$10,946	\$ -	\$ -	\$ -	\$210,549

March 31, 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	\$587,490	\$ -	\$ -	\$ -	\$587,490	\$587,490
Notes payable	36,342	-	-	-	36,342	36,342
Accounts payable	2,888,346	394	-	-	2,888,740	2,888,740
Other payables	814,476	236	338	-	815,050	815,050
Long-term loans	186,377	123,441	44,444	-	354,262	354,262
(Inclusive of current portion)						
Lease liabilities	92,411	78,710	49,390	15,568	236,079	216,707
Guarantee deposits	855	-	-	-	855	855
Total	\$4,606,297	\$202,781	\$94,172	\$15,568	\$4,918,818	\$4,899,446

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	\$92,411	\$128,100	\$15,568	\$ -	\$ -	\$ -	\$236,079

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 March 31, 2025, December 31, 2024 and March 31, 2024 was as follows:

Financial assets	March 31, 2025	December 31, 2024	March 31, 2024
<u>Financial assets measured at amortized cost</u>			
Cash and cash equivalents	\$5,279,220	\$4,678,438	\$4,450,089
Notes and accounts receivable	4,444,661	4,102,777	3,220,746
Other receivables	119,436	144,504	93,902
Other financial assets - current	-	228,041	225,511
Refundable deposits	25,649	21,428	20,404
Financial asset at fair value through profit or loss - current	179,871	173,170	-
Financial asset at fair value through other comprehensive income or loss - current	30,619	31,549	27,982
<u>Financial liabilities</u>			
<u>Financial liabilities measured at amortized cost</u>			
Short-term loans	1,056,180	927,601	587,490
Notes and accounts payable (including related parties)	3,663,937	3,462,867	2,925,082
Other payables (including related parties)	989,332	1,152,199	815,050
Lease liabilities(including current and noncurrent)	234,777	195,209	216,707
Long-term loans	555,347	600,759	354,262
Guarantee deposits	1,390	1,377	855

(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 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.

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:

Item	March 31, 2025			
	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through profit or loss:				
Beneficiary certificates	\$ -	\$ -	\$179,871	\$179,871
Financial assets at fair value through other comprehensive income or loss				
Domestic unlisted stocks	-	-	30,619	30,619
Total	\$ -	\$ -	\$210,490	\$210,490
Item	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through profit or loss:				
Convertible bonds	\$ -	\$ -	\$173,170	\$173,170
Financial assets at fair value through other comprehensive income or loss				
Domestic unlisted stocks	-	-	31,549	31,549
Total	\$ -	\$ -	\$204,719	\$204,719

Item	March 31, 2024			
	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	-	-	27,982	27,982
Total	\$ -	\$ -	\$27,982	\$27,982

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.

- (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.

March 31, 2025:

Item	Evaluation technology	Check the input value	interval	Input value and fair value relationship
Financial assets at fair value through profit or loss-Convertible bonds	Income Approach	Discount rate	6.89%	The higher the degree of discount rate, the lower the fair value estimate
Financial assets at fair value through other comprehensive income or loss - Stocks	Market Approach	Lack of liquidity discount rate	19.95%-21.87%	The higher the degree of lack of liquidity, the lower the fair value estimate

December 31, 2024:

Item	Evaluation technology	Check the input value	interval	Input value and fair value relationship
Financial assets at fair value through profit or loss-Convertible bonds	Income Approach	Discount rate	7.30%	The higher the degree of discount rate, the lower the fair value estimate
Financial assets at fair value through other comprehensive income or loss - Stocks	Market Approach	Lack of liquidity discount rate	19.95%-21.87%	The higher the degree of lack of liquidity, the lower the fair value estimate

March 31, 2024:

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 - Stocks	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

F. There was no transfer between Level 1 and Level 2 for the three months ended March 31, 2025 and 2024

G. Statement of changes in Level 3 fair value hierarchy:

Item	Investment in unquoted financial instruments	
	Year Ended March 31	
	2025	2024
Beginning balance	\$204,719	\$27,231
Addition	6,701	-
Recognized in other comprehensive income	(963)	664
Effect of foreign currency exchange differences	33	87
Ending balance	\$210,490	\$27,982

H. Valuation process for Level 3 fair value measurement:

Valuation process regarding fair value Level 3 is conducted, by which the independence of fair value of financial instruments is verified through 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.

