SUNONWEALTH ELECTRIC MACHINE INDUSTRY CO., LTD.

AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2026 AND 2025

AND

INDEPENDENT AUDITORS' REVIEW REPORT

CONTENTS

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INDEPENDENT AUDITORS' REVIEW REPORT

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

Introduction

We have reviewed the accompanying consolidated balance sheets of Sunonwealth Electric Machine Industry Co., Ltd. and subsidiaries (the "Group") as of June 30, 2026 and 2025, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2026 and 2025 and the consolidated statements of changes in equity and cash flows for the six months ended June 30, 2026 and 2025, and notes to the consolidated financial statements (including a summary of significant accounting policies). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standards 34, "Interim Financial Reporting" as endorsed and became effective by Financial Supervisory Commission (FSC) of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

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Basis for Qualified Conclusion

As disclosed in Note 4(3), the financial statements of non-significant subsidiaries and related information declared in Note 13 were consolidated based on their unreviewed financial statements as of and for the same periods. These subsidiaries' total assets amounted to $2,920,042 thousand and $1,924,766 thousand, representing 13.82% and 12.30% of the consolidated assets, and their total liabilities amounted to $987,876 thousand and $582,732 thousand, representing 9.31% and 6.96% of the consolidated liabilities as of June 30, 2026 and 2025, respectively; as well as their total comprehensive income amounted to ($54,975) thousand, ($146,096) thousand, ($73,890) thousand and ($131,374) thousand, representing (7.88%), 150.60%, 5.15% and (29.59%) of the consolidated comprehensive income for the three months and six months ended June 30, 2026 and 2025, respectively. In addition, as described in Note 6(9) 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 $88,504 thousand and $13,366 thousand, representing 0.42% and 0.09% of the consolidated assets as of June 30, 2026 and 2025, and share of profit (loss) of these associates accounted for using equity method amounted to ($2,336) thousand, ($703) thousand, ($5,010) thousand and ($2,702) thousand, representing (0.26%), (0.14%), (0.29%) and (0.25%) of the consolidated income before income tax for the three months and six months ended June 30, 2026 and 2025, 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 six months ended June 30, 2026 and 2025. These amounts were recognized solely based on these investees' unreviewed financial statements for the same periods. The information related to above subsidiaries and investees accounted for under the equity method disclosed in Note 13 was also not reviewed by independent accountants.

Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain subsidiaries described in basis for qualified conclusion paragraph and related information declared in Note 13 been reviewed by independent auditors, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2026 and 2025, its consolidated financial performance for the three months and six months ended June 30, 2026 and 2025 and its consolidated cash flows for the six months ended June 30, 2026 and 2025 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" as endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China.

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

Crowe (TW) CPAs

Crowe (TW) CPAs
Kaohsiung, Taiwan
Republic of China
August 7, 2026

<u>*Notice to Readers*</u>

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

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

SUNONWEALTH ELECTRIC MACHINE INDUSTRY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

		June 30, 2026		December 31, 2025		June 30, 2025	
Assets	Note	Amount	%	Amount	%	Amount	%
CURRENT ASSETS							
Cash and cash equivalents	6(1)	$6,538,992	30.9	$5,256,400	30.1	$5,252,841	33.5
Current financial assets at fair value through profit or loss - current	6(2)	267,680	1.3	-	-	-	-
Notes receivable, net	6(3)	75,587	0.4	62,103	0.4	14,358	0.1
Accounts receivable, net	6(4)	5,699,229	27.0	5,155,351	29.6	4,548,105	29.1
Other receivables		174,778	0.8	195,051	1.1	120,225	0.8
Current tax assets		509	-	387	0.0	17,221	0.1
Inventories	6(5)	3,259,807	15.4	2,423,976	13.9	2,165,857	13.8
Prepayments		125,138	0.6	100,030	0.6	90,324	0.6
Other financial assets - current	6(6)	140,290	0.6	-	-	-	-
Total current assets		16,282,010	77.0	13,193,298	75.7	12,208,931	78.0
NONCURRENT ASSETS							
Current financial assets at fair value through profit or loss - noncurrent	6(7)	-	-	-	-	161,707	1.0
Financial assets at fair value through other comprehensive income or loss - noncurrent	6(8)	26,528	0.1	30,095	0.2	29,968	0.2
Investments accounted for using equity method	6(9)	88,504	0.4	42,561	0.2	13,366	0.1
Property, plant and equipment	6(10)	3,621,394	17.1	3,053,538	17.5	2,400,832	15.3
Right-of-use assets	6(11)	750,566	3.6	737,278	4.2	576,959	3.7
Investment properties, net	6(12)	83,821	0.4	84,004	0.5	84,188	0.5
Intangible assets	6(13)	66,379	0.3	62,676	0.4	46,255	0.3
Deferred income tax assets	6(31)	117,490	0.6	131,059	0.8	85,615	0.6
Refundable deposits		37,529	0.2	31,039	0.2	26,948	0.2
Other noncurrent assets - others		61,311	0.3	60,980	0.3	13,370	0.1
Total noncurrent assets		4,853,522	23.0	4,233,230	24.3	3,439,208	22.0
TOTAL ASSETS		$21,135,532	100.0	$17,426,528	100.0	$15,648,139	100.0
Liabilities and Equity							
CURRENT LIABILITIES							
Short-term loans	6(14)	$865,118	4.1	$469,518	2.7	$1,136,829	7.3
Contract liabilities - current	6(25)	263,499	1.2	164,903	0.9	117,424	0.7
Notes payables		32,560	0.2	40,123	0.2	20,031	0.1
Accounts payable	7	5,210,427	24.7	4,530,263	26.1	3,757,749	24.0
Other payables	6(15)、7	2,967,801	14.0	1,453,969	8.3	2,062,389	13.2
Current tax liabilities		388,569	1.8	263,982	1.5	181,885	1.2
Provisions - current	6(16)	75,897	0.4	68,346	0.4	61,450	0.4
Lease liabilities - current	6(11)	84,729	0.4	81,393	0.5	79,658	0.5
Current portion of long-term loans	6(17)	25,480	0.1	116,534	0.7	119,555	0.8
Total current liabilities		9,914,080	46.9	7,189,031	41.3	7,536,970	48.2

Liabilities and Equity	Note	June 30, 2026 Amount	%	December 31, 2025 Amount	%	June 30, 2025 Amount	%
NONCURRENT LIABILITIES							
Long-term loans	6(17)	-	-	612,500	3.4	430,444	2.7
Deferred income tax liabilities	6(31)	409,899	1.9	464,049	2.7	274,274	1.8
Lease liabilities - noncurrent	6(11)	277,370	1.3	259,304	1.5	116,011	0.7
Net defined benefit liabilities - noncurrent	6(18)	10,738	0.1	13,679	0.1	14,657	0.1
Guarantee deposits		893	-	878	-	1,281	-
Total noncurrent liabilities		698,900	3.3	1,350,410	7.7	836,667	5.3
Total Liabilities		$10,612,980	50.2	$8,539,441	49.0	$8,373,637	53.5
EQUITY							
Share capital	6(19)						
Ordinary shares		$2,869,437	13.6	2,734,437	15.7	$2,734,437	17.5
Capital surplus	6(20)	3,082,178	14.6	1,518,788	8.7	1,518,788	9.7
Retained earnings	6(22)						
Legal reserve		1,495,051	7.1	1,278,634	7.3	1,278,634	8.1
Special reserve		244,321	1.2	136,662	0.8	136,662	0.9
Unappropriated earnings		3,056,925	14.4	3,540,830	20.3	2,222,934	14.2
Other equity	6(23)	(147,417)	(0.7)	(244,321)	(1.4)	(539,010)	(3.4)
Treasury shares	6(24)	(77,943)	(0.4)	(77,943)	(0.4)	(77,943)	(0.5)
Total equity attributable to owners of the parent		10,522,552	49.8	8,887,087	51.0	7,274,502	46.5
NON-CONTROLLING INTERESTS		-	-	-	-	-	-
Total equity		10,522,552	49.8	8,887,087	51.0	7,274,502	46.5
TOTAL LIABILITIES AND EQUITY		$21,135,532	100.0	$17,426,528	100.0	$15,648,139	100.0

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

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

		Three Months Ended June 30				Six Months Ended June 30			
		2026		2025		2026		2025	
	Note	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUES	6(25)	$5,418,647	100.0	$4,663,327	100.0	$10,438,117	100.0	$8,825,430	100.0
OPERATING COSTS	6(5)	(3,725,229)	(68.8)	(3,239,547)	(69.5)	(7,155,364)	(68.5)	(6,183,972)	(70.1)
GROSS PROFIT		1,693,418	31.2	1,423,780	30.5	3,282,753	31.5	2,641,458	29.9
OPERATING EXPENSES									
Sales and marketing		(307,319)	(5.7)	(269,973)	(5.8)	(592,653)	(5.7)	(534,078)	(6.1)
General and administrative		(227,199)	(4.2)	(184,461)	(4.0)	(436,883)	(4.2)	(371,475)	(4.2)
Research and development		(322,324)	(5.9)	(254,598)	(5.4)	(633,401)	(6.0)	(506,010)	(5.7)
Expected credit gain (loss)	6(4)	(507)	-	155	-	4,614	-	580	-
Total operating expenses		(857,349)	(15.8)	(708,877)	(15.2)	(1,658,323)	(15.9)	(1,410,983)	(16.0)
INCOME FROM OPERATIONS		836,069	15.4	714,903	15.3	1,624,430	15.6	1,230,475	13.9
NON-OPERATING INCOME AND EXPENSES									
Interest income	6(27)	34,012	0.6	36,085	0.8	58,005	0.6	67,996	0.8
Other income	6(28)	74,704	1.3	34,558	0.7	114,763	1.0	95,480	1.1
Other gains and losses	6(29)	(23,187)	(0.4)	(256,121)	(5.5)	(59,524)	(0.6)	(271,721)	(3.1)
Finance costs	6(30)	(6,800)	(0.1)	(11,654)	(0.2)	(15,430)	(0.1)	(22,423)	(0.3)
Share of gain (loss) of associates and joint ventures accounted for using equity method	6(9)	(2,336)	-	(703)	-	(5,010)	-	(2,702)	-
Total non-operating income and expenses		76,393	1.4	(197,835)	(4.2)	92,804	0.9	(133,370)	(1.5)
INCOME BEFORE INCOME TAX		912,462	16.8	517,068	11.1	1,717,234	16.5	1,097,105	12.4
INCOME TAX EXPENSE	6(31)	(222,360)	(4.1)	(142,990)	(3.1)	(378,095)	(3.6)	(250,832)	(2.8)
NET INCOME		690,102	12.7	374,078	8.0	1,339,139	12.9	846,273	9.6
OTHER COMPREHENSIVE INCOME (LOSS)	6(32)								
Items that will not be reclassified subsequently to profit or loss:									
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income		(636)	-	(384)	-	(3,669)	-	(1,347)	-
Items that may be reclassified subsequently to profit or loss:									
Exchange differences on translation of foreign operations		10,358	0.2	(588,382)	(12.6)	125,716	1.1	(501,251)	(5.7)
Income tax (expense) benefit related to items that may be reclassified subsequently to profit or loss		(2,071)	-	117,676	2.5	(25,143)	(0.2)	100,250	1.1
Total other comprehensive income (loss) , net of income tax		7,651	0.2	(471,090)	(10.1)	96,904	0.9	(402,348)	(4.6)
TOTAL COMPREHENSIVE INCOME		$697,753	12.9	($97,012)	(2.1)	$1,436,043	13.8	$443,925	5.0
NET INCOME ATTRIBUTABLE TO:									
Owners of the parent		$690,102	12.7	$374,078	8.0	$1,339,139	12.9	$846,273	9.6
Non-controlling interests		-	-	-	-	-	-	-	-
Total		$690,102	12.7	$374,078	8.0	$1,339,139	12.9	$846,273	9.6
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:									
Owners of the parent		$697,753	12.9	($97,012)	(2.1)	$1,436,043	13.8	$443,925	5.0
Non-controlling interests		-	-	-	-	-	-	-	-
Total		$697,753	12.9	($97,012)	(2.1)	$1,436,043	13.8	$443,925	5.0
EARNINGS PER SHARE									
Basic	6(33)	$2.42		$1.37		$4.78		$3.10	
Diluted	6(33)	$2.41		$1.37		$4.77		$3.09	

