

**SIXXON TECH. CO., LTD.
AND SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Three Months Ended March 31, 2025 and 2024**

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The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

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Independent Auditors' Review Report

To the Board of Directors of Sixxon Tech. Co., Ltd.:

Introduction

We have reviewed the accompanying consolidated balance sheets of Sixxon Tech. Co., Ltd. and its subsidiaries 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 ended March 31, 2025 and 2024, 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 International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of the 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 the Standards on Auditing of 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.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Sixxon Tech. Co., Ltd. and its subsidiaries as of March 31, 2025 and 2024, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.



The engagement partners on the reviews resulting in this independent auditors' review report are Wang, I-Wen and Kuo, Kuan-Ying.

KPMG

Taipei, Taiwan (Republic of China)

May 15, 2025

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and its cash flows in accordance with the 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 accepted and applied in the Republic of China.

The auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' review report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

SIXXON TECH. CO., LTD. AND SUBSIDIARIES**Consolidated Balance Sheets****March 31, 2025, December 31, 2024, and March 31, 2024****(Expressed in Thousands of New Taiwan Dollars)**

Assets		March 31, 2025		December 31, 2024		March 31, 2024		Liabilities and Equity		March 31, 2025		December 31, 2024		March 31, 2024	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (note (6)(a))	\$ 1,222,289	32	761,251	23	1,010,254	35	2170	Accounts payable	\$ 124,280	3	112,649	3	61,172	2
1110	Current financial assets at fair value through profit or loss (note (6)(b))	-	-	-	-	1,506	-	2200	Other payables (note (6)(k))	339,908	9	223,309	7	198,436	7
1136	Current financial assets at amortized cost (note (6)(c))	132,820	4	131,140	4	224,000	8	2230	Current income tax liabilities	-	-	106	-	-	-
1170	Accounts receivable, net (including related parties) (notes (6)(d) and (7))	463,262	12	392,905	12	373,690	13	2280	Current lease liabilities (note (6)(m))	402	-	572	-	668	-
1310	Inventories, net (note (6)(e))	318,909	8	316,725	10	224,344	8	2300	Other current liabilities	16,615	1	21,105	1	5,724	-
1470	Other current assets (note (6)(i))	91,003	2	73,762	2	38,103	1			481,205	13	357,741	11	266,000	9
		2,228,283	58	1,675,783	51	1,871,897	65	Non-current liabilities:							
Non-current assets:								2531	Bonds payable (note (6)(l))	466,654	12	-	-	-	-
1510	Non-current financial assets at fair value through profit or loss (notes (6)(b) and (l))	12,013	-	13,073	-	-	-	2580	Non-current lease liabilities (note (6)(m))	-	-	-	-	402	-
1600	Property, plant and equipment (notes (6)(f) and (8))	1,580,928	41	1,534,031	47	1,016,102	35	2600	Provisions for employee benefits, non-current (note (6)(n))	125,796	3	121,994	4	99,628	4
1755	Right-of-use assets (note (6)(g))	428	-	612	-	1,163	-		Total liabilities	1,073,655	28	479,735	15	366,030	13
1780	Intangible assets (note (6)(h))	3,900	-	3,652	-	2,814	-	Equity (notes (6)(o) and (p)):							
1900	Other non-current assets (notes (6)(i), (7) and (8))	48,700	1	42,476	2	13,858	-	Equity attributable to owners of parent :							
		1,645,969	42	1,593,844	49	1,033,937	35	3100	Share capital	310,000	8	310,000	10	310,000	11
								3200	Capital surplus	1,953,661	50	1,946,655	60	1,946,655	67
								3310	Legal reserve	80,029	2	80,029	2	71,053	2
								3320	Special reserve	81,087	2	81,087	2	97,483	3
								3350	Unappropriated retained earnings	326,775	9	373,962	11	223,618	8
								3400	Other equity	47,068	1	(3,777)	-	(110,805)	(4)
									Total equity attributable to owners of parent	2,798,620	72	2,787,956	85	2,538,004	87
								3600	Non-controlling interests	1,977	-	1,936	-	1,800	-
									Total equity	2,800,597	72	2,789,892	85	2,539,804	87
Total assets		\$ 3,874,252	100	3,269,627	100	2,905,834	100	Total liabilities and equity		\$ 3,874,252	100	3,269,627	100	2,905,834	100

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

SIXXON TECH. CO., LTD. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the three months ended March 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		For the three months ended March 31			
		2025		2024	
		Amount	%	Amount	%
4000	Operating revenue, net (note (6)(r))	\$ 468,598	100	350,345	100
5000	Operating costs (notes (6)(e), (n) and (12))	<u>356,171</u>	<u>76</u>	<u>271,664</u>	<u>78</u>
	Gross profit from operations	<u>112,427</u>	<u>24</u>	<u>78,681</u>	<u>22</u>
	Operating expenses (notes (6)(n), (p), (s), (7) and (12)):				
6100	Selling expenses	16,748	4	16,244	5
6200	Administrative expenses	25,125	5	19,142	5
6300	Research and development expenses	14,932	3	13,419	4
6450	Expected credit losses (note (6)(d))	<u>293</u>	<u>-</u>	<u>147</u>	<u>-</u>
	Total operating expenses	<u>57,098</u>	<u>12</u>	<u>48,952</u>	<u>14</u>
6900	Operating income	<u>55,329</u>	<u>12</u>	<u>29,729</u>	<u>8</u>
	Non-operating income and expenses:				
7100	Interest income	9,560	2	11,888	3
7190	Other income	1,680	-	-	-
7020	Other gains and losses	232	-	19	-
7230	Foreign exchange gains, net (note (6)(t))	15,922	3	45,027	13
7235	(Losses) gains on financial assets or liabilities at fair value through profit or loss (note (6)(t))	(2,060)	-	5,212	2
7510	Interest expense (notes (6)(l) and (m))	(2,402)	(1)	(11)	-
7590	Miscellaneous disbursements	<u>(1,451)</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>21,481</u>	<u>4</u>	<u>62,135</u>	<u>18</u>
7900	Income before income tax	76,810	16	91,864	26
7950	Less: Income tax expenses (note (6)(o))	-	-	-	-
	Net income	<u>76,810</u>	<u>16</u>	<u>91,864</u>	<u>26</u>
8300	Other comprehensive income:				
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign financial statements	<u>50,889</u>	<u>11</u>	<u>(29,718)</u>	<u>(8)</u>
8300	Other comprehensive income, net	<u>50,889</u>	<u>11</u>	<u>(29,718)</u>	<u>(8)</u>
8500	Total comprehensive income	<u>\$ 127,699</u>	<u>27</u>	<u>62,146</u>	<u>18</u>
	Profit, attributable to:				
	Profit, attributable to owners of parent	\$ 76,813	16	91,867	26
	Profit, attributable to non-controlling interests	<u>(3)</u>	<u>-</u>	<u>(3)</u>	<u>-</u>
	Net income	<u>\$ 76,810</u>	<u>16</u>	<u>91,864</u>	<u>26</u>
	Comprehensive income attributable to:				
	Comprehensive income, attributable to owners of parent	\$ 127,658	27	62,149	18
	Comprehensive income, attributable to non-controlling interests	<u>41</u>	<u>-</u>	<u>(3)</u>	<u>-</u>
		<u>\$ 127,699</u>	<u>27</u>	<u>62,146</u>	<u>18</u>
	Earnings per share (note (6)(q)):				
9750	Basic earnings per share (NT dollars)	<u>\$ 2.48</u>		<u>2.96</u>	
9850	Diluted earnings per share (NT dollars)	<u>\$ 2.41</u>		<u>2.96</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

SIXXON TECH. CO., LTD. AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the three months ended March 31, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