(7) other :

On August 29, 2024, the Ministry of Environment issued the Regulations Governing the Collection of Carbon Fees, the Management Regulations for Voluntary Greenhouse Gas Reduction Projects, and the Designated GHG Emissions Reduction Goals for Entities Subject to Carbon Fees. In October 2024, the Ministry further announced the implementation of carbon fee rates effective January 1, 2025. Based on the Company's actual greenhouse gas emissions for the year ended December 31, 2024, management has assessed that the Company does not fall within the scope of entities subject to carbon fees under the regulations issued by the Ministry of Environment. Furthermore, the Company's emissions for the year ending December 31, 2025 are not expected to exceed the regulatory thresholds for carbon fee assessment. Accordingly, no liability related to carbon fees was recognized as of March 31, 2025.

13. SUPPLEMENTARY DISCLOSURES

A. Information on significant transactions (before consolidated elimination)

a. Loans provided to other parties: None

b. Endorsement/guarantee provided: Table 1

c. Marketable securities held: Table 2

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

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

f. 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

Table 1

SUNONWEALTH ELECTRIC MACHINE INDUSTRY CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED

MARCH 31, 2025

(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	2,538,359	NTD 92,516 (RMB 20,000)	NTD 92,516 (RMB 20,000)	-	-	1.09%	4,230,599	Y	N	Y
0	Sunonwealth Electric Machine Industry Co., Ltd.	Sunon Electronic (Bei Hai) Co., Ltd.	2	2,538,359	NTD 537,234 (USD 12,000; RMB 30,000)	NTD 537,234 (USD 12,000; RMB 30,000)	-	-	6.35%	4,230,599	Y	N	Y
0	Sunonwealth Electric Machine Industry Co., Ltd.	Bei hai Li Zhun Electronic Co., Ltd.	2	2,538,359	NTD 384,262 (USD 6,000; RMB 40,000)	NTD 384,262 (USD 6,000; RMB 40,000)	-	-	4.54%	4,230,599	Y	N	Y
1	Sunon Electronic (Bei Hai) Co., Ltd.	Bei hai Li Zhun Electronic Co., Ltd.	1	246,307	NTD 46,258 (RMB 10,000)	NTD 46,258 (RMB 10,000)	NTD 46,258 (RMB 10,000)	-	3.76%	615,767	N	N	Y
2	Sunon Electronic (Kunshan) Co., Ltd.	Sunon Electronic (Bei Hai) Co., Ltd.	1	379,066	NTD 115,645 (RMB 25,000)	NTD 115,645 (RMB 25,000)	NTD 46,258 (RMB 10,000)	-	6.10%	947,666	N	N	Y
2	Sunon Electronic (Kunshan) Co., Ltd.	Bei hai Li Zhun Electronic Co., Ltd.	1	379,066	NTD 231,290 (RMB 50,000)	NTD 231,290 (RMB 50,000)	NTD 129,522 (RMB 28,000)	-	12.20%	947,666	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 92,516 thousand (RMB 20,000 thousand).

Table 2

SUNONWEALTH ELECTRIC MACHINE INDUSTRY CO., LTD. AND SUBSIDIARIES**MARKETABLE SECURITIES HELD****MARCH 31, 2025**

(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 – RIGH, INC. (FORMERLY KNOWN AS INNOVO, INC.)	None	Financial assets at fair value through profit or loss-noncurrent	-	179,871	-	179,871	
	Stock – TECHNOLOGY ON PROTOTYPING ULTIMATE CO., LTD.	The Company is the legal director of that company	Financial assets at fair value through other comprehensive income or loss-noncurrent	870	26,109	15.68%	26,109	
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	-	4,510	10.00%	4,510	