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

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

	Equity Attributable to Shareholders of the Parent										
			Retained Earnings			Others Equity					
	Ordinary Share	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive income	Treasury shares	Total Equity Attributable to Shareholders of the Parent	Non-controlling Interests	Total Equity
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
Appropriations and distributions of prior year’s earnings:											
Legal reserve	-	-	149,507	-	(149,507)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,011,742)	-	-	-	(1,011,742)	-	(1,011,742)
Special reserve	-	-	-	(163,523)	163,523	-	-	-	-	-	-
Net income for the six months ended June 30, 2025	-	-	-	-	846,273	-	-	-	846,273	-	846,273
Other comprehensive income (loss) for the six months ended June 30, 2025, net of income tax	-	-	-	-	-	(401,001)	(1,347)	-	(402,348)	-	(402,348)
Total comprehensive income for the six months ended June 30, 2025, net of income tax	-	-	-	-	846,273	(401,001)	(1,347)	-	443,925	-	443,925
Repurchase cost of treasury shares	-	-	-	-	-	-	-	(77,943)	(77,943)	-	(77,943)
Increase (decrease) in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-
BALANCE AT JUNE 30, 2025	$2,734,437	$1,518,788	$1,278,634	$136,662	$2,222,934	($546,932)	$7,922	($77,943)	$7,274,502	$ -	$7,274,502
BALANCE AT JANUARY 1, 2026	$2,734,437	$1,518,788	$1,278,634	$136,662	$3,540,830	($252,832)	$8,511	($77,943)	$8,887,087	$ -	$8,887,087
Appropriations and distributions of prior years’ earnings:											
Legal reserve	-	-	216,417	-	(216,417)				-	-	-
Special reserve	-	-	-	107,659	(107,659)				-	-	-
Cash dividends	-	-	-	-	(1,498,968)				(1,498,968)	-	(1,498,968)
Net income for the six months ended June 30, 2026	-	-	-	-	1,339,139	-	-	-	1,339,139	-	1,339,139
Other comprehensive income (loss) for the six months ended June 30, 2026, net of income tax	-	-	-	-	-	100,573	(3,669)	-	96,904	-	96,904
Total comprehensive income for the six months ended June 30, 2026, net of income tax	-	-	-	-	1,339,139	100,573	(3,669)	-	1,436,043	-	1,436,043
Cash capital increase	135,000	1,552,500	-	-	-	-	-	-	1,687,500	-	1,687,500
Share-based Payment Transactions	-	10,890	-	-	-	-	-	-	10,890	-	10,890
BALANCE AT JUNE 30, 2026	$2,869,437	$3,082,178	$1,495,051	$244,321	$3,056,925	($152,259)	$4,842	($77,943)	$10,522,552	$ -	$10,522,552

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

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

	Six Months Ended June 30	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$1,717,234	$1,097,105
Adjustments :		
Adjustments to reconcile profit (loss)		
Depreciation	274,219	224,948
Amortization	58,601	37,745
Expected credit loss (gain)	(4,614)	(580)
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	(8)	11,463
Interest expense	15,430	22,423
Interest income	(58,005)	(67,996)
Share-based payment expenses	10,890	-
Share of loss (profit) of associates and joint ventures accounted for using equity method	5,010	2,702
Loss (gain) on disposal and retirement of property, plant and equipment	1,735	1,186
Transfer of property, plant and equipment to expenses	3,916	2,463
Total adjustments to reconcile profit (loss)	307,174	234,354
Net changes in operating assets and liabilities		
Decrease (increase) in financial assets at fair value through profit or loss value	($262,594)	$ -
Decerase (increase) in notes receivable	(13,484)	(8,609)
Decrease (increase) in accounts receivable	(539,414)	(450,141)
Decrease (increase) in other receivables	21,094	27,329
Decrease (increase) in inventories	(838,590)	24,177
Decrease (increase) in prepayments	(46,317)	(32,069)
Decrease (increase) in other financial assets	(140,290)	228,041
Total changes in operating assets	(1,819,595)	(211,272)
Net changes in operating liabilities		
Increase (decrease) in contract liabilities	98,596	8,120
Increase (decrease) in notes payable	(7,563)	(8,064)
Increase (decrease) in accounts payable	680,164	322,977
Increase (decrease) in other payables	(20,042)	(69,872)
Increase (decrease) in provisions	5,757	3,624
Increase (decrease) in net defined benefit liabilities	(2,941)	(3,491)
Total changes in operating liabilities	753,971	253,294
Total net changes in operating assets and liabilities	(1,065,624)	42,022
Total adjustments	(758,450)	276,376

	Six Months Ended June 30	
	2026	2025
Cash generated from (used in) operations	$958,784	$1,373,481
Interest received	57,184	83,069
Interest paid	(15,316)	(21,513)
Income tax paid	(325,063)	(234,206)
Net cash generated from (used in) operating activities	675,589	1,200,831
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investments accounted for using equity method	(49,277)	-
Acquisition of property, plant and equipment	(692,598)	(310,048)
Proceeds from disposal of property, plant and equipment	101	-
Increase in refundable deposits	(6,490)	(5,520)
Increase in other receivables	-	(18,123)
Acquisition of intangible assets	(26,696)	(11,493)
Increase in other noncurrent assets	(9,599)	(9,714)
Net cash used in investing activities	(784,559)	(354,898)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	395,600	209,228
Repayment of long-term loans	(703,554)	(50,760)
Increase (Decrease) in guarantee deposits	15	(96)
Repayments of lease principal	(52,348)	(56,870)
Cash Capital Increase	1,687,500	-
Repurchase cost of treasury shares	-	(77,943)
Net cash generated from (used in) financing activities	1,327,213	23,559
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	64,349	(295,089)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,282,592	574,403
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	5,256,400	4,678,438
CASH AND CASH EQUIVALENTS, END OF PERIOD	$6,538,992	$5,252,841

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2026 and 2025
(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 August 7, 2026.

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 2026 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

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 IFRSs	Effective Date Announced by IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note 1)
IFRS 19 “Disclosure Initiative - Subsidiaries without	January 1, 2027

New IFRSs	Effective Date Announced by IASB
Public Accountability: Disclosures”	
Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”	January 1, 2027
Amendments to the Fair Value Option in IAS 28 Investments in Associates and Joint Ventures	January 1, 2027(Note 2)

Note 1: Entities are required to apply IFRS 18 for annual reporting periods beginning on or after January 1, 2028. Earlier application is permitted.

Note 2: Not applicable to entities that have not applied IFRS 18.

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. 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.

B. 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.

C. Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency "

The amendment adds a requirement that when translating amounts from the functional currency of a non-highly inflationary economy to the presentation currency of a highly inflationary economy, all amounts (including comparative amounts) must be translated using the closing rate at the most recent balance sheet date. The amendment also includes an exception for entities whose functional currency and presentation currency are both currencies of highly inflationary economies, and whose foreign operations have a functional currency of a non-highly inflationary economy, exempting them from restating comparative amounts. Additionally, it introduces disclosure of aggregated financial information that includes the translation method and the foreign operations to which that translation method is applied.

D. Amendments to the Fair Value Option in IAS 28 Investments in Associates and Joint Ventures

The amendments clarify which entities are eligible to measure investments in associates and joint ventures at fair value through profit or loss in accordance with IFRS 9.

(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 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 20 "Regulatory Assets and Regulatory Liabilities"	January 1, 2029

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. 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.

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, 2025. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

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.

(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

(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:

		Percentage of Ownership		
Investee / Subsidiary	Main Businesses	June 30, 2026	December 31, 2025	June 30, 2025
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 Sales of all kinds of electronics, motors Import and wholesale of components and components	100.00%	100.00%	100.00% (refer to B.b.I)
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%

Investee / Subsidiary	Main Businesses	Percentage of Ownership June 30, 2026	December 31, 2025	June 30, 2025
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%	100.00%	100.00% (refer to B.b.II)
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 June 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. As of June 30, 2026, Sunon Electronic (Kunshan) Co., Ltd. had completed a capital contribution of RMB 50,000 thousand.

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, 2025.

6. CONTENTS OF SIGNIFICANT ACCOUNTS

Except for the following, please refer to Note 6 to the consolidated financial statements for year ended December 31, 2025.

(1) Cash and cash equivalents

Item	June 30, 2026	December 31, 2025	June 30, 2025
Cash on hand	$1,144	$849	$967
Cash in banks	6,388,041	4,606,309	4,353,005
Cash equivalents			
Short term notes with original maturities within three months	149,807	649,242	898,869
Total	$6,538,992	$5,256,400	$5,252,841

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) Current financial assets at fair value through profit or loss - current

Item	June 30, 2026	December 31, 2025	June 30, 2025
Non-derivative financial assets			
Beneficiary Certificate	$267,680	$ -	$ -

A. The Group recognized net gain (loss) of financial assets at fair value through profit or loss of $1 thousand, $0 thousand, $8 thousand and $0 thousand for the three months and six months ended June 30, 2026 and 2025, respectively.