	Ordinary share	Capital surplus	Retained earnings			Other equity differences on translation of foreign financial statements	Total equity attributable to owners of parent	Non-controlling interests	Total equity
			Legal reserve	Special reserve	Unappropriated retained earnings				
Balance at January 1, 2024	\$ 310,000	1,993,155	71,053	97,483	224,751	(81,087)	2,615,355	-	2,615,355
Appropriation and distribution of retained earnings:									
Cash dividends of ordinary share	-	-	-	-	(93,000)	-	(93,000)	-	(93,000)
Cash dividends distributed from capital surplus	-	(46,500)	-	-	-	-	(46,500)	-	(46,500)
Net income for the three months ended March 31, 2024	-	-	-	-	91,867	-	91,867	(3)	91,864
Other comprehensive income for the three months ended March 31, 2024	-	-	-	-	-	(29,718)	(29,718)	-	(29,718)
Comprehensive income for the three months ended March 31, 2024	-	-	-	-	91,867	(29,718)	62,149	(3)	62,146
Changes in non-controlling interests	-	-	-	-	-	-	-	1,803	1,803
Balance at March 31, 2024	\$ 310,000	1,946,655	71,053	97,483	223,618	(110,805)	2,538,004	1,800	2,539,804
Balance at January 1, 2025	\$ 310,000	1,946,655	80,029	81,087	373,962	(3,777)	2,787,956	1,936	2,789,892
Appropriation and distribution of retained earnings:									
Cash dividends of ordinary share	-	-	-	-	(124,000)	-	(124,000)	-	(124,000)
Cash dividends distributed from capital surplus	-	(49,600)	-	-	-	-	(49,600)	-	(49,600)
Recognition of equity component due to issuance of convertible bonds	-	56,606	-	-	-	-	56,606	-	56,606
Net income for the three months ended March 31, 2025	-	-	-	-	76,813	-	76,813	(3)	76,810
Other comprehensive income for the three months ended March 31, 2025	-	-	-	-	-	50,845	50,845	44	50,889
Comprehensive income for the three months ended March 31, 2025	-	-	-	-	76,813	50,845	127,658	41	127,699
Balance at March 31, 2025	\$ 310,000	1,953,661	80,029	81,087	326,775	47,068	2,798,620	1,977	2,800,597

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

SIXXON TECH. CO., LTD. AND SUBSIDIARIES**Consolidated Statements of Cash Flows****For the three months ended March 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	For the three months ended March 31	
	2025	2024
Cash flows from operating activities:		
Income before income tax	\$ 76,810	91,864
Adjustments:		
Depreciation expense	53,224	44,182
Amortization expense	382	445
Expected credit losses	293	147
Losses (gains) on financial assets or liabilities at fair value through profit or loss	2,060	(5,212)
Interest expense	2,402	11
Interest income	(9,560)	(11,888)
Gain on disposal of property, plant and equipment	(232)	(19)
Others	12	-
Total adjustments to reconcile profit	<u>48,581</u>	<u>27,666</u>
Changes in operating assets and liabilities:		
Decrease in financial assets or liabilities at fair value through profit or loss	-	711
Increase in accounts receivable (including related parties)	(70,673)	(43,643)
(Increase) decrease in inventories	(2,184)	13,105
Increase in other current assets	(17,399)	(4,141)
Increase in accounts payable	11,631	12,889
Increase in accrued expenses and other payables	24,064	7,718
(Decrease) increase in other current liabilities	(4,490)	2,320
Increase (decrease) in provisions for employee benefits	3,802	(1,379)
Total adjustments	<u>(6,668)</u>	<u>15,246</u>
Cash inflow generated from operations	70,142	107,110
Interest received	9,718	8,682
Interest paid	(4)	(11)
Income taxes paid	(106)	(198)
Net cash flows from operating activities	<u>79,750</u>	<u>115,583</u>
Cash flows from investing activities:		
Acquisition of financial assets at amortised cost	-	(31,185)
Acquisition of property, plant and equipment	(146,264)	(25,052)
Proceeds from disposal of property, plant and equipment	232	61
Acquisition of intangible assets	(253)	(15)
Increase in other non-current assets	(148)	(208)
Increase in prepayments of equipment	(6,076)	(992)
Net cash flows used in investing activities	<u>(152,509)</u>	<u>(57,391)</u>
Cash flows from financing activities:		
Proceeds from issuance of convertible bonds	519,850	-
Payment of lease liabilities	(170)	(164)
Change in non-controlling interests	-	1,803
Net cash flows from financing activities	<u>519,680</u>	<u>1,639</u>
Effect of exchange rate changes on cash and cash equivalents	14,117	(17,732)
Net increase in cash and cash equivalents	461,038	42,099
Cash and cash equivalents at beginning of period	<u>761,251</u>	<u>968,155</u>
Cash and cash equivalents at end of period	<u>\$ 1,222,289</u>	<u>1,010,254</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

SIXXON TECH. CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

March 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

Sixxon Tech. Co., Ltd.(the “Company”) was incorporated on January 20, 2020, and registered in British Cayman Islands. The main purpose of the establishment was to restructure the organization for the application of listing on the Taiwan Stock Exchange ("TWSE") in the Republic of China. On March 30, 2020, the Company acquired all issued and outstanding ordinary shares of Global Thaixon Precision Industry CO., LTD. (“GT”), Thaixon Tech CO., LTD. (“TT”) and Caltech (Hong Kong) LTD.(“Caltech”). The Company became the holding company of GT, TT and Caltech after restructuring the Group. GT, TT and Caltech are mainly engaged in designing, manufacturing, processing and selling of automotive, industrial, 3C and medical related components. The Company's shares have been listed and traded on the Taiwan Stock Exchange since July 31, 2023.

(2) Approval date and procedures of the consolidated financial statements:

The consolidated financial statements were authorized for issue by the Board of Directors on May 15, 2025.

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2025:

- Amendments to IAS21 “Lack of Exchangeability”

- (b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2025, would not have a significant impact on its consolidated financial statements:

- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Section 4.1 of IFRS 9 and the related disclosure requirements of IFRS 7

(Continued)

SIXXON TECH. CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (c) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. 	January 1, 2027

(Continued)

SIXXON TECH. CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Standards or Interpretations	Content of amendment	Effective date per IASB
Annual Improvements to IFRS Accounting Standards—Volume 11	<p>The amendments set out:</p> <ol style="list-style-type: none"> 1. IFRS 1 “ First-time Adoption of International Financial Reporting Standards”: <p>The amendments address a potential confusion arising from an inconsistency in wording between paragraph B6 of IFRS 1 and requirements for hedge accounting in IFRS 9 Financial Instruments.</p> 2. IFRS 7 “ Financial Instruments: Disclosures”: <p>The amendments address a potential confusion in IFRS 7 arising from an obsolete reference to a paragraph that was deleted from the standard when IFRS 13 Fair Value Measurement was issued.</p> 3. IFRS 9 “Financial Instruments”: <ul style="list-style-type: none"> ● Derecognition of a lease liability <p>The IASB’s amendment states that if a lease liability is derecognized, then the derecognition will be accounted for under IFRS 9, (i.e. the difference between the carrying amount and the consideration paid is recognized in profit or loss). However, when a lease liability is modified, the modification will be accounted for under IFRS 16 Leases.</p> ● Transaction price <p>The amendments require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15 Revenue from Contracts with Customers. The amendments remove the conflict between IFRS 9 and IFRS 15 over the amount at which a trade receivable is initially measured.</p> 	January 1, 2026

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SIXXON TECH. CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

<u>Standards or Interpretations</u>	<u>Content of amendment</u>	<u>Effective date per IASB</u>
	4. IFRS 10 “ Consolidated Financial Statements”: The amendments clarify the determination of a ‘de facto agent’.	
	5. IAS 7 “Statement of Cash Flows”: The amendments address a potential confusion in applying paragraph 37 of IAS 7 that arises from the use of the term ‘cost method’.	

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Sections 3.1 and 3.3 of IFRS 9 and the related disclosure requirements of IFRS 7
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(4) Summary of material accounting policies:

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”) and IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by the Financial Supervisory Commission (hereinafter referred to as FSC). The consolidated financial statements do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (altogether referred to “IFRS Accounting Standards” endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statements for the year ended December 31, 2024. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2024.