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

MARCH 31, 2025

(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	253,634	7.77%	3 to 4 months	-	-	863,896	21.38%	
Sunon Electronic (Kunshan) Co., Ltd.	Sunonwealth Electric Machine Industry Co., Ltd.	Parent	Sales	503,597	45.34%	3 to 4 months	-	-	508,329	39.88%	
Sunon Electronics (Bei Hai) Co., Ltd.	Sunonwealth Electric Machine Industry Co., Ltd.	Parent	Sales	1,538,993	97.00%	3 to 4 months	-	-	1,562,404	95.96%	
Bei Hai Li Zhan Electronics Co., Ltd.	Sunon Electronic (Kunshan) Co., Ltd.	The ultimate parent company	Sales	118,871	14.87%	3 to 4 months	-	-	189,720	20.45%	
SUNON ELECTRONICS PHILIPPINES CORP.	Sunonwealth Electric Machine Industry Co., Ltd.	Parent	Sales	136,350	100.00%	2 to 3 months	-	-	100,607	100.00%	

Note: The above-mentioned parent-subsidary 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

MARCH 31, 2025

(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 863,896	3.02	-	-	NTD 209,952	-
Sunon Electronic (Kunshan) Co., Ltd.	Sunonwealth Electric Machine Industry Co., Ltd.	Parent	NTD 508,329 (RMB 109,890)	4.16	-	-	NTD 168,525 (RMB 36,432)	-
Sunon Electronic (Bei Hai) Co., Ltd.	Sunonwealth Electric Machine Industry Co., Ltd.	Parent	NTD 1,562,404 (RMB 337,759)	4.00	-	-	NTD 456,877 (RMB 98,767)	-
Bei Hai Li Zhan Electronics Co., Ltd.	Sunon Electronic (Kunshan) Co., Ltd.	The ultimate parent company	NTD 189,720 (RMB 41,013)	2.25	-	-	NTD 53,266 (RMB 11,515)	-
Bei Hai Li Zhan Electronics Co., Ltd.	SUNON ELECTRONICS PHILIPPINES CORP.	The ultimate parent company	NTD 107,398 (RMB 23,217)	3.11	-	-	NTD 9,593 (RMB 2,074)	-
SUNON ELECTRONICS PHILIPPINES CORP.	Sunonwealth Electric Machine Industry Co., Ltd.	Parent	NTD 100,607 (PHP 173,850)	6.09	-	-	NTD 46,813 (PHP 80,894)	-

Note 1: Amounts collected as of May 8, 2025.

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

MARCH 31, 2025

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.	SunonSAS	1	Sales	64,635	(Note4)	1.55%
				Accounts receivable	85,039		0.54%
		Sunon INC	1	Sales	54,376	(Note4)	1.31%
		SunonElectronic (BaiHai) Co., Ltd.	1	Sales	253,634	(Note4)	6.09%
				Accounts receivable	863,896		5.46%
1	Sunon Electronic (Kunshan) Co., Ltd.	Sunonwealth Electric Machine Industry Co., Ltd.	2	Sales	503,597	(Note4)	12.10%
				Accounts receivable	508,329		3.21%
2	Sunon Electronic (BeiHai) Co., Ltd.	Sunonwealth Electric Machine Industry Co., Ltd.	2	Sales	1,538,993	(Note4)	36.98%
				Accounts receivable	1,562,404		9.87%
3	Bei Hai Li Zhan Electronics Co., Ltd.	Sunon Electronic (Kunshan) Co., Ltd.	3	Sales	118,871	(Note4)	2.86%
				Accounts receivable	189,720		1.20%
		SUNON ELECTRONICS PHILIPPINES CORP.	3	Sales	77,695	(Note4)	1.87%
				Accounts receivable	107,398		0.68%
4	SUNON ELECTRONICS PHILIPPINES CORP.	Sunonwealth Electric Machine Industry Co., Ltd.	2	Sales	136,350	(Note4)	3.28%
				Accounts receivable	100,607		0.64%

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)