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

(3) Notes receivable, net

Item	June 30, 2026	December 31, 2025	June 30, 2025
At amortized cost			
Notes receivable	$75,611	$62,127	$14,382
Less: Impairment allowance	(24)	(24)	(24)
Net	$75,587	$62,103	$14,358

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

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

(4) Accounts receivable, net

Item	June 30, 2026	December 31, 2025	June 30, 2025
At amortized cost			
Accounts receivable	$5,712,153	$5,172,739	$4,559,276
Less: Impairment allowance	(12,924)	(17,388)	(11,171)
Net	$5,699,229	$5,155,351	$4,548,105

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 2-4 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:

June 30, 2026	Expected Credit Loss Rate	Gross Carrying Amount	Loss Allowance (Lifetime ECL)	Amortized Cost
Not past due	0.05%-5%	$5,865,495	($12,686)	$5,852,809
Past due within 30 days	0.05%-5%	63,664	(93)	63,571
Past due 31-90 days	0.05%-5%	24,268	(49)	24,219
Past due over 91 days	0.05%-5%	9,115	(120)	8,995
Total		$5,962,542	($12,948)	$5,949,594

December 31, 2025	Expected Credit Loss Rate	Gross Carrying Amount	Loss Allowance (Lifetime ECL)	Amortized Cost
Not past due	0.05%-5%	$5,086,444	($16,034)	$5,070,410
Past due within 30 days	0.05%-5%	302,376	(831)	301,545
Past due 31-90 days	0.05%-5%	36,750	(247)	36,503
Past due over 91 days	0.05%-5%	4,347	(300)	4,047
Total		$5,429,917	($17,412)	$5,412,505

June 30, 2025	Expected Credit Loss Rate	Gross Carrying Amount	Loss Allowance (Lifetime ECL)	Amortized Cost
Not past due	0.05%-5%	$4,585,989	($10,993)	$4,574,996
Past due within 30 days	0.05%-5%	68,168	(90)	68,078
Past due 31-90 days	0.05%-5%	39,172	(24)	39,148
Past due over 91 days	0.05%-5%	554	(88)	466
Total		$4,693,883	$(11,195)	$4,682,688

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

	Six Months Ended June 30	
	2026	2025
Beginning balance	$17,412	$12,131
Less: Reversal of impairment	(4,614)	(580)
Less: Foreign exchange differences	150	(356)
Ending balance	$12,948	$11,195

The above provision has already taken into consideration of collateral or other credit enhancement. The other credit enhancement possessed by above receivables was $2,342,538 thousand, $1,752,864 thousand and $1,850,379 thousand as of June 30, 2026, December 31, 2025 and June 30, 2025, 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 six months ended June 30, 2026 and 2025.

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

(5) Inventories and operating costs

Item	June 30, 2026	December 31, 2025	June 30, 2025
Raw materials	$1,145,406	$793,623	$755,988
Supplies	41,594	35,650	31,396
Work in process	386,872	341,333	292,090
Finished goods	1,685,935	1,253,370	1,086,383
Net	$3,259,807	$2,423,976	$2,165,857

A. The related inventory gain (loss) recognized as operating cost for the six months ended June 30, 2026 and 2025 were as follows:

	Three Months Ended June 30	
Item	2026	2025
Cost of goods sold	$3,735,647	$3,215,781
Unallocated overheads and labor cost	26,375	23,785
Gain (loss) on inventory valuation	(3,964)	6,182
Others	(32,829)	(6,201)
Total	$3,725,229	$3,239,547

	Six Months Ended June 30	
Item	2026	2025
Cost of goods sold	$7,147,057	$6,120,881
Unallocated overheads and labor cost	51,217	44,345
Gain (loss) on inventory valuation	(972)	32,971
Others	(41,938)	(14,225)
Total	$7,155,364	$6,183,972

B. The Group recognized inventory valuation loss (gain) of ($3,964) thousand, $6,182 thousand, ($972) thousand and $32,971 thousand for the three months and six months ended June 30, 2026 and 2025, 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.

(6) Other financial assets - current

Item	June 30, 2026	December 31, 2025	June 30, 2025
Time deposits with maturities of more than six months	$140,290	$ -	$ -

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

Item	June 30, 2026	December 31, 2025	June 30, 2025
Non-derivative financial assets-noncurrent			
Convertible bonds	$ -	$ -	$161,707

A. The Group recognized net gain (loss) of financial assets at fair value through profit or loss of $0 thousand, ($18,164) thousand, $0 thousand and ($11,463) thousand for the three months and six months ended June 30, 2026 and 2025, respectively.

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

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

Item	June 30, 2026	December 31, 2025	June 30, 2025
Equity instruments			
Unlisted stocks	$26,528	$30,095	$29,968

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.

(9) Investments accounted for using equity method

Item	June 30, 2026	December 31, 2025	June 30, 2025
Associates:			
Associates without significance	$88,504	$42,561	$13,366

A. Associates:

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

	Three Months Ended June 30	
	2026	2025
Share of:		
Net gain (loss)	($2,336)	($703)
Other comprehensive income (loss) (net after tax)	-	-
Total comprehensive income (loss)	($2,336)	($703)

	Six Months Ended June 30	
	2026	2025
Share of:		
Net loss	($5,010)	($2,702)
Other comprehensive income (loss) (net after tax)	-	-
Total comprehensive loss	($5,010)	($2,702)

B. For the six months ended June 30, 2026 and 2025, 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.

(10) Property, plant and equipment

Item	June 30, 2026	December 31, 2025	June 30, 2025
Land	$820,335	$820,335	$820,335
Buildings	561,688	546,406	525,799
Machinery and equipment	1,960,854	1,665,618	1,286,561
Miscellaneous equipment	1,042,481	895,806	757,913
Leasehold improvements	427,923	382,105	331,411
Equipment to be inspected and construction in progress	800,040	497,675	167,731
Total cost	$5,613,321	$4,807,945	$3,889,750
Less: Accumulated depreciation and impairment	(1,991,927)	(1,754,407)	(1,488,918)
Net	$3,621,394	$3,053,538	$2,400,832

Cost	Land	Buildings	Machinery and Equipment	Miscellaneous Equipment	Leasehold Improvement	Equipment to be Inspected and Construction in Progress	Total
Balance at January 1, 2026	$820,335	$546,406	$1,665,618	$895,806	$382,105	$497,675	$4,807,945
Additions	-	81	100,552	60,834	7,119	562,456	731,042
Disposals	-	-	(45,701)	(13,404)	-	-	(59,105)
Reclassification	-	-	159,084	62,686	26,052	(247,822)	-
Transfer to expenses	-	-	-	-	-	(3,916)	(3,916)
Transfer to prepayments	-	-	-	-	-	(1,925)	(1,925)
Effect of foreign currency exchange differences	-	15,201	81,301	36,559	12,647	(6,428)	139,280
Balance at June 30, 2026	$820,335	$561,688	$1,960,854	$1,042,481	$427,923	$800,040	$5,613,321

	Land	Buildings	Machinery and Equipment	Miscellaneous Equipment	Leasehold Improvement	Equipment to be Inspected and Construction in Progress	Total
Accumulated Depreciation and Impairment							
Balance at January 1, 2026	$ -	$281,116	$699,489	$494,033	$279,769	$ -	$1,754,407
Depreciation expense	-	7,833	119,132	67,738	21,100	-	215,803
Disposals	-	-	(43,866)	(13,403)	-	-	(57,269)
Effect of foreign currency exchange differences	-	7,723	41,895	20,424	8,944	-	78,986
Balance at June 30, 2026	$ -	$296,672	$816,650	$568,792	$309,813	$ -	$1,991,927

Cost	Land	Buildings	Machinery and Equipment	Miscellaneous Equipment	Leasehold Improvement	Equipment to be Inspected and Construction in Progress	Total
Balance at January 1, 2025	$820,335	$571,866	$1,307,669	$764,728	$359,569	$145,782	$3,969,949
Additions	-	1,709	28,832	36,586	2,326	209,827	279,280
Disposals	-	(12,112)	(32,095)	(6,719)	-	-	(50,926)
Reclassification	-	-	132,928	33,652	1,581	(168,161)	-
Transfer to expenses	-	-	-	-	-	(2,463)	(2,463)
Effect of foreign currency exchange differences	-	(35,664)	(150,773)	(70,334)	(32,065)	(17,254)	(306,090)
Balance at June 30, 2025	$820,335	$525,799	$1,286,561	$757,913	$331,411	$167,731	$3,889,750
Accumulated Depreciation and Impairment							
Balance at January 1, 2025	$ -	$288,669	$562,545	$413,334	$244,704	$ -	$1,509,252
Depreciation expense	-	7,937	95,128	53,189	20,174	-	176,428
Disposals	-	(12,112)	(31,516)	(6,112)	-	-	(49,740)
Effect of foreign currency exchange differences	-	(17,836)	(68,821)	(38,337)	(22,028)	-	(147,022)
Balance at June 30, 2025	$ -	$266,658	$557,336	$422,074	$242,850	$ -	$1,488,918

A. The details of interest capitalized: None.

B. The Group did not assess the impairment because there is no sign of impairment for the six months ended June 30, 2026.

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

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

Item	Six Months Ended June 30 2026	Six Months Ended June 30 2025
Acquisition of property, plant and equipment	$731,042	$279,280
Decrease (increase) in equipment payable	(38,444)	30,768
Cash paid for acquisition of property, plant and equipment	$692,598	$310,048

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 20 years;
Leasehold Improvement, 1 to 22 years.

(11) Lease agreement

A. Right-of-use assets

Item	June 30, 2026	December 31, 2025	June 30, 2025
Land use right	$431,429	$437,920	$420,389
Land and building	683,940	641,799	453,534
Other equipment	33,520	37,797	29,661
Total cost	$1,148,889	$1,117,516	$903,584
Less: Accumulated depreciation	(398,323)	(380,238)	(326,625)
Net	$750,566	$737,278	$576,959

Cost	Land-use Right	Land and Buildings	Other Equipment	Total
Balance at January 1, 2026	$437,920	$641,799	$37,797	$1,117,516
Additions	-	75,262	743	76,005
Reductions	-	(2,085)	(170)	(2,255)
Derecognition	-	(40,416)	(5,127)	(45,543)
Effect of foreign currency exchange differences	(6,491)	9,380	277	3,166
Balance at June 30, 2026	$431,429	$683,940	$33,520	$1,148,889
Accumulated Depreciation				
Balance at January 1, 2026	$33,028	$333,855	$13,355	$380,238
Depreciation expense	3,639	49,890	4,704	58,233
Derecognition	-	(40,416)	(5,127)	(45,543)
Effect of foreign currency exchange differences	(389)	5,754	30	5,395
Balance at June 30, 2026	$36,278	$349,083	$12,962	$398,323

Cost	Land-use Right	Land and Buildings	Other Equipment	Total
Balance at January 1, 2025	$460,304	$433,279	$30,008	$923,591
Additions	-	59,455	531	59,986
Disposals		(2,622)	(34)	(2,656)
Derecognition	-	(2,613)	-	(2,613)
Effect of foreign currency exchange differences	(39,915)	(33,965)	(844)	(74,724)
Balance at June 30, 2025	$420,389	$453,534	$29,661	$903,584
Accumulated Depreciation				
Balance at January 1, 2025	$27,052	$262,068	$17,181	$306,301
Depreciation expense	3,734	40,938	3,665	48,337
Derecognition	-	(2,613)	-	(2,613)
Effect of foreign currency exchange differences	(2,624)	(22,091)	(685)	(25,400)
Balance at June 30, 2025	$28,162	$278,302	$20,161	$326,625

B. Lease liabilities

Item	June 30, 2026	December 31, 2025	June 30, 2025
Carrying amount of lease liabilities			
- current	$84,729	$81,393	$79,658
- noncurrent	$277,370	$259,304	$116,011

Ranges of discount rates for lease liabilities are as follows:

Item	June 30, 2026	December 31, 2025	June 30, 2025
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%	0.73%-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 six months ended June 30, 2026. Therefore, the Group didn't assess the impairment.

D. Subleasing: None.

E. Other lease information:

(1) Please refer to Note 6(12) for agreement to lease investment properties under operating lease.