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SIXXON TECH. CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Basis of consolidation

List of the subsidiaries in the consolidated financial statements:

Name of investor	Name of subsidiary	Principal activity	Percentage of Ownership			Description
			March 31, 2025	December 31, 2024	March 31, 2024	
The Company	GT	Design, manufacture, processing and sale of automotive, industrial, 3C and medical related components.	100 %	100 %	100 %	
"	TT	Design, manufacture, processing and sale of automotive, industrial and 3C related components.	100 %	100 %	100 %	
"	Caltech	Sale of automotive related components.	100 %	100 %	100 %	
"	Singxon Pte.Ltd. (SX)	General investment.	100 %	100 %	-	Note 2
GT	Align Co., Ltd (Align)	Sale of medical related equipment and components.	49 %	49 %	-	Note 1

Note 1: This subsidiary is a new investment by GT in March 2024. The Group simultaneously controls its operating and financial activities, and assessed that it has substantial control, thus it is included in the consolidated financial statements as a subsidiary.

Note 2: This subsidiary is a new investment by the Company in December 2024. The Group simultaneously controls its operating and financial activities, and assessed that it has substantial control, thus it is included in the consolidated financial statements as a subsidiary.

(c) Employee benefits

The defined benefit pension during the interim period was calculated using the actuarially determined pension cost rate on the prior year's reporting date, based on the year-to-date basis, and was adjusted for material market volatility and material reductions, settlements, or other material one-off events after that reporting date.

(d) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are measured by multiplying together the pre-tax income for the interim reporting period the management's best estimate of effective annual tax rate. This should be recognized fully as tax expense for the current period.

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SIXXON TECH. CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the consolidated financial statements in conformity with the Regulations and IAS 34 “Interim Financial Reporting” endorsed by the FSC requires management to make judgments, and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated interim financial statements, estimates and underlying assumptions in conformity with the consolidated financial statements for the year ended December 31, 2024. For related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2024.

(6) Explanation of significant accounts:

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim consolidated financial statements for the current period and the consolidated financial statements for the year ended December 31, 2024. Please refer to note 6 of the consolidated financial statements for the year ended December 31, 2024.

(a) Cash and cash equivalents

	March 31, 2025	December 31, 2024	March 31, 2024
Cash in hand	\$ 29	28	27
Checking accounts and demand deposits	151,529	171,154	400,340
Time deposits	1,070,731	590,069	609,887
	<u>\$ 1,222,289</u>	<u>761,251</u>	<u>1,010,254</u>

Please refer to note (6)(t) for the disclosure of the credit risk and the currency risk of the financial assets of the Group.

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SIXXON TECH. CO., LTD. AND SUBSIDIARIES
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(b) Financial assets and liabilities at fair value through profit or loss

(i) The details as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Financial assets mandatorily measured at fair value through profit or loss-current:			
Derivatives instrument not used for hedging			
Forward exchange contracts	\$ <u> -</u>	<u> -</u>	<u> 1,506</u>
Financial assets mandatorily measured at fair value through profit or loss-non-current:			
Non-derivative financial assets			
Private equity investment	11,363	13,073	-
Embedded derivative instruments			
Call options of convertible bonds	<u> 650</u>	<u> -</u>	<u> -</u>
Total	\$ <u> 12,013</u>	<u> 13,073</u>	<u> -</u>

The Group holds derivative financial instruments to hedge certain foreign exchange rate risk the Group is exposed to arising from its operating activities. The following derivative instruments, without the application of hedge accounting, were classified as mandatorily measured at fair value through profit or loss and held-for-trading financial assets:

	March 31, 2024		
	Contract amount (in thousands)	Currency	Maturity dates
Financial assets:			
Forward exchange sold	USD <u> 2,500</u>	USD to THB	2024.6.7

As of March 31, 2025 and December 31, 2024, the Group has no outstanding forward exchange contracts.

As of March 31, 2025, December 31 and March 31, 2024, both the financial assets and liabilities at fair value through profit or loss had not been pledged as collateral.

The Group's information of currency risk and fair value of financial instruments, please refer to note (6)(t).

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SIXXON TECH. CO., LTD. AND SUBSIDIARIES
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(c) Financial assets measured at amortized cost

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Current			
Time deposits with original maturities of more than three months and less than one year	\$ <u>132,820</u>	<u>131,140</u>	<u>224,000</u>

For credit risk, please refer to note (6)(t).

As of March 31, 2025, December 31 and March 31, 2024, the financial assets measured at amortized cost had not been pledged as collateral.

(d) Accounts receivable (including related parties)

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Accounts receivable (including related parties) –measured at amortized cost	\$ 463,924	393,251	377,058
Less: loss allowance	<u>(662)</u>	<u>(346)</u>	<u>(3,368)</u>
	<u>\$ 463,262</u>	<u>392,905</u>	<u>373,690</u>

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, accounts receivable has been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowances were determined as follows:

	<u>March 31, 2025</u>		
	<u>Gross carrying amount</u>	<u>Weighted- average loss rate</u>	<u>Loss allowance</u>
0 to 60 days	\$ 457,134	-%	-
61 to 90 days	4,304	0.95%	41
91 to 120 days	615	10.41%	64
121 to 150 days	650	15.08%	98
151 to 180 days	952	19.96%	190
More than 181 days	<u>269</u>	100.00%	<u>269</u>
	<u>\$ 463,924</u>		<u>662</u>

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SIXXON TECH. CO., LTD. AND SUBSIDIARIES
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	December 31, 2024		
	Gross carrying amount	Weighted- average loss rate	Loss allowance
0 to 60 days	\$ 388,364	-%	-
61 to 90 days	3,006	1.00%	30
91 to 120 days	1,107	10.03%	111
121 to 150 days	76	15.79%	12
151 to 180 days	631	19.97%	126
More than 181 days	67	100.00%	67
	\$ 393,251		346
	March 31, 2024		
	Gross carrying amount	Weighted- average loss rate	Loss allowance
0 to 60 days	\$ 358,658	-%	-
61 to 90 days	14,877	0.99%	148
91 to 120 days	119	10.08%	12
121 to 150 days	186	15.05%	28
151 to 180 days	48	20.83%	10
More than 181 days	3,170	100.00%	3,170
	\$ 377,058		3,368

The movements in the loss allowance for accounts receivable were as follows:

	For the three months ended March 31	
	2025	2024
Balance at January 1	\$ 346	3,285
Impairment losses recognized	293	147
Effect of movements in exchange rates	23	(64)
Balance at March 31	\$ 662	3,368

As of March 31, 2025, December 31 and March 31, 2024, the accounts receivable had not been pledged as collateral.

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SIXXON TECH. CO., LTD. AND SUBSIDIARIES
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(e) Inventories

(i) The details of inventories were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Raw materials	\$ 130,991	123,387	77,291
Semi-finished goods and work in progress	61,869	48,438	43,547
Finished goods	<u>126,049</u>	<u>144,900</u>	<u>103,506</u>
	<u>\$ 318,909</u>	<u>316,725</u>	<u>224,344</u>

(ii) The details of the cost of sales for the three months ended March 31, 2025 and 2024 were as follows:

	For the three months ended March 31	
	2025	2024
Cost of sales and expense	\$ 351,991	271,919
Provision (reversal gains) on inventory valuation loss and obsolescence	2,342	(3,406)
Idle capacity and others	3,963	4,753
Revenue from sale of scraps	<u>(2,125)</u>	<u>(1,602)</u>
	<u>\$ 356,171</u>	<u>271,664</u>

(iii) As of March 31, 2025, December 31 and March 31, 2024, the inventories had not been pledged as collateral.