MARCH 31, 2025

(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 March 31, 2025			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Remark
				As of March 31, 2025	As of December 31, 2024	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%	1,817,640	54,451	56,066	-
	BVI Sunon International Limited	British Virgin Islands	Investments	510,928	510,928	-	100.00%	1,645,920	213,874	194,747	-
	Sunon INC	USA	Manufacturing and sales of fans	49,140	49,140	150	100.00%	124,323	(18,916)	(19,203)	-
	Sunon SAS	France	Manufacturing and sales of fans	16,127	16,127	50	100.00%	93,211	1,524	3,274	-
	Sunonwealth Electric Machine Ind.(H.K.) Ltd.	Hong Kong	Manufacturing and sales of fans	3,428	3,428	800	99.99%	1,955	(7)	(7)	-
	Sunon Corporation	Japan	Manufacturing and sales of fans	4,470	4,470	4	100.00%	1,602	(14)	(14)	-
	Sunon Electronics India Private Limited	India	Manufacturing and sales of fans	4,880	4,880	1,100	99.99%	5,546	224	224	-
	Sunon Electronics Philippines Corp.	Philippines	Manufacturing and sales of fans	485,208	485,208	8,616	99.99%	337,849	(6,442)	(7,880)	-
	Sunon Properties Philippines Corp.	Philippines	Real estate development and investment	948,195	948,195	16,435	99.99%	901,328	1,830	1,830	-
	Sunon Cooling Technology (Thailand) Co., Ltd	Thailand	Manufacture and sales of heat dissipation modules and import and wholesale of various electronic and motor components	2,003	-	200	100.00%	1,957	-	-	
			Total					4,931,331	246,524	229,037	
Successful Century Co., Ltd.	Sunon Electronic (Kunshan) Co., Ltd.	China	Manufacturing and sales of fans	USD 34,431	USD 34,431	-	100.00%	USD 57,080	USD 1,655	USD 1,655	

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of March 31, 2025			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Remark
				As of March 31, 2025	As of December 31, 2024	Shares (In Thousands)	Percentage of Ownership	Carrying Value			
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 2,999	RMB (868)	RMB (425)	-
	Beihai Li Zhun Electronics Co., Ltd.	China	Manufacturing and selling of fans	RMB 20,000	RMB 20,000	-	33.33%	RMB 59,983	RMB 23,561	RMB 7,854	-
	Kunshan Fengxinrui Electronic Technology Co., Ltd.	China	Manufacturing and selling of fans and type electronic parts	RMB 500	RMB 500		25.00%	RMB 441	RMB (43)	RMB (11)	
	Sunon Cooling Technology(Huizhou) Co., Ltd	China	Manufacturing and selling of liquid cooling heat dissipation related products	RMB 10,000	-		100.00%	RMB 9,217	RMB (783)	RMB (783)	
BVI Sunon International Limited	Sunon Electronic (Foshan) Co., Ltd.	China	General investment and trade	RMB 390	RMB 390	-	100.00%	RMB 123,554	RMB 15,607	RMB 15,607	-
	Sunon Electronic (Bei Hai) Co., Ltd.	China	Manufacturing and selling of new type electronic parts	RMB 63,732	RMB 63,732	-	100.00%	RMB 266,232	RMB 31,067	RMB 31,067	-
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 119,967	RMB 23,561	RMB 15,707	-
Sunon SAS	Sunon Deutschland GmbH	Germany	Sales of fans	EUR 25	EUR 25	-	100.00%	EUR 130	EUR (57)	EUR (57)	-