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

	Three Months Ended June 30	
	2026	2025
Short-term lease expense	$3,933	$4,437
Low-value asset lease expense	$69	$58
Variable lease payments that excluded in the measurement of lease liabilities	$283	$173
Total cash outflow for leases (Note)	($29,640)	($42,566)

	Six Months Ended June 30	
	2026	2025
Short-term lease expense	$7,916	$7,328
Low-value asset lease expense	$137	$120
Variable lease payments that excluded in the measurement of lease liabilities	$454	$318
Total cash outflow for leases (Note)	($60,855)	($64,636)

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

(12) Investment properties, net

Item	June 30, 2026	December 31, 2025	June 30, 2025
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	(33,350)	(33,167)	(32,983)
Net	$83,821	$84,004	$84,188

Cost	Land	Buildings	Total
Balance at January 1, 2026	$77,109	$40,062	$117,171
Additions	-	-	-
Balance at June 30, 2026	$77,109	$40,062	$117,171

Accumulated Depreciation			
Balance at January 1, 2026	$ -	$33,167	$33,167
Depreciation expense	-	183	183
Balance at June 30, 2026	$ -	$33,350	$33,350

Cost	Land	Buildings	Total
Balance at January 1, 2025	$77,109	$40,062	$117,171
Additions	-	-	-
Balance at June 30, 2025	$77,109	$40,062	$117,171

Accumulated Depreciation			
Balance at January 1, 2025	$ -	$32,800	$32,800
Depreciation expense	-	183	183
Balance at June 30, 2025	$ -	$32,983	$32,983

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

Item	Three Months Ended June 30	
	2026	2025
Rental income of investment properties	$481	$481
Direct operating expense incurred for the investment properties with current rental income	$181	$182

Item	Six Months Ended June 30	
	2026	2025
Rental income of investment properties	$961	$961
Direct operating expense incurred for the investment properties with current rental income	$273	$274

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

	June 30, 2026	December 31, 2025	June 30, 2025
Year 1	$1,921	$1,921	$1,835
Year 2	1,046	1,921	1,750
Year 3	171	171	875
Year 4	171	171	-
Year 5	171	171	-
Over 5 years	86	171	-
Total	$3,566	$4,526	$4,460

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 was $167,356 thousand, $167,356 thousand and $168,677 thousand as of June 30, 2026, December 31, 2025 and June 30, 2025, respectively. The fair value determination was performed by independent qualified professional appraisers. The valuation was based on the comparison method, and the fair value was measured by using Level 3 inputs. Please refer to Note12(4).

E. The accumulated impairment of investment properties were all $0 thousand, as of June 30, 2026, December 31, 2025 and June 30, 2025, respectively.

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

(13) Intangible assets

Item	June 30, 2026	December 31, 2025	June 30, 2025
Trademark	$8,646	$8,573	$8,204
Computer software	113,135	95,866	79,458
Total cost	$121,781	$104,439	$87,662
Less: Accumulated amortization and impairment	(55,402)	(41,763)	(41,407)
Net	$66,379	$62,676	$46,255

Cost	Trademark	Computer Software	Total
Balance at January 1, 2026	$8,573	$95,866	$104,439
Additions	-	23,044	23,044
Derecognition	-	(6,276)	(6,276)
Effect of foreign exchange differences	73	501	574
Balance at June 30, 2026	$8,646	$113,135	$121,781

Accumulated Amortization			
Balance at January 1, 2026	$ -	$41,763	$41,763
Amortization expenses	-	19,794	19,794
Derecognition	-	(6,276)	(6,276)
Effect of foreign exchange differences	-	121	121
Balance at June 30, 2026	$ -	$55,402	$55,402

	Trademark	Computer Software	Total
Cost			
Balance at January 1, 2025	$8,808	$81,563	$90,371
Additions	-	9,671	9,671
Derecognition	-	(10,432)	(10,432)
Effect of foreign exchange differences	(604)	(1,344)	(1,948)
Balance at June 30, 2025	$8,204	$79,458	$87,662
Accumulated Amortization			
Balance at January 1, 2025	$ -	$37,160	$37,160
Amortization expenses	-	15,022	15,022
Derecognition	-	(10,432)	(10,432)
Effect of foreign exchange differences	-	(343)	(343)
Balance at June 30, 2025	$ -	$41,407	$41,407

(14) Short-term loans

Item	June 30, 2026	December 31, 2025	June 30, 2025
Unsecured loan	$865,118	$469,518	$1,136,829
Interest range	1.90%-2.26%	2.11%-2.55%	1.83%-2.85%

(15) Other payables

Item	June 30, 2026	December 31, 2025	June 30, 2025
Accrued payroll	$419,077	$551,547	$338,962
Service fee payable	11,857	14,913	14,664
R & D payable	69,034	63,700	59,737
Bonus to employees and remuneration to directors and supervisors	145,040	94,000	89,600
Equipment payable	169,675	131,231	56,396
Dividend payable	1,498,968	-	1,011,742
Others	654,150	598,578	491,288
Total	$2,967,801	$1,453,969	$2,062,389

Please refer to Note 7 for transactions with related parties.

(16) Provisions - current

Item	June 30, 2026	December 31, 2025	June 30, 2025
Employee benefits	$75,897	$68,346	$61,450

Item	Six Months Ended June 30 2026	2025
Beginning balance	$68,346	$61,697
Additional provisions recognized	5,757	3,705
Provisions used	-	(81)
Effect of foreign exchange differences	1,794	(3,871)
Ending balance	$75,897	$61,450

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

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

Item	June 30, 2026	December 31, 2025	June 30, 2025
Credit loans	$25,480	$729,034	$549,999
Less: current portion due within one year	(25,480)	(116,534)	(119,555)
Long-term loans	$ -	$612,500	$430,444
Interest rate range	5.50%	0.75%-5.75%	0.75%-6.25%

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

(18) Pension

A. Defined contribution plans

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

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

c. The pension expenses were $55,437 thousand, $44,160 thousand, $105,557 thousand and $89,179 thousand for the three months and six months ended June 30, 2026 and 2025, respectively.

B. Defined benefit plans

a. The pension under the defined benefit plans were $34 thousand, $54 thousand, $67 thousand and $109 thousand for three months and six months ended June 30, 2026 and 2025, respectively. The pensions were calculated using the actuarially determined pension cost discount rates as of December 31, 2025 and 2024..

b. Before the end of 2025 and 2024, the Group estimated that the balance in the Labor Pension Reserve Fund was insufficient to cover the pension payments for employees expected to meet the retirement eligibility requirements in the following year. Accordingly, the Group contributed the shortfall to the fund in March 2026 and 2025, respectively, and reduced the net defined benefit liability by $0 thousand in both years.

(19) Share capital

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

	Six months Ended June 30, 2026	
Item	Shares (in thousands)	Amount
Balance at January 1	273,444	$2,734,437
Capital increase in cash	13,500	135,000
Balance at June 30	286,944	$2,869,437

	Six months Ended June 30, 2025	
Item	Shares (in thousands)	Amount
Balance at January 1	273,444	$2,734,437
Capital increase in cash	-	-
Balance at June 30	273,444	$2,734,437

B. As of June 30, 2026, the authorized capital was $5,000,000 thousand, consisting of 500,000 thousand shares.

C. To repay bank borrowings and strengthen working capital, the Company's Board of Directors approved on November 6, 2025 a cash capital increase through the issuance of 13,500 thousand common shares. The offering was declared effective by the Financial Supervisory Commission on January 16, 2026 (Ref. No. FSC Securities Issuance Zi No. 1140369249). The subscription base date was set on March 2, 2026, with an issue price of 125 per share.

(20) Capital surplus

Item	June 30, 2026	December 31, 2025	June 30, 2025
From merger	$18,227	$18,227	$18,227
Additional Paid-in Capital in Excess of Par	1,563,390	-	-
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	$3,082,178	$1,518,788	$1,518,788

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

(21) Share-based Payment

(1) From January 1 to June 30, 2026, the Group’s share-based payment arrangements were as follows:

Type of arrangement	Grant date	Number of options granted(shares)	Contract term	Vesting conditions
Cash capital increase with employee subscription rights reserved	115.3.2	330,000	NA	Immediately vested

(2) The Group estimated the fair value of share-based payment transactions granted at the grant date using the Black-Scholes option pricing model. The related information is as follows:

Type of arrangement	Grant date	Share price	Exercise price	Expected volatility	Expected life	Expected dividends	Risk-free interest rate	Fair value per unit
Cash capital increase with shares reserved for employee subscription	115.3.2	137.20	125	49.83%	1 year	-	1.16%	33

(3) Share-based payment expenses are as follows:

	Three months Ended June 30, 2026
Equity-settled	$ -

	Six months Ended June 30, 2026
Equity-settled	$ 10,890

(22) 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

	June 30, 2026	December 31, 2025	June 30, 2025
Provision for the debit balance of other equity	$165,166	$57,507	$57,507
Provision for initial application of IAS	79,155	79,155	79,155
Total	$244,321	$136,662	$136,662

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 2025 was proposed by the Board of Directors'

meeting held in June 2026, while the appropriation of earnings for 2024 was approved by the stockholders' meeting held in June 2025. The details of appropriation are as follows:

	Appropriation of Earnings		Dividends Per Share (NT$)	
Item	2025	2024	2025	2024
Legal reserve	$216,417	$149,507		
Special reserve	107,659	(163,523)		
Cash dividends	1,498,968	1,011,742	5.5	3.7
Total	$1,823,044	$997,726		

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.

(4) 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.

(23)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, 2026	($252,832)	$ 8,511	($244,321)
Share of subsidiaries, associates and joint ventures accounted for using equity method	100,573	-	100,573
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	-	(3,669)	(3,669)
Balance, June 30, 2026	($152,259)	$4,842	($147,417)

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	(401,001)	-	(401,001)
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	-	(1,347)	(1,347)
Balance, June 30, 2025	($546,932)	$7,922	($539,010)

(24) Treasury shares

A. Reasons for share redemption and changes in share quantity

(Number of shares (in thousands))

Reason for repurchase	Year Ended June 30 2026	2025
Transferring employees		
Balance, January 1	904	-
Increase in current period	-	904
Decrease in current period	-	-
Balance, June 30	904	904

a. On April 10, 2025, the Board of Directors resolution to repurchase treasury shares and transfer them to employees, It is expected that 6,000 thousands treasury shares will be repurchased from April 11, 2025 to June 10, 2025. As of the expiration date of the repurchase period, the company has repurchased a total of 904 thousands shares, with a total amount of 77,943 thousands.

B. According to the Securities and Exchange Act, The amount of shares purchased shall not exceed 10% of the total number of shares issued by the company, and the total amount of shares purchased shall not exceed the retained earnings plus the premium on the issued shares and the amount of realized capital reserves.

C. The treasury shares held by the Company shall not be pledged in accordance with the Securities and Exchange Act nor shall enjoy shareholder rights before being transferred.

D. According to the Securities and Exchange Act, shares repurchased for transfer to employees must be transferred within five years from the date of repurchase. If they are not transferred within the time limit, they will be deemed as unissued shares by the company and the company must apply for change registration to cancel the shares.