(f) Property, plant and equipment

The cost and depreciation of the property, plant and equipment of the Group were as follows:

	Land	Buildings and construction	Machinery and equipment	Office equipment and others	Construction in progress and testing equipment	Total
Cost:						
Balance at January 1, 2025	\$ 346,421	461,059	2,242,145	182,893	481,424	3,713,942
Additions	-	1,556	25,446	1,028	37,169	65,199
Reclassification	-	197,381	157,527	1,447	(356,670)	(315)
Disposals	-	-	(1,839)	-	-	(1,839)
Effect of movements in exchange rates	<u>7,884</u>	<u>12,908</u>	<u>52,813</u>	<u>4,187</u>	<u>7,079</u>	<u>84,871</u>
Balance at March 31, 2025	<u>\$ 354,305</u>	<u>672,904</u>	<u>2,476,092</u>	<u>189,555</u>	<u>169,002</u>	<u>3,861,858</u>
Balance at January 1, 2024	\$ 324,605	409,956	2,031,697	161,863	10,917	2,939,038
Additions	-	884	13,707	509	15,234	30,334
Reclassification	-	-	4,309	-	(4,309)	-
Disposals	-	-	(471)	(355)	-	(826)
Effect of movements in exchange rates	<u>(6,372)</u>	<u>(8,051)</u>	<u>(39,586)</u>	<u>(3,175)</u>	<u>(251)</u>	<u>(57,435)</u>
Balance at March 31, 2024	<u>\$ 318,233</u>	<u>402,789</u>	<u>2,009,656</u>	<u>158,842</u>	<u>21,591</u>	<u>2,911,111</u>

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	<u>Land</u>	<u>Buildings and construction</u>	<u>Machinery and equipment</u>	<u>Office equipment and others</u>	<u>Construction in progress and testing equipment</u>	<u>Total</u>
Depreciation and impairments loss:						
Balance at January 1, 2025	\$ -	299,899	1,752,408	127,604	-	2,179,911
Depreciation	-	7,353	42,245	3,442	-	53,040
Disposals	-	-	(1,839)	-	-	(1,839)
Effect of movements in exchange rates	-	6,914	39,961	2,943	-	49,818
Balance at March 31, 2025	<u>\$ -</u>	<u>314,166</u>	<u>1,832,775</u>	<u>133,989</u>	<u>-</u>	<u>2,280,930</u>
Balance at January 1, 2024	\$ -	261,859	1,518,813	107,986	-	1,888,658
Depreciation	-	4,564	36,556	2,879	-	43,999
Disposals	-	-	(471)	(313)	-	(784)
Effect of movements in exchange rates	-	(5,156)	(29,581)	(2,127)	-	(36,864)
Balance at March 31, 2024	<u>\$ -</u>	<u>261,267</u>	<u>1,525,317</u>	<u>108,425</u>	<u>-</u>	<u>1,895,009</u>
Carrying amounts:						
Balance at January 1, 2025	<u>\$ 346,421</u>	<u>161,160</u>	<u>489,737</u>	<u>55,289</u>	<u>481,424</u>	<u>1,534,031</u>
Balance at March 31, 2025	<u>\$ 354,305</u>	<u>358,738</u>	<u>643,317</u>	<u>55,566</u>	<u>169,002</u>	<u>1,580,928</u>
Balance at January 1, 2024	<u>\$ 324,605</u>	<u>148,097</u>	<u>512,884</u>	<u>53,877</u>	<u>10,917</u>	<u>1,050,380</u>
Balance at March 31, 2024	<u>\$ 318,233</u>	<u>141,522</u>	<u>484,339</u>	<u>50,417</u>	<u>21,591</u>	<u>1,016,102</u>

For business development needs, a subsidiary of the Group, GT, signed contracts with third parties for the expansion of its factory and office. As of March 31, 2025, the expansions of the office and factory had been completed.

As of March 31, 2025, December 31 and March 31, 2024, part of the Group's property, plant and equipment had been pledged as collaterals for its credit lines of borrowings, please refer to note (8).

(g) Right-of-use assets

The Group leases buildings and construction. The cost and depreciation about leases for which the Group is a lessee was presented as below:

	<u>Buildings and construction</u>
Cost:	
Balance at March 31, 2025 (and balance at January 1, 2025)	<u>\$ 1,458</u>
Balance at March 31, 2024 (and balance at January 1, 2024)	<u>\$ 1,458</u>
Accumulated depreciation:	
Balance at January 1, 2025	\$ 846
Depreciation	<u>184</u>
Balance at March 31, 2025	<u>\$ 1,030</u>
Balance at January 1, 2024	\$ 112
Depreciation	<u>183</u>
Balance at March 31, 2024	<u>\$ 295</u>

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	<u>Buildings and construction</u>
Carrying amount:	
Balance at January 1, 2025	\$ <u>612</u>
Balance at March 31, 2025	\$ <u>428</u>
Balance at January 1, 2024	\$ <u>1,346</u>
Balance at March 31, 2024	\$ <u>1,163</u>
 (h) Intangible assets	
The cost and amortization of intangible assets of the Group were as follows:	
	<u>Computer software</u>
Costs:	
Balance at January 1, 2025	\$ 27,142
Additions	253
Reclassification	315
Effect of movements in exchange rates	<u>598</u>
Balance at March 31, 2025	\$ <u>28,308</u>
Balance at January 1, 2024	\$ 23,724
Additions	15
Effect of movements in exchange rates	<u>(466)</u>
Balance at March 31, 2024	\$ <u>23,273</u>
Accumulated amortization:	
Balance at January 1, 2025	\$ 23,490
Amortization	382
Effect of movements in exchange rates	<u>536</u>
Balance at March 31, 2025	\$ <u>24,408</u>
Balance at January 1, 2024	\$ 20,416
Amortization	445
Effect of movements in exchange rates	<u>(402)</u>
Balance at March 31, 2024	\$ <u>20,459</u>
Carrying amounts:	
Balance at January 1, 2025	\$ <u>3,652</u>
Balance at March 31, 2025	\$ <u>3,900</u>
Balance at January 1, 2024	\$ <u>3,308</u>
Balance at March 31, 2024	\$ <u>2,814</u>

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As of March 31, 2025, December 31 and March 31, 2024, the Group's intangible assets had not been pledged as collateral.

(i) Other current assets and other non-current assets

The other assets of the Group were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Prepayments of equipment	\$ 39,061	32,985	4,788
Tax refund receivables	32,949	22,056	6,997
Supplies inventory	22,921	11,414	4,811
Payment in advance	12,960	11,135	1,232
Input tax	8,958	19,919	7,139
Restricted deposits	8,827	8,724	8,363
Other receivables	4,480	4,301	10,766
Advance to employees	170	67	1,270
Others	9,377	5,637	6,595
	\$ 139,703	116,238	51,961
Other current assets	91,003	73,762	38,103
Other non-current assets	48,700	42,476	13,858
	\$ 139,703	116,238	51,961

As of March 31, 2025, December 31 and March 31, 2024, part of the Group's other assets were provided as collaterals for its loans, please refer to note (8).

(j) Short-term borrowings

The short-term borrowings of the Group were as follow:

	March 31, 2025	December 31, 2024	March 31, 2024
Unused credit lines	\$ 246,050	240,575	221,000
Range of interest rates	3.80%~7.34%	3.90%~7.34%	4.15%~7.59%

Please refer to note (8) for the information about the Group providing assets as collaterals for its short-term borrowings and credit lines.