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

Table 7

SUNONWEALTH ELECTRIC MACHINE INDUSTRY CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA

MARCH 31, 2025

(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, 2025	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2025	Net Income (Loss) of the Investee Company	Percentage of Ownership	Share of Profit/Loss (Note 2)	Carrying Amount as of March 31, 2025	Accumulated Inward Remittance of Earnings as of March 31, 2025
					Outflow	Inflow						
Sunon Electronic (Kunshan) Co., Ltd.	Manufacturing and selling of fans	NTD 1,148,456 (USD 34,431) (Note 6)	(2)	NTD 1,136,673 (USD 33,880)	-	-	NTD 1,136,673 (USD 33,880)	NTD 54,451 (USD 1,655)	100%	NTD 54,451 (USD 1,655) (2).B	NTD 1,895,332 (USD 57,080)	NTD 1,164,207 (USD 38,274)
Sunon Electronic (Foshan) Co., Ltd.	General investment and trade	NTD 1,617 (USD 50) (Note 7)	(2)	NTD 155,809 (USD 4,630)	-	-	NTD 155,809 (USD 4,630)	NTD 71,547 (RMB 15,607)	100%	NTD 71,547 (RMB 15,607) (2).C	NTD 571,537 (RMB 123,554)	NTD 769,287 (USD 25,655)
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 142,424 (RMB 31,067)	100%	NTD 142,424 (RMB 31,067) (2).B	NTD 1,231,535 (RMB 266,232)	NTD 1,358,016 (USD 44,205)
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 -3,978) (RMB -868)	49%	(NTD -1,949) (RMB -425) (2).C	NTD 13,872 (RMB 2,999)	-
Beihai Li Zhun Electronic Co., Ltd.	Manufacturing and selling of fans	NTD 265,311 (RMB 60,000)	(3)	- (Note 8)	-	-	- (Note 8)	NTD 108,014 (RMB 23,561)	100%	NTD 108,014 (RMB 23,561) (2).C	NTD 832,412 (RMB 179,950)	-
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 -198) (RMB -43)	25%	NTD -50 (RMB -11) (2).C	NTD 2,039 (RMB 441)	-
Sunon Cooling Technology (Huizhou) Co., Ltd.	Manufacturing and selling of liquid cooling heat dissipation related products	NTD 46,258 (RMB 10,000)	(3)	- (Note 9)	-	-	- (Note 9)	(NTD -3,589) (RMB -783)	100%	NTD -3,589 (RMB -783) (2).C	NTD 42,636 (RMB 9,217)	-

Accumulated Investment in Mainland China as of March 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
NTD 1,136,673 (USD 33,880) NTD 155,809 (USD 4,630) NTD 293,115 (USD 10,000)	USD 34,000 USD 5,450 USD 10,000	(Note 4)

Note: Gain and loss on investment are translated using average exchange rates for the three months ended March 31, 2025 (USD:NTD 1:32.897; CNY:NTD 1:4.5844). Additions and ending balance are translated using the exchange rates as at March 31, 2025 (USD:NTD 1:33.205; CNY:NTD 1:4.6258)

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 March 31, 2025 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 and Table 4 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's 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 return for USD 2,000 thousand. Issued capital after redaction was USD 2,600 thousand. Company registration was completed. The Board's of directors of Sunon Electronic (Foshan) Co., Ltd. approved in May 2024 to reduce capital by cash return for USD 2,550

thousand. Issued capital after capital redaction was USD 50 thousand. Company registration was completed.

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

Note 9: It is invested by Sunon Electronic (Kunshan) Co., Ltd.

Note 10: The above-mentioned parent-subsidary transactions have been eliminated.

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 Company'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 March 31, 2025	Great China	Europe and North America	Other Areas	Elimination	Total
Sales from external customers	\$4,009,867	\$152,236	\$ -	\$ -	\$4,162,103
Sales among inter-segment	2,750,913	-	136,350	(2,887,263)	-
Total sales	\$6,760,780	\$152,236	\$136,350	(\$2,887,263)	\$4,162,103
Operating profit (loss)	\$876,040	(\$16,227)	(\$3,163)	(\$276,613)	\$580,037
Segment assets	\$ -	\$ -	\$ -	\$ -	\$15,829,859
Segment liabilities	\$ -	\$ -	\$ -	\$ -	\$7,368,660

a. Total reporting segment sales should eliminate inter-segment sales of \$2,887,263 thousand.

b. Income tax expense of \$107,842 thousand is not included in segment profit (loss).

(In thousands)

Three Months Ended March 31, 2024	Great China	Europe and North America	Other Areas	Elimination	Total
Sales from external customers	\$2,879,814	\$180,250	\$ -	\$ -	\$3,060,064
Sales among inter-segment	2,127,571	-	43,496	(2,171,067)	-
Total sales	\$5,007,385	\$180,250	\$43,496	(\$2,171,067)	\$3,060,064
Operating profit (loss)	\$631,351	\$(24,602)	(\$14,495)	(\$176,949)	\$415,305
Segment assets	\$ -	\$ -	\$ -	\$ -	\$13,292,105
Segment liabilities	\$ -	\$ -	\$ -	\$ -	\$5,620,517

- a. Total reporting segment sales should eliminate inter-segment sales of \$2,171,067 thousand.
 - b. Income tax expense of \$88,849 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.