(25) Operating revenues

Item	Three Months Ended June 30 2026	2025
Revenue from contracts with customers		
Sales	$5,445,958	$4,711,210
Sales return	(4,809)	(9,944)
Sales discount	(22,502)	(37,939)
Net	$5,418,647	$4,663,327

Item	Six Months Ended June 30 2026	2025
Revenue from contracts with customers		
Sales	$10,475,220	$8,922,157
Sales return	(12,627)	(21,960)
Sales discount	(24,476)	(74,767)
Net	$10,438,117	$8,825,430

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	June 30, 2026	December 31, 2025	June 30, 2025	January 1, 2025
Receivables	$5,774,816	$5,217,454	$4,562,463	$4,102,777
Contract assets	-	-	-	-
Total	$5,774,816	$5,217,454	$4,562,463	$4,102,777
Contract liabilities - current	$263,499	$164,903	$117,424	$109,304

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	Six Months Ended June 30 2026	2025
From beginning contract liabilities	$164,903	$109,304
From previous period's satisfied performance obligations	$ -	$ -

(26) Labor cost, depreciation and amortization

	Three Months ended June 30, 2026		
Item	Operating cost	Operating expenses	Total
Labor cost			
Salaries	$410,289	$350,424	$760,713
Insurance	34,692	26,157	60,849
Pension	39,331	16,140	55,471
Others	173,315	26,607	199,922
Depreciation	102,896	36,990	139,886
Amortization	6,370	23,357	29,727
Total	$766,893	$479,675	$1,246,568

	Three Months ended June 30, 2025		
Item	Operating cost	Operating expenses	Total
Labor cost			
Salaries	$383,663	$281,676	$665,339
Insurance	28,387	23,808	52,195
Pension	30,799	13,415	44,214
Others	157,396	20,641	178,037
Depreciation	83,218	28,651	111,869
Amortization	5,169	13,640	18,809
Total	$688,632	$381,831	$1,070,463

	Six Months ended June 30, 2026		
Item	Operating cost	Operating expenses	Total
Labor cost			
Salaries	$786,937	$693,623	$1,480,560
Insurance	67,723	56,422	124,145
Pension	74,974	30,650	105,624
Others	334,805	46,863	381,668
Depreciation	201,736	72,483	274,219
Amortization	12,433	46,168	58,601
Total	$1,478,608	$946,209	$2,424,817

Item	Six Months ended June 30, 2025		
	Operating cost	Operating expenses	Total
Labor cost			
Salaries	$721,297	$581,149	$1,302,446
Insurance	57,427	50,363	107,790
Pension	62,544	26,744	89,288
Others	305,462	41,333	346,795
Depreciation	168,954	55,994	224,948
Amortization	10,591	27,154	37,745
Total	$1,326,275	$782,737	$2,109,012

1. The company accrued employees' compensation, and base-level employees, and remuneration to directors at rates no less than 2% and no less than 0.3% and no more than 5%, respectively, of net income before income tax and the aforementioned compensation and remuneration. For the three months and six months ended June 30, 2026 and 2025, employees' compensation was accrued at $20,605 thousand, $10,600 thousand, $39,905 thousand and $24,800 thousand, respectively, while base-level employees was accrued at $4,180 thousand, $3,500 thousand, $8,080 thousand and $0 thousand, respectively, while directors' remuneration was accrued at $4,950 thousand, $2,750 thousand, $10,050 thousand and $6,300 thousand, respectively.

2. The employees' compensation and remuneration to directors for the years ended December 31, 2025 and 2024 had been approved by the Company's Board of Directors meeting held on March 5, 2026 and March 6, 2025, respectively, and the relevant amounts recognized in the consolidated financial statements were as follows:

	Year ended December 31			
	2025		2024	
	Employees' compensation(Note)	Remuneration to directors	Employees' compensation	Remuneration to directors
Resolution amount of allotment	$78,000	$16,000	$44,000	$11,000
Recognized in the annual financial statements	78,000	16,000	44,000	11,000
Difference	$ -	$ -	$ -	$ -

(Note)：the amount include base-level employees.

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.

(27)Interest income

Item	Three Months Ended June 30	
	2026	2025
Interest on bank deposits	$31,806	$34,385
Others	2,206	1,700
Total	$34,012	$36,085

Item	Six Months Ended June 30	
	2026	2025
Interest on bank deposits	$53,577	$64,920
Others	4,428	3,076
Total	$58,005	$67,996

(28) Other income

Item	Three Months Ended June 30	
	2026	2025
Rental income	$486	$490
Others – Sample sales, etc.	14,909	15,575
Others - Subsidy	41,017	4,402
Others	18,292	14,091
Total	$74,704	$34,558

Item	Six Months Ended June 30	
	2026	2025
Rental income	$982	$1,021
Others – Sample sales, etc.	35,833	37,221
Others - Subsidy	47,612	4,499
Others	30,336	52,739
Total	$114,763	$95,480

(29) Other gains and losses

Item	Three Months Ended June 30	
	2026	2025
Net gain (loss) on financial instruments at FVTPL	$1	($18,164)
Net currency exchange gain (loss)	(13,671)	(232,840)
Gain (loss) on disposal of property, plant and equipment	(1,404)	(1,047)
Gain on disposal of investments		
Others	(8,113)	(4,070)
Total	($23,187)	($256,121)

Item	Six Months Ended June 30	
	2026	2025
Net gain (loss) on financial instruments at FVTPL	$8	($11,463)
Net currency exchange gain (loss)	(47,058)	(240,837)
Gain (loss) on disposal of property, plant and equipment	(1,735)	(1,186)
Others	(10,739)	(18,235)
Total	($59,524)	($271,721)

(30) Finance costs

Item	Three Months Ended June 30	
	2026	2025
Interest on loans	$3,573	$9,745
Interest on lease liabilities	3,227	1,909
Less: capitalized amount for qualified assets	-	-
Carrying amount	$6,800	$11,654

Item	Six Months Ended June 30	
	2026	2025
Interest on loans	$9,131	$18,407
Interest on lease liabilities	6,293	4,014
Others Interest	6	2
Less: capitalized amount for qualified assets	-	-
Carrying amount	$15,430	$22,423

(31) Income tax expense

A. Components of tax expense:

Current income tax	Three Months Ended June 30 2026	2025
Income tax incurred in current year	$354,139	$177,574
Prior year income tax (over) under estimation	(43,231)	(18,888)
Undistributed surplus for income tax	13,056	-
Total	$323,964	$158,686
Deferred income tax		
The origination and reversal of temporary differences	($101,604)	($15,696)
Total	($101,604)	($15,696)
Income tax expense	$222,360	$142,990

Current income tax	Six Months Ended June 30 2026	2025
Income tax incurred in current year	$479,703	$262,802
Prior year income tax (over) under estimation	(43,231)	(18,839)
Undistributed surplus for income tax	13,056	-
Total	$449,528	$243,963
Deferred income tax		
The origination and reversal of temporary differences	($71,433)	$6,869
Total	($71,433)	$6,869
Income tax expense	$378,095	$250,832

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 June 30 2026	2025
Exchange differences on translation of foreign operations	$2,071	($117,676)

Current income tax	Six Months Ended June 30 2026	2025
Exchange differences on translation of foreign operations	$25,143	($100,250)

C. The tax authorities have rectified Company’s income tax returns through 2024.

(32)Other comprehensive income (loss)

Item	Three Months Ended June 30, 2026 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	($636)	$ -	($636)
Subtotal	($636)	$ -	($636)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign financial statements	$10,358	($2,071)	$8,287
Subtotal	$10,358	($2,071)	$8,287
Recognized in other comprehensive income (loss)	$9,722	($2,071)	$7,651

Item	Three Months Ended June 30, 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	($384)	$ -	($384)
Subtotal	($384)	$ -	($384)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign financial statements	($588,382)	$117,676	($470,706)
Subtotal	($588,382)	$117,676	($470,706)
Recognized in other comprehensive income (loss)	($588,766)	$117,676	($471,090)

Item	Six Months Ended June 30, 2026 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	($3,669)	$ -	($3,669)
Subtotal	($3,669)	$ -	($3,669)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign financial statements	$125,716	($25,143)	$100,573

Subtotal	$125,716	($25,143)	$100,573
Recognized in other comprehensive income (loss)	$122,047	($25,143)	$96,904

Item	Six Months Ended June 30, 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	($1,347)	$ -	($1,347)
Subtotal	($1,347)	$ -	($1,347)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign financial statements	($501,251)	$100,250	($401,001)
Subtotal	($501,251)	$100,250	($401,001)
Recognized in other comprehensive income (loss)	($502,598)	$100,250	($402,348)

(33) Earnings per share

Item	Three Months Ended June 30 2026	2025
(1) Basic earnings per share:		
Net income attributable to owners of the parent	$690,102	$374,078
Weighted average shares outstanding (in thousands)	286,040	272,817
Basic earnings per share (after tax)	$2.42	$1.37
(2) Diluted earnings per share:		
Net income attributable to owners of the parent	$690,102	$374,078
Effect of potential dilutive ordinary shares	-	-
Net income used in computation of diluted earnings per share	$690,102	$374,078
Weighted average shares outstanding (in thousands)	286,040	272,817
Impact on employees' compensation (Note)	175	282
Weighted average number of ordinary shares outstanding after dilution (in thousands)	286,215	273,099
Diluted earnings per share (after tax)	$2.41	$1.37

Item	Six Months Ended June 30	
	2026	2025
(3) Basic earnings per share:		
Net income attributable to owners of the parent	$1,339,139	$846,273
Weighted average shares outstanding (in thousands)	280,371	273,129
Basic earnings per share (after tax)	$4.78	$3.10
(4) Diluted earnings per share:		
Net income attributable to owners of the parent	$1,339,139	$846,273
Effect of potential dilutive ordinary shares	-	-
Net income used in computation of diluted earnings per share	$1,339,139	$846,273
Weighted average shares outstanding (in thousands)	$280,371	273,129
Impact on employees' compensation (Note)	540	474
Weighted average number of ordinary shares outstanding after dilution (in thousands)	$280,911	273,603
Diluted earnings per share (after tax)	$4.77	$3.09

(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
Sunon Charity Foundation	Other related party
Suzhou Shengyixing Heat Transfer Technology Co., Ltd.	Associates
Tianmai Sunon Thermal Technology (Suzhou) Co., Ltd.	Associates

(3) Significant transactions with related parties:

A. Sales:

Related Party Category	Three months ended June 30 2026	Three months ended June 30 2025
Other related party	$380	$ -

Related Party Category	Six months ended June 30 2026	Six months ended June 30 2025
Other related party	$380	$ -

The sale price is equivalent to other customers, and the collection terms is 2-4 months. Except for the agreement of both parties to receive in advance.

B. Purchase:

Related Party Category	Three months ended June 30 2026	Three months ended June 30 2025
Associates	$35,114	$18,324

Related Party Category	Six months ended June 30 2026	Six months ended June 30 2025
Associates	$68,102	$33,555

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	June 30, 2026	December 31, 2025	June 30, 2025
Account payable	Associates	$21,847	$24,601	$12,142
Other payables	Associates	$213	$20	$233

G. Advance receipts: None.

H. Property transactions: None.

I. Lessee arrangements: None.

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	June 30, 2026	December 31, 2025	June 30, 2025
Other related parties	$55	$55	$55

b. Miscellaneous income

	Three Months Ended June 30	
Related Party Category	2026	2025
Other related parties	$49	$48

	Six Months Ended June 30	
Related Party Category	2026	2025
Associates	$3,412	$ -
Other related parties	98	97
Total	$3,510	$97

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

b. Miscellaneous expenses:

	Three Months Ended June 30	
Related Party Category	2026	2025
Associates	$1,588	$329

	Six Months Ended June 30	
Related Party Category	2026	2025
Associates	$1,765	$708

Miscellaneous expenses are R&D expenses.