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(k) Other payables

	March 31, 2025	December 31, 2024	March 31, 2024
Dividends payables	\$ 173,600	-	139,500
Equipment and constructions payables	98,061	179,126	15,331
Salaries and bonuses payables	29,248	14,850	16,740
Utilities payables	7,718	5,336	5,687
Professional service fees payable	4,431	4,155	3,687
Freight payable	4,240	6,490	5,306
Others	<u>22,610</u>	<u>13,352</u>	<u>12,185</u>
	<u>\$ 339,908</u>	<u>223,309</u>	<u>198,436</u>

(l) Bond payables

On January 15, 2025, the Group issued the Republic of China's first unsecured convertible bonds. The details were as follows:

(i) Details of bonds payable:

	March 31, 2025
Total amount of issued convertible bonds	\$ 500,000
Unamortized discount on bonds payable	<u>(33,346)</u>
Ending balance of bonds payable	<u>\$ 466,654</u>
Embedded derivative – call options (recorded as financial assets at fair value through profit or loss – non-current)	<u>\$ 650</u>
Equity component – conversion options (recorded as capital surplus – share options)	<u>\$ 56,606</u>
	For the three months ended March 31, 2025
Embedded derivative – call options (recorded as (losses) gains on financial assets or liabilities at fair value through profit or loss)	<u>\$ (350)</u>
Interest expense	<u>\$ (2,398)</u>

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- (ii) The Company separated the conversion options from the liability component and recognized them separately as equity and liability. The related information was as follows:

	First convertible bonds
Compound interest present value of the principal of the convertible bonds at issuance	\$ 469,950
Embedded derivative financial asset at issuance – call options	(1,000)
Equity component at issuance	57,300
Total amount of bonds payable at issuance	\$ 526,250
Issuance costs	\$ 6,400

The effective interest rate of the unsecured convertible bonds was 2.4749%.

The key terms of the convertible bonds issued were as follows:

- 1) Coupon rate: 0%
- 2) Term: 3 years (January 15, 2025 to January 15, 2028)
- 3) Redemption terms

Within the period between three months after the issuance date (April 16, 2025) and 40 days before the last convertible date (December 6, 2027), if the closing price of the Company's common shares listed on the Taiwan Stock Exchange exceeds 30% of the conversion price for 30 consecutive business days, or if the remaining amount of the convertible bonds that have not been redeemed, repurchased, resold, or converted, is less than 10% of the total par value, then the Company could redeem the bonds at par value of the corporate bonds in cash within the next 5 business days on the base date.

- 4) Conversion terms
 - a) Bondholders may request to convert their convertible bonds into the Company's common shares at any time from the day after three months following the issuance date (April 16, 2025) until the maturity date (January 15, 2028), except for the following periods: the period in which transfer common shares is suspended by laws, the period starts from 15 business days before the book closure date for issuance of the bonus shares, book closure date for cash dividends, book closure date for rights issue, to the record date for distribution of entitlements, the period starts from the base date of capital reduction to the day before the transaction of reissue of shares after the capital reduction, the period starts from the starting date of the suspension of conversion for the change of the share's par value to the date before the trading date of the reissuance shares.
 - b) Conversion price: The conversion price was NTD212 per share.

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(m) Lease liabilities

The lease liabilities of the Group were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Current	<u>\$ 402</u>	<u>572</u>	<u>668</u>
Non-current	<u>\$ -</u>	<u>-</u>	<u>402</u>

For the maturity analysis, please refer to note (6)(t).

The amounts recognized in profit or loss were as follows:

	For the three months ended March 31	
	2025	2024
Interest on lease liabilities	<u>\$ 4</u>	<u>11</u>
Expenses relating to short-term leases	<u>\$ 276</u>	<u>153</u>

The amounts recognized in the statements of cash flows for the Group were as follows:

	For the three months ended March 31,	
	2025	2024
Total cash outflow for leases	<u>\$ 450</u>	<u>328</u>

As of March 31, 2025, the Group leases buildings and construction for its office space. The leases of office space typically run for a period of 2 years.

(n) Employee benefits

(i) Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2024 and 2023.

The expenses recognized in profit or loss for the Group were as follows:

	For the three months ended March 31	
	2025	2024
Operating cost and expenses	<u>\$ 1,962</u>	<u>1,760</u>

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(ii) Defined contribution plans

The Group's expenses under the pension plan cost of the Tisco Asset Management Co., Ltd. were as follows:

	For the three months ended	
	March 31	
	<u>2025</u>	<u>2024</u>
Operating cost and expenses	<u>\$ 954</u>	<u>785</u>

(o) Income taxes

(i) The Company was registered in the Cayman Islands, and was not required to pay the profit-seeking enterprise income tax under local laws and regulations. Among the Group, GT and TT were approved by Thailand Board of Investment to have tax exemption period for main business lines in accordance with the Investment Promotion Act of Thailand. The tax exemption period differs for different products. As of March 31, 2025, the Group has a tax exemption period that expires from October 2026 to October 2031. The income tax rate for the rest of the Company is 20% under the tax regulations of Thailand ; Caltech's income for the three months ended March 31, 2025 and 2024 were generated outside of Hong Kong, thus Caltech was not subject to local corporate income tax in Hong Kong under the Hong Kong Corporate Income Tax Law.

(ii) Income tax expenses

The Group did not incur any income tax expense for the three months ended March 31, 2025 and 2024.

(iii) Assessment of tax

The Company is not required to pay income tax in the country which it is incorporated.

In Thailand, where GT and TT operate, the income tax returns of the Group are not required to be approved by the tax authorities, and income taxes paid in prior years have been certified by the tax authorities up to 2024. In Hong Kong, where Caltech operates, the income tax returns have been declared through 2023.

(p) Capital and other equity

Except for the following disclosure, there was no significant change in capital and other equity for the three months ended March 31, 2025 and 2024. For the related information, please refer to note 6(o) to the consolidated financial statements for the year ended December 31, 2024.

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(i) Capital surplus

The balances of capital surplus were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Capital premium	\$ 1,896,714	1,946,314	1,946,314
Share-based compensation cost	341	341	341
Recognition of equity component – share options due to issuance of convertible bonds	56,606	-	-
	<u>\$ 1,953,661</u>	<u>1,946,655</u>	<u>1,946,655</u>

Subject to Cayman Islands Company Law and Company's Articles, the Board of Directors may capitalize any unissued shares by paying up in full unissued shares of the Company from capital reserves, other reserve accounts, profit and loss accounts or other distributable funds, and distributing them to the shareholders in pro rata proportion thereof as stock dividends.

Subject to any direction from the Company in general meeting, the directors may on behalf of the Company exercise all the powers and options conferred by the Cayman Islands Company Law regarding to the capital reserve. Subject to compliance with the Cayman Islands Company Law, the directors may on behalf of the Company set off accumulated losses against credits standing in the capital reserve and make distributions out of the capital reserve.

(ii) Retained earnings and earnings distribution

As the Company continues to grow, the need for capital expenditures, business expansion and a sound financial planning for sustainable development, it is the Company's dividends policy that the dividends may be allocated to the Shareholders in the form of cash dividends and/or bonus shares according to the Company's future expenditure budgets, funding needs and in response to changes in the economic climate and the industry. If the Board of Directors resolves on the distribution of profits, it shall draw up a plan and approve the distribution of profits by an ordinary resolution of the shareholders' meeting. The Board of Directors shall prepare such plan of distribution of profits in the following manner: (a) the Company shall provide for the payment of taxes payable in accordance with the law, (b) and the net profit for the year shall first make up the losses of previous years, if any. Secondly, (c) distribute the legal reserve in accordance with the Applicable Public Company Rules, unless the legal reserve has reached the Company's paid-in capital, and (d) distribute a special reserve in accordance with the Applicable Public Company Rules or at the request of the competent authorities. Unless otherwise provided by law and the Applicable Public Company Rules, current year profits, after deducting the amounts listed in (a) to (d) above and adding the cumulative undistributed retained earnings from prior years, are considered distributable earnings, and the Board of Directors may prepare a distribution plan and submit it to the shareholders' meeting for approval. The distribution of retained earnings may be distributed by way of cash dividends or stock dividends (with shares distributed to shareholders in proportion to the amount of retained earnings transferred to capital). If the Board of Directors resolves to distribute profits, the total amount of shareholders' dividends shall be at least 30% of the current year profits after deducting items (a) to (c) above, of which the total amount of cash dividends paid shall not be less than 50% of the total amount of shareholders' dividends.

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Subject to Law, the Board of Directors may distribute all or part of the dividends and bonuses, legal reserve in cash and / or capital surplus arising from premium on issuance of capital stock or the fair value of donated assets received after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the General shareholders' meeting.