(5) Key management compensation

	Three Months Ended June 30	
Item	2026	2025
Salaries and other short-term employee benefits	$38,521	$23,320
Share-based payments	-	-
Total	$38,521	$23,320

	Six Months Ended June 30	
Item	2026	2025
Salaries and other short-term employee benefits	$73,767	$57,540
Share-based payments	1,518	-
Total	$75,285	$57,540

8. PLEDGED ASSETS

Item	June 30, 2026	December 31, 2025	June 30, 2025
Property, plant and equipment (net)	$496,858	$496,858	$496,858

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) As of June 30, 2026, December 31, 2025 and June 30, 2025, the Group issued guarantee notes for bank loans amounting to $2,389,965 thousand, $3,422,080 thousand and $3,401,373 thousand, respectively.

(2) The unused letters of credit issued by the Group were as follows:

(In thousands)

Item	June 30, 2026	December 31, 2025	June 30, 2025
L/C Amount	USD 4,087	USD 2,120	USD 2,059

(3) The note endorsement for material purchase were as follows:

(In thousands)

Item	June 30, 2026	December 31, 2025	June 30, 2025
Bank acceptance	USD 2,515	USD 2,985	USD 1,485

(4) As of June 30, 2026, the Group provided guarantees for others. Please refer to Note 13 for the information.

10. SIGNIFICANT DISASTER LOSS: NONE.

11. SIGNIFICANT SUBSEQUENT EVENTS: NONE.

12. OTHERS

(1) Seasonality or periodicity of operations

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

(2) Capital risk management

There were no significant changes in the Group's policies for capital risk management for the six months ended June 30, 2026 as compared with the consolidated financial statements for the year ended December 31, 2025. Please refer to Note 12(1) of the consolidated financial statements for the year ended December 31, 2025 for the related information.

(3) Financial instruments

A. Financial risk of financial instruments

Financial risk management policies

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

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

Significant financial risks and degrees of financial risks

a. Market risk

(a) Foreign exchange rate risk

There were no significant changes in the nature and degree of material financial risk for the six months ended June 30, 2026 as compared with the consolidated financial statements for the year ended December 31, 2025.

Please refer to Note 12(2) of the consolidated financial statements for the year ended December 31, 2025 for the related information.

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

			June 30, 2026			
				Sensitivity Analysis		
	Foreign Currency	Exchange Rate	Carrying Value (NTD)	Variation	Profit or Loss Impact	Equity Impact
Financial assets						
Monetary items						
USD:NTD	214,361	31.85	6,827,411	Increase 1%	68,274	-
EUR:NTD	8,399	36.29	304,800	Increase 1%	3,048	-
USD:RMB	133,362	6.8109	4,247,565	Increase 1%	42,476	-
USD:PHP	9,508	61.229	302,843	Increase 1%	3,028	-
Financial liabilities						
Monetary items						
USD:NTD	139,174	31.85	4,432,702	Increase 1%	(44,327)	-
USD:RMB	100,695	6.8109	3,207,146	Increase 1%	(32,071)	-
USD:PHP	15,589	61.229	496,504	Increase 1%	(4,965)	

			December 31, 2025			
				Sensitivity Analysis		
	Foreign Currency	Exchange Rate	Carrying Value (NTD)	Variation	Profit or Loss Impact	Equity Impact
Financial assets						
Monetary items						
USD:NTD	165,321	31.43	5,196,053	Increase 1%	51,961	-
EUR:NTD	6,686	36.9	246,717	Increase 1%	2,467	-
USD:RMB	118,612	7.0288	3,727,982	Increase 1%	37,280	-
USD:PHP	16,429	58.8026	516,373	Increase 1%	5,164	-

Financial liabilities						
Monetary items						
USD:NTD	115,501	31.43	3,630,209	Increase 1%	(36,302)	-
USD:RMB	80,319	7.0288	2,524,432	Increase 1%	(25,244)	-
USD:PHP	10,481	58.8026	329,426	Increase 1%	(3,294)	-

			June 30, 2025			
				Sensitivity Analysis		
	Foreign Currency	Exchange Rate	Carrying Value (NTD)	Variation	Profit or Loss Impact	Equity Impact
Financial assets						
Monetary items						
USD:NTD	152,287	29.3000	4,462,004	Increase 1%	44,620	-
EUR:NTD	6,613	34.3500	227,157	Increase 1%	2,272	-
USD:RMB	127,543	7.1586	3,737,014	Increase 1%	37,370	-
USD:PHP	12,451	56.5810	364,805	Increase 1%	3,648	-
Financial liabilities						
Monetary items						
USD:NTD	109,976	29.3000	3,222,302	Increase 1%	(32,223)	-
USD:RMB	74,792	7.1586	2,191,406	Increase 1%	(21,914)	-
USD:PHP	9,627	56.5810	282,082	Increase 1%	(2,821)	

When New Taiwan dollar appreciates and other variation factors stay unchanged, there will be the same but opposite amount of influence as of June 30, 2026, December 31, 2025 and June 30, 2025.

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

	Six Months Ended June 30, 2026			Six Months Ended June 30, 2025		
	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	-	31.623	(1,933)	-	31.8240	(268,392)
EUR: NTD	-	36.88	55,345	-	34.8000	(1,410)
RMB: NTD	-	4.5876	8,418	-	4.4299	(2,462)
USD: RMB	(7,450)	6.8932	(34,176)	(3,692)	7.1839	(16,355)
USD: EUR	26	0.8575	973	(82)	0.9145	(2,847)
USD: PHP	(5,548)	59.976	(2,926)	3,246	57.1270	1,809

Financial Liabilities						
Monetary Items						
USD: NTD	-	31.623	(72,675)	-	31.8240	268,757
USD: RMB	7,030	6.8932	32,252	2,004	7.1839	8,878
USD: EUR	(23)	0.8575	(853)	111	0.9145	3,849
USD: PHP	(24,875)	59.976	(13,119)	1,148	57.127	640

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) $2,677 thousand and $1,617 thousand for the six months ended June 30, 2026 and 2025, respectively. The other comprehensive income from equity instruments at fair value through other comprehensive income or loss will increase (or decrease) $265 thousand and $300 thousand for the six months ended June 30, 2026 and 2025.

c. Interest rate risk

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

	Carrying Amount		
Item	June 30, 2026	December 31, 2025	June 30, 2025
Fair value interest rate risk:			
Financial assets	$177,166	$37,415	$ -
Financial liabilities	(362,099)	(340,697)	(195,669)
Net	($184,933)	($303,282)	($195,669)
Cash flow interest rate risk:			
Financial assets	$6,521,966	$5,248,461	$5,245,881
Financial liabilities	(890,598)	(1,198,552)	(1,686,828)
Net	$5,631,368	$4,049,909	$3,559,053

(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 \$28,157 thousand and \$17,795 thousand for the six months ended June 30, 2026 and 2025, respectively.

B. Credit risk

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

a. Business related credit risk

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

b. Financial credit risk

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

(a) Credit concentration risk:

As of June 30, 2026, December 31, 2025 and June 30, 2025, the Group's ten largest customers accounted for 38.07%, 44.40% and 39.09% of accounts receivable, respectively. The Group believes the concentration of credit risk is insignificant for the remaining accounts receivable. The Group continuously evaluated customers' financial situation. To reduce major credit risk, the Group bought credit guarantee insurance, and asked customers to make payment in advance.

(b) Measured in expected credit loss

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

(ii) Indications for determining whether the credit risk 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:

June 30, 2026	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	267,680	-	-	-	-
Financial assets at fair value through other comprehensive income or loss	26,528	-	-	-	-
Total	$294,208	$ -	$ -	$ -	$ -

December 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 other comprehensive income or loss	30,095	-	-	-	-
Total	$30,095	$ -	$ -	$ -	$ -

June 30, 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	161,707	-	-	-	-
Financial assets at fair value through other comprehensive income or loss	29,968	-	-	-	-
Total	$191,675	$ -	$ -	$ -	$ -

C. Liquidity risk

a. Liquidity risk management:

There were no significant changes in the Group's objects and policies for liquidity risk management for the six months ended June 30, 2026 as compared with the consolidated financial statements for the year ended December 31, 2025.

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	June 30, 2026					
	Within 1 year	1-2 years	2-5 years	Over 5 years	Contract Cash Flow	Carrying Value
Short-term loans	$865,118	$ -	$ -	$ -	$865,118	$865,118
Notes payable	32,560	-	-	-	32,560	32,560
Accounts payable	5,210,427	-	-	-	5,210,427	5,210,427
Other payables	2,967,801	-	-	-	2,967,801	2,967,801
Long-term loans (Inclusive of current portion)	25,480	-	-	-	25,480	25,480
Lease liabilities	96,113	88,595	177,179	35,755	397,642	362,099
Guarantee deposits	893	-	-	-	893	893
Total	$9,198,392	$88,595	$177,179	$35,755	$9,499,921	$9,464,378

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	$96,113	$265,774	$35,755	$ -	$ -	$ -	$397,642

Non-derivative Financial liabilities	December 31, 2025 Within 1 year	1-2 years	2-5 years	Over 5 years	Contract Cash Flow	Carrying Value
Short-term loans	$469,518	$ -	$ -	$ -	$469,518	$469,518
Notes payable	40,123	-	-	-	40,123	40,123
Accounts payable	4,530,263	-	-	-	4,530,263	4,530,263
Other payables	1,453,969	-	-	-	1,453,969	1,453,969
Long-term loans	116,534	175,000	437,500	-	729,034	729,034
(Inclusive of current portion)						
Lease liabilities	91,892	74,801	177,620	24,637	368,950	340,697
Guarantee deposits	878	-	-	-	878	878
Total	$6,703,177	$249,801	$615,120	$ 24,637	$7,592,735	$7,564,482

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	$91,892	$252,421	$24,637	$ -	$ -	$ -	$368,950

Non-derivative Financial liabilities	June 30, 2025 Within 1 year	1-2 years	2-5 years	Over 5 years	Contract Cash Flow	Carrying Value
Short-term loans	$1,136,829	$-	$-	$-	$1,136,829	$1,136,829
Notes payable	20,031	-	-	-	20,031	20,031
Accounts payable	3,757,392	-	357	-	3,757,749	3,757,749
Other payables	2,062,213	136	40	-	2,062,389	2,062,389
Long-term loans	119,555	140,944	289,500	-	549,999	549,999
(Inclusive of current portion)						
Lease liabilities	85,169	36,010	86,906	1,692	209,777	195,669
Guarantee deposits	1,281	-	-	-	1,281	1,281
Total	$7,182,470	$177,090	$376,803	$1,692	$7,738,055	$7,723,947

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	$85,169	$122,916	$1,692	$ -	$ -	$ -	$209,777

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 was as follows:

Financial assets	June 30, 2026	December 31, 2025	June 30, 2025
Financial assets measured at amortized cost			
Cash and cash equivalents	$6,538,992	$5,256,400	$5,252,841
Notes and accounts receivable	5,774,816	5,217,454	4,562,463
Other receivables	174,778	195,051	120,225
Other financial assets - current	140,290	-	-
Refundable deposits	37,529	31,039	26,948
Financial asset at fair value through profit or loss - current	267,680	-	-
Financial asset at fair value through profit or loss - noncurrent	-	-	161,707
Financial asset at fair value through other comprehensive income or loss – noncurrent	26,528	30,095	29,968
Financial liabilities			
Financial liabilities measured at amortized cost			
Short-term loans	865,118	469,518	1,136,829
Notes and accounts payable (including related parties)	5,242,987	4,570,386	3,777,780
Other payables (including related parties)	2,967,801	1,453,969	2,062,389
Lease liabilities(including current and noncurrent)	362,099	340,697	195,669
Long-term loans	25,480	729,034	549,999
Guarantee deposits	893	878	1,281

(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(12).

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:

	June 30, 2026			
Item	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through profit or loss:				
Beneficiary certificate	$267,680	$ -	$ -	$267,680
Financial assets at fair value through other comprehensive income or loss				
Domestic unlisted stocks	-	-	26,528	26,528
Total	$267,680	$ -	$26,528	$294,208

	December 31, 2025			
Item	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through other comprehensive income or loss				
Domestic unlisted stocks	$ -	$ -	$30,095	$30,095
Total	$ -	$ -	$30,095	$30,095

Item	June 30, 2025			
	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through profit or loss:				
Beneficiary certificates	$ -	$ -	$161,707	$161,707
Financial assets at fair value through other comprehensive income or loss				
Domestic unlisted stocks	-	-	29,968	29,968
Total	$ -	$ -	$191,675	$191,675

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.

June 30, 2026:

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	16.21%-21.99%	The higher the degree of lack of liquidity, the lower the fair value estimate

December 31, 2025:

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	16.21%-21.99%	The higher the degree of lack of liquidity, the lower the fair value estimate

June 30, 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	6.76%	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

F. There was no transfer between Level 1 and Level 2 for the six months ended June 30, 2026 and 2025

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

	Investment in unquoted financial instruments	
	Year Ended June 30	
Item	2026	2025
Beginning balance	$30,095	$204,719
Recognized in income	-	(11,463)
Recognized in other comprehensive income	(3,669)	(1,347)
Effect of foreign currency exchange differences	102	(234)
Ending balance	$26,528	$191,675

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 though use of independent data source in order to make the valuation results close to market conditions. Such valuation results are regularly reviewed so as to ensure their reasonableness.

(5) Transfer of financial assets: None.

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

(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 expected greenhouse gas emissions for the year ending December 31, 2026, management has assessed that the Company’s emissions will not exceed the regulatory thresholds for carbon fee assessment. Accordingly, no liability related to carbon emissions for the second quarter of 2026 was recognized.

13. SUPPLEMENTARY DISCLOSURES

A. Information on significant transactions (before consolidated elimination)

a. Loans provided to other parties: Table 1

b. Endorsement/guarantee provided: Table 2

c. Material securities held at the end of the period: Table 3

d. Total purchases from or sales to related parties of at least NT$100 million or 20% of the paid-in capital: Table 4

e. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 5

f. The business relationship between the parent and the subsidiaries and significant transactions between them: Table 6

B. Information on investees (before consolidated elimination): Table 7

C. Information on investments in Mainland China (before consolidated elimination): Table 8

Table 1

SUNONWEALTH ELECTRIC MACHINE INDUSTRY CO., LTD. AND SUBSIDIARIES

LOANS PROVIDED TO OTHER PARTIES

JUNE 30, 2026

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

No.	Financing Company	Counterparty	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance (Note 4)	Amount Actually Drawn	Interest Rate	Nature for Financing (Note 3)	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company (Note 1)	Financing Company's Total Financing Amount Limits (Note 2)
													Item	Value		
1	Sunon Electronics Philippines Corp.	Brilliant Fast Properties Corp.	Other receivables	No	36,414 (PHP 70,000)	36,414 (PHP 70,000)	36,414 (PHP 70,000)	9%	1	52,374	NA	-	-	-	52,374	180,909

Note 1: Financing limits for each borrowing company:

(1) For trading partner, the total amount of the loan shall not exceed 20% of the company's net worth；
The individual loan amount shall not exceed the purchase or sales amount or the contract amount as signed for the business operations between the two parties in the most recent year.

(2) For short-term financing, the total amount of the loan shall not exceed 20% of the company's net worth；
The individual loan amount shall not exceed 10% of the Company's net worth.

Note 2: The maximum balance of financing activitives:

(1) The total amount of the loan shall not exceed 40% of the net worth of the loan enterprise.

(2) The policy for loans granted mutually between overseas subsidiaries of which the Company directly or indirectly holds 100% of their voting shares is as follows:
The maximum amount for total loan for individual enterprise shall not exceed 50% of its net worth.。

Note 3: The code represents the nature of financing activities as follows:

(1) Related to trading partner is "1".

(2) Short-term financing is "2".

Note 4: The maximum amount was approved by the Board of Directors' meeting.

Table 2

SUNONWEALTH ELECTRIC MACHINE INDUSTRY CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED

JUNE 30, 2026

(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	3,156,766	NTD 93,526 (RMB 20,000)	NTD 93,526 (RMB 20,000)	-	-	0.89%	5,261,276	Y	N	Y
0	Sunonwealth Electric Machine Industry Co., Ltd.	Sunon Electronic (Bei Hai) Co., Ltd.	2	3,156,766	NTD 280,578 (RMB 60,000)	NTD 280,578 (RMB 60,000)	-	-	2.67%	5,261,276	Y	N	Y
0	Sunonwealth Electric Machine Industry Co., Ltd.	Bei hai Li Zhun Electronic Co., Ltd.	2	3,156,766	NTD 518,441 (USD 6,000; RMB 70,000)	NTD 518,441 (USD 6,000; RMB 70,000)	NTD 140,289 (RMB 30,000)	-	4.93%	5,261,276	Y	N	Y
1	Sunon Electronic (Bei Hai) Co., Ltd.	Bei hai Li Zhun Electronic Co., Ltd.	1	242,153	NTD 46,763 (RMB 10,000)	-	-	-	-	605,384	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 93,526 thousand (RMB 20,000 thousand).

Table 3

SUNONWEALTH ELECTRIC MACHINE INDUSTRY CO., LTD. AND SUBSIDIARIES

MATERIAL SECURITIES HELD AT THE END OF THE PERIOD

JUNE 30, 2026

(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.	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	23,654	15.68%	23,654	
Sunon Electronic (Kunshan) Co., Ltd.	Stock – ACP HEAT TRANSFER TECH WUXI CO LTD	None	Financial assets at fair value through other comprehensive income or loss-noncurrent	-	2,874	10.00%	2,874	
Sunon Electronics (Bei Hai) Co., Ltd.	Fund – CHINA RESOURCES YUANTA CASH CURRENCY MARKET FUND CLASS B	None	Financial assets at fair value through profit or loss-current	-	103,560	-	103,560	
Bei hai Li Zhun Electronic Co., Ltd.	Fund – CHINA RESOURCES YUANTA CASH CURRENCY MARKET FUND CLASS B	None	Financial assets at fair value through profit or loss-current	-	164,120	-	164,120	

Table 4

SUNONWEALTH ELECTRIC MACHINE INDUSTRY CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST

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

JUNE 30, 2026

(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	673,854	8.22%	3 to 4 months	-	-	1,258,922	22.55%	
Sunonwealth Electric Machine Industry Co., Ltd.	Sunon INC	Subsidiary	Sales	147,715	1.80%	2 to 3 months	-	-	73,310	1.31%	
Sunonwealth Electric Machine Industry Co., Ltd.	Bei hai Li Zhun Electronic Co., Ltd.	Subsidiary	Sales	147,293	1.80%	3 to 4 months	-	-	140,861	2.52%	
Sunon Electronic (Kunshan) Co., Ltd.	Sunonwealth Electric Machine Industry Co., Ltd.	Parent	Sales	1,193,311	40.19%	3 to 4 months	-	-	611,972	36.23%	
Sunon Electronics (Bei Hai) Co., Ltd.	Sunonwealth Electric Machine Industry Co., Ltd.	Parent	Sales	3,887,549	97.13%	3 to 4 months	-	-	2,047,605	95.26%	
Bei Hai Li Zhan Electronics Co., Ltd.	Sunon Electronic (Kunshan) Co., Ltd.	The ultimate parent company	Sales	414,761	19.09%	3 to 4 months	-	-	326,910	24.54%	
	Sunon Electronics Philippines Corp.	The ultimate parent company	Sales	361,441	16.64%	3 to 4 months	-	-	309,279	23.22%	
SUNON ELECTRONICS PHILIPPINES CORP.	Sunonwealth Electric Machine Industry Co., Ltd.	Parent	Sales	590,492	100.00%	2 to 3 months	-	-	181,189	100.00%	

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

Table 5

SUNONWEALTH ELECTRIC MACHINE INDUSTRY CO., LTD. AND SUBSIDIARIES

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

JUNE 30, 2026

(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 1,258,922	3.17	-	-	NTD 309,666	-
Sunonwealth Electric Machine Industry Co., Ltd.	Bei hai Li Zhun Electronic Co., Ltd.	Subsidiary	NTD 140,861	3.27	-	-	NTD 6,235	-
Sunon Electronic (Kunshan) Co., Ltd.	Sunonwealth Electric Machine Industry Co., Ltd.	Parent	NTD 611,972 (RMB 130,866)	4.05	-	-	NTD 236,851 (RMB 50,649)	-
Sunon Electronic (Bei Hai) Co., Ltd.	Sunonwealth Electric Machine Industry Co., Ltd.	Parent	NTD 2,047,605 (RMB 437,869)	4.24	-	-	NTD 719,079 (RMB153,771)	-
Bei Hai Li Zhan Electronics Co., Ltd.	Sunon Electronic (Kunshan) Co., Ltd.	The ultimate parent company	NTD 326,910 (RMB 69,907)	2.47	-	-	NTD 78,158 (RMB 16,714)	
Bei Hai Li Zhan Electronics Co., Ltd.	SUNON ELECTRONICS PHILIPPINES CORP.	The ultimate parent company	NTD 309,279 (RMB 66,137)	2.9	-	-	NTD 48,751 (RMB 10,425)	-
SUNON ELECTRONICS PHILIPPINES CORP.	Sunonwealth Electric Machine Industry Co., Ltd.	Parent	NTD 181,189 (PHP 348,307)	5.99	-	-	NTD 87,181 (PHP 167,591)	

Note 1: Amounts collected as of August 7, 2026.