On March 15, 2025 and March 14, 2024, the Company's Board of Directors resolved to appropriate the 2024 and 2023 cash dividends from retained earnings and distribution of cash dividends from capital surplus. The details were as follows:

	<u>2024</u>		<u>2023</u>	
	<u>Amount per share (NTD)</u>	<u>Total amount</u>	<u>Amount per share (NTD)</u>	<u>Total amount</u>
Dividends distributed to ordinary shareholders:				
Cash dividends	\$ 4.00	124,000	3.00	93,000
Cash dividends distributed from capital surplus	<u>1.60</u>	<u>49,600</u>	<u>1.50</u>	<u>46,500</u>
	<u>\$ 5.60</u>	<u>173,600</u>	<u>4.50</u>	<u>139,500</u>

(q) Earnings per share

The calculation of basic and diluted earnings per share were as follows:

	<u>For the three months ended March 31</u>	
	<u>2025</u>	<u>2024</u>
Basic earnings per share:		
Profit attributable to ordinary shareholders of the Company	\$ <u>76,813</u>	<u>91,867</u>
Weighted-average number of outstanding ordinary shares (thousands)	<u>31,000</u>	<u>31,000</u>
Basic earnings per share (NTD)	\$ <u>2.48</u>	<u>2.96</u>
Diluted earnings per share:		
Profit attributable to ordinary shareholders of the Company (basic)	76,813	91,867
Effect of dilutive potential ordinary shares:		
Convertible bonds interest expense and other expenses	<u>2,748</u>	<u>-</u>
Profit attributable to ordinary shareholders of the Company	\$ <u>79,561</u>	<u>91,867</u>
Weighted-average number of outstanding ordinary shares (thousands)	31,000	31,000
Effect of employee compensation (thousands)	33	37
Effect of convertible bonds conversion (thousands)	<u>1,992</u>	<u>-</u>
Adjusted weighted average number of ordinary shares outstanding (thousands)	<u>33,025</u>	<u>31,037</u>
Diluted earnings per share (NTD)	\$ <u>2.41</u>	<u>2.96</u>

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SIXXON TECH. CO., LTD. AND SUBSIDIARIES
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(r) Revenue from contracts with customers

(i) Details of revenue

	For the three months ended		
	March 31		
	2025	2024	
Primary geographical markets:			
Thailand	\$ 208,513	103,654	
China	95,282	70,222	
United States of America	51,165	41,510	
Others	<u>113,638</u>	<u>134,959</u>	
	<u>\$ 468,598</u>	<u>350,345</u>	
Major products:			
Automotive	\$ 268,280	227,610	
Industry	132,549	98,764	
3 C	39,818	21,477	
Medical	<u>27,951</u>	<u>2,494</u>	
	<u>\$ 468,598</u>	<u>350,345</u>	
	March 31,	December 31,	March 31,
	2025	2024	2024
Accounts receivable	\$ 463,924	393,251	377,058
Less: loss allowance	<u>(662)</u>	<u>(346)</u>	<u>(3,368)</u>
Total	<u>\$ 463,262</u>	<u>392,905</u>	<u>373,690</u>

For the details of accounts receivable and loss allowance, please refer to note (6)(d).

(s) Remuneration to employees and directors

The Company should distribute no less than 2% of its net profit before employees' and directors' remuneration as employees' remuneration and no more than 2% of its net profit before employees' and directors' remuneration as directors' remuneration if the Company is profitable for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The remuneration to employees may be distributed in cash or in stocks, which may be distributed under an incentive program approved pursuant to the Company's Articles. The employees may include certain employees of the subsidiaries who meet the conditions prescribed by the Company.

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SIXXON TECH. CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For the three months ended March 31, 2025 and 2024, the Company estimated its employee remuneration amounted to \$1,583 and \$1,892, respectively, and directors' remuneration amounted to \$315 and \$377, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remunerations to employees and directors of each period, multiplied by the percentage of remuneration of employees and directors, as specified in Company's Articles. These remunerations were expensed under operating expenses. If there are any subsequent adjustments to the actual remuneration amounts, the adjustments will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year.

For the years ended December 31, 2024 and 2023, the employees' remunerations amounted to \$5,049 and \$1,972, and directors' remunerations amounted to \$1,005 and \$392, respectively. The aforementioned estimated amounts are identical to those of the actual distributions. The related information is available on the Market Observation Post System website.

(t) Financial instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For related information, please refer to note 6(t) of the consolidated financial statements for the year ended December 31, 2024.

(i) Types of financial instruments

Financial assets

	<u>March 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>March 31,</u> <u>2024</u>
Financial assets at fair value through profit or loss	\$ 12,013	13,073	1,506
Financial assets measured at amortized cost:			
Cash and cash equivalents	1,222,289	761,251	1,010,254
Accounts receivable, net	463,262	392,905	373,690
Other receivables	4,480	4,301	10,766
Time deposits with original maturities of more than three months	132,820	131,140	224,000
Restricted deposits (recognized as other non-current assets)	8,827	8,724	8,363
Refundable deposits (recognized as other non-current assets)	812	767	707
	<u>\$ 1,844,503</u>	<u>1,312,161</u>	<u>1,629,286</u>

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SIXXON TECH. CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Financial liabilities

	<u>March 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>March 31,</u> <u>2024</u>
Financial liabilities measured at amortized cost:			
Accounts payable	\$ 124,280	112,649	61,172
Other payables	166,308	223,309	58,936
Dividends payable	173,600	-	139,500
Lease liabilities (including current and non-current)	402	572	1,070
Bonds payable	<u>466,654</u>	<u>-</u>	<u>-</u>
	<u>\$ 931,244</u>	<u>336,530</u>	<u>260,678</u>

(ii) Credit risk

1) Exposure to credit risk

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

2) Concentration of credit risk

The Group caters to wide variety of automotive, industrial, 3C and medical customers instead of concentrating on specific customers; therefore, the Group has not suffered any significant credit loss. In order to reducing the credit risk of accounts receivables, the Group continuously evaluates the financial positions of these clients and regularly reviews the recoverable amount of receivables to ensure the uncollectible amount are recognized appropriately as impairment loss, and the total amount of impairment loss was within management expectations.

(iii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	<u>Carrying</u> <u>amount</u>	<u>Contractual</u> <u>cash flows</u>	<u>Within a</u> <u>year</u>	<u>1~2 years</u>	<u>Over 2</u> <u>years</u>
March 31, 2025					
Non-derivative financial liabilities					
Accounts payable	\$ 124,280	(124,280)	(124,280)	-	-
Lease liabilities (including current and non-current)	402	(406)	(406)	-	-
Other payables	166,308	(166,308)	(166,308)	-	-
Dividends payable	173,600	(173,600)	(173,600)	-	-
Bonds payable	<u>466,654</u>	<u>(500,000)</u>	<u>-</u>	<u>-</u>	<u>(500,000)</u>
	<u>\$ 931,244</u>	<u>(964,594)</u>	<u>(464,594)</u>	<u>-</u>	<u>(500,000)</u>

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SIXXON TECH. CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within a year</u>	<u>1~2 years</u>	<u>Over 2 years</u>
December 31, 2024					
Non-derivative financial liabilities					
Accounts payable	\$ 112,649	(112,649)	(112,649)	-	-
Lease liabilities (including current and non-current)	572	(580)	(580)	-	-
Other payables	223,309	(223,309)	(223,309)	-	-
	<u>\$ 336,530</u>	<u>(336,538)</u>	<u>(336,538)</u>	<u>-</u>	<u>-</u>
March 31, 2024					
Non-derivative financial liabilities					
Accounts payable	\$ 61,172	(61,172)	(61,172)	-	-
Lease liabilities (including current and non-current)	1,070	(1,102)	(696)	(406)	-
Other payables	58,936	(58,936)	(58,936)	-	-
Dividends payable	139,500	(139,500)	(139,500)	-	-
	<u>\$ 260,678</u>	<u>(260,710)</u>	<u>(260,304)</u>	<u>(406)</u>	<u>-</u>

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iv) Currency risk

1) Exposure to foreign currency risk

The Group's significant exposures to foreign currency risk were as follows:

(Foreign currencies: In thousands)

	<u>March 31, 2025</u>			<u>December 31, 2024</u>			<u>March 31, 2024</u>		
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD</u>
<u>Financial assets</u>									
<u>Monetary items</u>									
USD	2,925	USD/THB =33.74	97,125	2,916	USD/THB =34.07	95,601	3,891	USD/THB =36.20	124,512
EUR	4,137	EUR/THB =36.55	148,808	3,714	EUR/THB =35.48	126,796	6,254	EUR/THB =38.98	215,513
USD	28,299	USD/TWD =33.21	939,668	22,338	USD/TWD =32.79	732,351	29,634	USD/TWD =32.00	948,288
<u>Financial liabilities</u>									
<u>Monetary items</u>									
USD	2,292	USD/THB =33.74	76,106	1,424	USD/THB =34.07	46,686	5,578	USD/THB =36.20	178,496
EUR	106	EUR/THB =36.55	3,813	17	EUR/THB =35.48	580	112	EUR/THB =38.98	3,860
JPY	383,056	JPY/THB =0.23	85,307	672,687	JPY/THB =0.22	141,197	31,342	JPY/THB =0.24	6,629

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SIXXON TECH. CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivables (including related parties), other receivables, financial assets measured at amortized cost, accounts payables and other payables that are denominated in foreign currency. An appreciation (depreciation) of 5% of each major foreign currency against Group entities' functional currency as of March 31, 2025 and 2024 would have influenced the net profit before tax for the three months ended March 31, 2025 and 2024 as follows:

	<u>March 31,</u> <u>2025</u>	<u>March 31,</u> <u>2024</u>
USD (against the THB)		
Appreciation 5%	\$ 1,051	(2,699)
Depreciation 5%	(1,051)	2,699
EUR (against the THB)		
Appreciation 5%	7,250	10,583
Depreciation 5%	(7,250)	(10,583)
USD (against the TWD)		
Appreciation 5%	46,983	47,414
Depreciation 5%	(46,983)	(47,414)
JPY (against the THB)		
Appreciation 5%	(4,265)	(331)
Depreciation 5%	4,265	331

3) Foreign exchange gain and loss on monetary items

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the three months ended March 31, 2025 and 2024, foreign exchange gains (including realized and unrealized portions) were as follows:

	<u>For the three months ended</u> <u>March 31</u>	
	<u>2025</u>	<u>2024</u>
Net foreign exchange gains	<u>\$ 15,922</u>	<u>45,027</u>

(v) Interest rate analysis

The exposure to interest rate risk for financial assets and liabilities refers to the management of liquidity risk in this note.

The following sensitivity analysis is based on the exposure to the interest rate risk of non-derivative financial instruments on the reporting date. Regarding the liabilities with variable interest rates, the analysis is on the basis of the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 0.25% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

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SIXXON TECH. CO., LTD. AND SUBSIDIARIES
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If the interest rate had increased or decreased by 0.25%, the net profit before tax for the three months ended March 31, 2025 and 2024 would have increased or decreased by \$95 and \$250, respectively, which would mainly resulted from checking accounts and demand deposits with variable interest rates.

(vi) Fair value of financial instruments

1) Financial instruments measured at fair value

Except as described in the following paragraphs, carry amount of cash and cash equivalents, financial assets measured at amortized cost, account receivables and other receivables, restricted assets, refundable deposits, accounts payables, lease liabilities and other financial liabilities are reasonably close to the fair value.

		March 31, 2025				
		Fair value				
Book value	Level 1	Level 2	Level 3	Total		
Financial assets at fair value through profit and loss – non-current:						
Non-derivative financial assets – private equity investments						
\$ 11,363	-	-	11,363	11,363		
Derivative financial assets – call options of convertible bonds						
<u>650</u>	-	-	650	650		
<u>\$ 12,013</u>						
		December 31, 2024				
		Fair value				
Book value	Level 1	Level 2	Level 3	Total		
Financial assets at fair value through profit and loss – non-current:						
Non-derivative financial assets – private equity investments						
<u>\$ 13,073</u>	-	-	13,073	13,073		
		March 31, 2024				
		Fair value				
Book value	Level 1	Level 2	Level 3	Total		
Financial assets at fair value through profit and loss – current:						
Derivative financial assets- forward exchange contracts						
<u>\$ 1,506</u>	-	1,506	-	1,506		

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SIXXON TECH. CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Valuation techniques for financial instruments measured at fair value

(2.1) Non-derivative financial instruments

The fair value of private equity investments held by the Group is measured using the net asset value method.

(2.2) Derivative financial instruments

Measurement of fair value of derivative instruments is based on the valuation techniques that are generally accepted by market participants. Fair value of forward exchange contracts is usually determined by the forward currency exchange rate.

3) Transfer between Level 1 and Level 2

There were no transfers between fair value level for the three months ended March 31, 2025 and 2024.

4) Reconciliation of Level 3 fair values:

	Fair value through profit or loss	
	Non-derivative financial assets – private equity investment	Derivative financial assets – call options of convertible bonds
Balance at January 1, 2025	\$ 13,073	-
Addition	-	1,000
Recognized in profit or loss	(1,710)	(350)
Balance at March 31, 2025	\$ 11,363	650

There were no changes in the Group's financial assets measured at fair value through profit or loss from January 1 to March 31, 2024.

5) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's financial instruments that use Level 3 inputs to measure their fair value include "financial assets measured at fair value through profit or loss – private equity investment and call options of convertible bonds".

Most of fair value measurements categorized within Level 3 use the single and significant unobservable inputs, only equity investments without an active market contains multiple significant unobservable inputs. The significant unobservable inputs of the equity instruments are independent from each other, as a result, there is no relevance between them.

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SIXXON TECH. CO., LTD. AND SUBSIDIARIES
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Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets measured at fair value through profit or loss – private equity investment	Net asset value method	Net asset value	The higher the net asset is, the higher the fair value will be.
Financial liabilities measured at fair value through profit or loss – call options of convertible bonds	Least Squares Monte Carlo	Volatility (March 31, 2025: 58.64%,).	The higher the volatility is, the higher the fair value will be.

- 6) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The fair value measurement of financial instruments by the consolidated company is considered reasonable. However, the use of different valuation models or parameters may result in different valuation outcomes. For financial instruments classified as Level 3, changes in valuation parameters may affect the current period's profit or loss or other comprehensive income as follows:

	Input	Direction of Input Change	Fair Value Change Reflected in Other Comprehensive Income	
			Favorable Change	Unfavorable Change
March 31, 2025				
Financial assets at fair value through profit or loss – call options of convertible bonds	Volatility	5%	\$ <u>30</u>	<u>(50)</u>

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

- (u) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in note 6(u) of the consolidated financial statements for the year ended December 31, 2024.

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SIXXON TECH. CO., LTD. AND SUBSIDIARIES
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(v) Capital management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2024. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2024. Please refer to note 6(v) to the consolidated financial statements for the year ended December 31, 2024 for further details.

(w) Investing and financial activities not affecting the current cash flow

The Group's investing and financing activities which did not affect the current cash flow for the three months ended March 31, 2025 and 2024, were as follows:

- (i) For right-of-use assets under leases, please refer to notes (6)(g) and (6)(m).
(ii) Reconciliation of liabilities arising from financing activities was as follows:

	<u>January 1, 2025</u>	<u>Cash flows</u>	<u>Non-cash changes</u>	<u>March 31, 2025</u>
Lease liabilities	\$ 572	(170)	-	402
Bonds payable	-	519,850	(53,196)	466,654
Total liabilities from financing activities	<u>\$ 572</u>	<u>519,680</u>	<u>(53,196)</u>	<u>467,056</u>

	<u>January 1, 2024</u>	<u>Cash flows</u>	<u>Non-cash changes</u>	<u>March 31, 2024</u>
Lease liabilities	\$ 1,234	(164)	-	1,070
Total liabilities from financing activities	<u>\$ 1,234</u>	<u>(164)</u>	<u>-</u>	<u>1,070</u>

(7) Related-party transactions

(a) Parent company and ultimate controlling party

Sixxon Tech. Co., Ltd. is the ultimate parent company.