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

Table 6

SUNONWEALTH ELECTRIC MACHINE INDUSTRY CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

JUNE 30, 2026

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.	Bei hai Li Zhun Electronic Co., Ltd.	1	Sales Accounts receivable	147,293 140,861	(Note4)	1.41% 0.67%
		Sunon SAS	1	Sales	64,416	(Note4)	0.62%
		Sunon INC	1	Sales Accounts receivable	147,715 73,310	(Note4)	1.42% 0.35%
		SunonElectronic (BaiHai) Co., Ltd.	1	Sales Accounts receivable	673,854 1,258,922	(Note4)	6.46% 5.96%
1	Sunon Electronic (Kunshan) Co., Ltd.	Sunonwealth Electric Machine Industry Co., Ltd.	2	Sales Accounts receivable	1,193,311 611,972	(Note4)	11.43% 2.90%
2	Sunon Electronic (BeiHai) Co., Ltd.	Sunonwealth Electric Machine Industry Co., Ltd.	2	Sales Accounts receivable	3,887,549 2,047,605	(Note4)	37.24% 9.69%
3	Bei Hai Li Zhan Electronics Co., Ltd.	Sunon Electronic (Kunshan) Co., Ltd.	3	Sales Accounts receivable	414,761 326,910	(Note4)	3.97% 1.55%
		Sunon Electronic (BeiHai) Co., Ltd.	3	Sales Accounts receivable	95,391 67,671	(Note4)	0.91% 0.32%
		SUNON ELECTRONICS PHILIPPINES CORP.	3	Sales Accounts receivable	361,441 309,279	(Note4)	3.46% 1.46%

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)
4	SUNON ELECTRONICS PHILIPPINES CORP.	Sunonwealth Electric Machine Industry Co., Ltd.	2	Sales Accounts receivable	590,492 181,189	(Note4)	5.66% 0.86%

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 7

SUNONWEALTH ELECTRIC MACHINE INDUSTRY CO., LTD. AND SUBSIDIARIES

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

June 30, 2026

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of June 30, 2026			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Remark
				As of June 30, 2026	As of December 31, 2025	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%	1,884,894	191,607	188,729	-
	BVI Sunon International Limited	British Virgin Islands	Investments	510,928	510,928	-	100.00%	1,300,579	338,614	334,864	-
	Sunon INC	USA	Manufacturing and sales of fans	49,140	49,140	150	100.00%	117,076	(8,056)	(7,355)	-
	Sunon SAS	France	Manufacturing and sales of fans	16,127	16,127	50	100.00%	79,699	(6,469)	(7,647)	-
	Sunonwealth Electric Machine Ind.(H.K.) Ltd.	Hong Kong	Manufacturing and sales of fans	3,428	3,428	800	99.99%	1,810	(7)	(7)	-
	Sunon Corporation	Japan	Manufacturing and sales of fans	4,470	4,470	4	100.00%	1,342	(29)	(29)	-
	Sunon Electronics India Private Limited	India	Manufacturing and sales of fans	4,880	4,880	1,100	99.99%	5,461	289	289	-
	Sunon Electronics Philippines Corp.	Philippines	Manufacturing and sales of fans	577,773	577,773	10,378	99.99%	420,102	(16,510)	(15,646)	-
	Sunon Properties Philippines Corp.	Philippines	Real estate development and investment	1,407,420	1,407,420	25,169	99.99%	1,273,088	3,963	3,963	-
	Tianmai SUNON Thermal Technology (Suzhou) Co., Ltd.	China	Manufacturing and selling of new type electronic parts	80,406	31,129	-	35.00%	79,400	(6,438)	(2,253)	-

	Sunon Cooling Technology (Thailand) Co., Ltd	Thailand	Manufacture and sales of heat dissipation modules and import and wholesale of various eletronic and motor components	2,003	2,003	200	100.00%	1,578	(208)	(208)	-
			Total					5,165,029	496,756	494,700	
Successful Century Co., Ltd.	Sunon Electronic (Kunshan) Co., Ltd.	China	Manufacturing and sales of fans	USD 34,431	USD 34,431	-	100.00%	USD 61,717	USD 6,059	USD 6,059	-
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 1,947	RMB (1,226)	RMB (601)	-
	Beihai Li Zhun Electronics Co., Ltd.	China	Manufacturing and selling of fans	RMB 20,000	RMB 20,000	-	33.33%	RMB 62,042	RMB 51,708	RMB17,236	-
	Sunon Cooling Technology(Huizhou)Co. , Ltd	China	Manufacturing and selling of liquid cooling heat dissipation related products	RMB 60,000	RMB 40,000	-	100.00%	RMB 48,538	RMB (4,652)	RMB(4,652)	-
BVI Sunon International Limited	Sunon Electronic (Foshan) Co., Ltd.	China	General investment and trade	RMB 390	RMB 390	-	100.00%	RMB 127,706	RMB 34,596	RMB 34,596	-
	Sunon Electronic (Bei Hai) Co., Ltd.	China	Manufacturing and selling of new type electronic parts	RMB 63,732	RMB 63,732	-	100.00%	RMB 188,155	RMB 39,240	RMB 39,240	-
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 124,084	RMB 51,708	RMB 34,472	-
Sunon SAS	Sunon Deutschland GmbH	Germany	Sales of fans	EUR 25	EUR 25	-	100.00%	EUR 102	EUR 185	EUR 185	-

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

Table 8

SUNONWEALTH ELECTRIC MACHINE INDUSTRY CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA

JUNE 30, 2026

（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, 2026	Investment Flows		Accumulated Outflow of Investment from Taiwan as of June 30, 2026	Net Income (Loss) of the Investee Company	Percentage of Ownership	Share of Profit/Loss (Note 2)	Carrying Amount as of June 30, 2026	Accumulated Inward Remittance of Earnings as of June 30, 2026
					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 (USD33,880)	-	-	NTD1,136,673 (USD 33,880)	NTD 191,606 (USD 6,059)	100%	NTD 191,606 (USD 6,059) (2).B	NTD 1,965,699 (USD 61,717)	NTD 1,694,548 (USD 55,297)
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 158,711 (RMB 34,596)	100%	NTD 158,711 (RMB 34,596) (2).C	NTD 597,190 (RMB 127,706)	NTD 1,021,184 (USD 33,935)
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 180,016 (RMB 39,240)	100%	NTD 180,016 (RMB 39,240) (2).B	NTD 879,871 (RMB 188,155)	NTD 2,054,562 (USD 67,020)
Tianmai SUNON Thermal Technology (Suzhou) Co., Ltd.	Manufacturing and selling of new type electronic parts	NTD 229,730 (RMB 50,000)	(1)	NTD 31,129 (RMB 7,000)	NTD 49,277 (RMB 10,500)	-	NTD 80,406 (RMB 17,500)	NTD -6,438 (RMB -1,403)	35%	NTD -2,253 (RMB -491) (2).C	NTD 79,400 (RMB 16,979)	-
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 -5,626 (RMB -1,226)	49%	NTD -2,757 (RMB -601) (2).C	NTD 9,104 (RMB 1,947)	-
Beihai Li Zhun Electronic Co., Ltd.	Manufacturing and selling of fans	NTD 265,311 (RMB 60,000)	(3)	- (Note 8)	-	-	- (Note 8)	NTD 237,213 (RMB 51,708)	100%	NTD 237,213 (RMB 51,708) (2).C	NTD 870,384 (RMB 186,126)	-
Sunon Cooling Technology (Huizhou)Co., Ltd.	Manufacturing and selling of liquid cooling heat dissipation related products	NTD 266,506 (RMB 60,000)	(3)	- (Note 9)	-	-	- (Note 9)	NTD -21,339 (RMB -4,652)	100%	NTD -21,339 (RMB -4,652) (2).B	NTD 226,980 (RMB 48,538)	-

Accumulated Investment in Mainland China as of June 30, 2026	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) NTD 80,406 (RMB 17,500)	USD 34,000 USD 5,450 USD 10,000 RMB 21,000	(Note 4)

Note: Gain and loss on investment are translated using average exchange rates for the six months ended June 30, 2026 (USD:NTD 1: 31.623; CNY:NTD 1:4.5876). Additions and ending balance are translated using the exchange rates as at June 30, 2026 (USD:NTD 1: 31.85; CNY:NTD 1: 4.6763)

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 six months ended June 30, 2026 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 2 attached in Note 13.
3. Significant transactions between the Company and investees in China: Table 4 attached and Table 5 attached and Table 6 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: The investment, funded by Sunon Electronic (Kunshan) Co., Ltd., was resolved to be liquidated by the shareholders in July 2025, and the remaining funds were returned to the investors in proportion to their respective shareholdings as of December 30, 2025.

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 reduction 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 reduction 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-subsidiary 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 June 30, 2026	Great China	Europe and North America	Other Areas	Elimination	Total
Sales from external customers	$5,260,082	$158,565	$ -	$ -	$5,418,647
Sales among inter-segment	3,877,301	-	290,729	(4,168,030)	-
Total sales	$9,137,383	$158,565	$290,729	($4,168,030)	$5,418,647
Operating profit (loss)	$1,264,298	($101)	($30,721)	($321,014)	$912,462
Segment assets	$ -	$ -	$ -	$ -	$21,135,532
Segment liabilities	$ -	$ -	$ -	$ -	$10,612,980

a. Total reporting segment sales should eliminate inter-segment sales of $4,168,030 thousand.

b. Income tax expense of $222,360 thousand is not included in segment profit (loss).

(In thousands)

Three Months Ended June 30, 2025	Great China	Europe and North America	Other Areas	Elimination	Total
Sales from external customers	$4,510,798	$152,529	$ -	$ -	$4,663,327
Sales among inter-segment	2,978,564	-	201,448	(3,180,012)	-
Total sales	$7,489,362	$152,529	$201,448	($3,180,012)	$4,663,327
Operating profit (loss)	$864,794	($2,377)	$10,494	($355,843)	$517,068
Segment assets	$ -	$ -	$ -	$ -	$15,648,139
Segment liabilities	$ -	$ -	$ -	$ -	$8,373,637

a. Total reporting segment sales should eliminate inter-segment sales of $3,180,012 thousand.

b. Income tax expense of $142,990 thousand is not included in segment profit (loss).

(In thousands)

Six Months Ended June 30, 2026	Great China	Europe and North America	Other Areas	Elimination	Total
Sales from external customers	$10,125,509	$312,608	$ -	$ -	$10,438,117
Sales among inter-segment	7,252,736	-	590,492	(7,843,228)	-
Total sales	$17,378,245	$312,608	$590,492	($7,843,228)	$10,438,117
Operating profit (loss)	$2,277,028	($14,525)	($9,749)	($535,520)	$1,717,234
Segment assets	$ -	$ -	$ -	$ -	$21,135,532
Segment liabilities	$ -	$ -	$ -	$ -	$10,612,980

a. Total reporting segment sales should eliminate inter-segment sales of $7,843,228 thousand.

b. Income tax expense of $378,095 thousand is not included in segment profit (loss).

(In thousands)

Six Months Ended June 30, 2025	Great China	Europe and North America	Other Areas	Elimination	Total
Sales from external customers	$8,520,665	$304,765	$ -	$ -	$8,825,430
Sales among inter-segment	5,729,477	-	337,798	(6,067,275)	-
Total sales	$14,250,142	$304,765	$337,798	($6,067,275)	$8,825,430
Operating profit (loss)	$1,740,834	($18,604)	$7,331	($632,456)	$1,097,105
Segment assets	$ -	$ -	$ -	$ -	$15,648,139
Segment liabilities	$ -	$ -	$ -	$ -	$8,373,637

a. Total reporting segment sales should eliminate inter-segment sales of $6,067,275 thousand.

b. Income tax expense of $250,832 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.