(b) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in the consolidated financial statements.

<u>Name of related party</u>	<u>Relationship with the Group</u>
Digital Orthopaedic Solutions Co., Ltd. (Note)	Other related parties
Imoberdorf AG	Other related parties

Note: Not a related party of the Group since June 2024.

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SIXXON TECH. CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Significant transactions with related parties

(i) Receivables from related parties

The receivables from related parties generated from revenue in previous years were as follows:

<u>Account</u>	<u>Relationship</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Accounts receivable	Other related parties	\$ -	-	<u>3,055</u>

Accounts receivable from related parties are uncollateralized and recognize impairment loss (bad debt expense) after evaluation. The accounts receivable have been fully collected as of March 31, 2025.

(ii) Property transactions

The prepayments of equipment to the related party for the three months ended March 31, 2025 and 2024 were as follows :

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Other related party	\$ <u>22,811</u>	<u>17,779</u>	<u>-</u>

(d) Key management personnel compensation

Key management personnel compensation comprised:

	<u>For the three months ended March 31</u>	
	<u>2025</u>	<u>2024</u>
Short-term employee benefits	\$ <u>7,960</u>	<u>7,306</u>

(8) Pledged assets:

The carrying values of pledged assets were as follows:

<u>Pledged assets</u>	<u>Object</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Property, plant and equipment	Bank borrowings credit lines	\$ 404,439	396,508	349,845
Restricted deposits (recognized as other non-current assets)	Guarantee	8,827	8,724	8,363
		<u>\$ 413,266</u>	<u>405,232</u>	<u>358,208</u>

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SIXXON TECH. CO., LTD. AND SUBSIDIARIES
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(9) Commitments and contingencies:

The Group's unrecognized commitments at the balance sheet date were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Acquisition of property, plant and equipment	\$ 35,016	61,989	23,119

(10) Losses due to major disasters:None.

(11) Subsequent events:None.

(12) Other:

(a) A summary of current period employee benefits, depreciation, and amortization, by function, is as follows:

By item	By function	For the three months ended March 31, 2025			For the three months ended March 31, 2024		
		Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits							
Salary		82,966	29,932	112,898	62,661	25,252	87,913
Labor and health insurance		1,989	333	2,322	2,218	284	2,502
Pension		1,667	1,249	2,916	1,461	1,084	2,545
Others		5,338	1,582	6,920	5,091	479	5,570
Depreciation		48,143	5,081	53,224	39,723	4,459	44,182
Amortization		286	96	382	436	9	445

(b) Seasonality of operations:

The Group's operations were not affected by seasonality or cyclicity factors.

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SIXXON TECH. CO., LTD. AND SUBSIDIARIES
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(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the three months ended March 31, 2025:

(i) Loans to other parties:

(In Thousands of New Taiwan Dollars/other currencies)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance (Note 2)	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing	Note
													Item	Value			
0	The Company	GT	Other receivables	Yes	33,205 (USD1,000)	33,205 (USD1,000)	33,205 (USD1,000)	0%	Short-term financing	-	Operating demand	-	-	-	1,119,448	1,119,448	Note 3
0	"	TT	Other receivables	Yes	33,205 (USD1,000)	33,205 (USD1,000)	-	0%	"	-	"	-	-	-	1,119,448	1,119,448	"
1	SX	GT	Other receivables	Yes	199,230 (USD6,000)	199,230 (USD6,000)	-	0%	"	-	"	-	-	-	2,798,620	2,798,620	"
1	"	TT	Other receivables	Yes	66,410 (USD2,000)	66,410 (USD2,000)	-	0%	"	-	"	-	-	-	2,798,620	2,798,620	"

Note 1: Companies which have business transactions with the Company, the loan amount should be the same as the latest year transaction amount, and subject to the limitation of 40% of the Company's net worth; for companies which have a need for short-term financing, lending cannot exceed 40% of each entity's net worth. For subsidiaries or companies whose 100% of the voting shares are directly or indirectly owned by the Company, the total amount of lending cannot exceed 100% of the Company's net worth, the individual amount cannot exceed 100% of the Company's amount.

Note 2: The accordance of the exchange rate is based on the end of the reporting date.

Note 3: The aforementioned transactions had been eliminated upon the preparation of the consolidated financial statements.

(ii) Guarantees and endorsements for other parties: None.

(iii) Securities held as of March 31, 2025 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars/shares)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance			Fair value	Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)		
The Company	Corporate Venture Capital Alliance Innovation Fund	-	Non-current financial assets at fair value through profit or loss	-	11,363	7.14 %	11,363	

(iv) Related-party transactions for purchases and sales with amounts exceeding the lower of NTD 100 million or 20% of the capital stock: None.

(v) Receivables from related parties with amounts exceeding the lower of NTD 100 million or 20% of the capital stock: None.

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SIXXON TECH. CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(vi) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Company name	Counter party	Nature of Relationship (Note 2)	Intercompany transactions			
				Account name (Note 4)	Amount (Note 5)	Terms	Percentage of the consolidated revenue or total assets (Note 3)
0	The Company	GT	1	Other receivables- related party (Note 6)	33,205	Interest rate 0%	0.86%

Note 1: Companies are numbered as follows:

Parent company—0

Subsidiary—starting from 1

Note 2: The relationships between transaction parties are numbered as follows:

Parent company and subsidiary—1

Subsidiary and parent company—2

Subsidiary and subsidiary—3

Note 3: Regarding the ratio of the transaction amount to the consolidated total operating income or total assets, it is calculated by the ending balance to the consolidated if it is recognized as liabilities; if as profit or loss, then by the ending cumulative amount to the consolidated total operating income.

Note 4: The section only disclosed the information of sales and trade receivables of inter-company transactions, as well as the purchases and trade payables.

Note 5: Assets and liabilities items are translated into New Taiwan dollars at the exchange rates at the ending date of the reporting period; income and expense items are translated at the average exchange rates for the period.

Note 6: Arising from loans.

(b) Information on investees:

The following is the information on investees for the three months ended March 31, 2025 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars/shares)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2025			Net income (losses) of investee (Note 2)	Shares of profits/ losses of investee (Note 2)	Note
				March 31, 2025	December 31, 2024	Shares	Percentage of ownership	Carrying value			
The Company	GT	Thailand	Design, manufacture, processing and sale of automotive, industrial, 3C and medical related components	NTD 1,660,940	NTD 1,660,940	42,750,000	100 %	1,813,899	74,668	81,219	Note 1
The Company	IT	Thailand	Design, manufacture, processing and sale of automotive, industrial and 3C related components	NTD 548,337	NTD 548,337	16,000,000	100 %	313,512	(14,849)	(14,849)	"
The Company	Caltech	Hong Kong	Sale of automotive related components	NTD 90,227	NTD 90,227	25	100 %	20,354	(46)	(46)	"
The Company	SX	Singapore	General investment	NTD 328,747	NTD 3,268	10,000,000	100 %	332,050	-	-	"
GT	Align	Thailand	Sale of medical related equipment and component	NTD 1,733	NTD 1,733	196,000	49 %	1,900	(6)	(3)	"

Note 1: The aforementioned transactions had been eliminated upon the preparation of the consolidated financial statements.

Note 2: Investment income (loss) recognized was translated into New Taiwan Dollar at the average exchange rate for the three months ended March 31, 2025. The other amounts related to foreign currency were translated into New Taiwan Dollar at the exchange rate at the balance sheet date.

(c) Information on investment in mainland China: None.

(Continued)

SIXXON TECH. CO., LTD. AND SUBSIDIARIES
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(14) Segment information:

The Group has one reportable segment, mainly engaged in the design, production and sale of automotive, industrial, 3C and medical related components. Please refer to the balance sheet and statement of comprehensive income for details of departmental profit and loss, departmental assets, and departmental liability in line with the financial statements.