WELLYSUN

威力暘電子

股票代號 **6988**

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Company Overview

Nearly Two Decades of Automotive Electronics Expertise **Dual Smart Manufacturing Bases in Taiwan and China**

2008

Founded

Nearly 20 years of technology accumulation

6988

Innovation Board Listing

Taiwan Stock Exchange

Dual Production Bases

Operational Footprint

Zhubei R&D Center / Chuzhou Manufacturing Bas

ECU

Core Product

Intelligent Automotive Electronic Control Solutions

Core Positioning and Customer Ecosystem

- Headquarters in Zhubei, Taiwan (Tai Yuen Hi-Tech Industrial Park) leading R&D, quality assurance, and international business development
- Chuzhou manufacturing facility in China providing large-scale production with integrated SMT, DIP, and conformal coating processes
- AUTOSAR-based development architecture with ISO 26262 functional safety capabilities
- IATF 16949 certified automotive quality management system with zero-defect philosophy
- Major customers include DENSO, AI Thermal Management BMC Modules, ZF, and AUTOLIV
- ISO 21434 automotive cybersecurity certification currently under SGS audit

Strategic Transformation:From Supplier to Platform-Level Strategic Partner

Through Collaborative Development, Powertron Is Redefining Its Strategic Role in the Global Supply Chain

Previous Positioning	Strategic Transformation	Current & Future Positioning
Single-system module supplier		Platform-Level Strategic Partner
Manufacturing based on customer specifications		Early-stage participation in system architecture and specification definition
Limited pricing power		AUTOSAR and ISO 26262 capabilities creating high technical barriers
Lower technical differentiation		Deep integration into next-generation vehicle development programs
Profitability vulnerable to cost competition		Enhanced bargaining power driven by advanced engineering capabilities

Software Excellence:Building an Unmatched Technology Moat

Building a Technology Moat Through Industrial-Grade Software Architecture

AUTOSAR Architecture

- Layered BSW / RTE / ASW architecture
- Rapid migration across multiple MCU platforms
- Cross-platform software reusability
- Enhanced compatibility with global Tier-1 suppliers

Model-Based Development (MBD)

- MATLAB / Simulink auto-code generation
- Approximately 25% reduction in development cycle tim
- Automated testing reduces human error
- Faster design validation and verification

ASPICE Level 2 Certification

- Internationally recognized automotive software development standard
- Meets qualification requirements for Tier-1 and OEM suppliers
- Full traceability for requirements and change management
- Continuous improvement toward ASPICE Level 3

ISO 26262 Functional Safety (ASIL C)

- ASIL C system design capability
- Comprehensive FMEA and HARA safety analysis
- Integrated hardware and software safety cases
- Compliance with ADAS and next-generation EV regulations

Manufacturing Excellence: Hardware Production Capabilities

Designed for Extreme Environments, Built to Meet the World's Most Stringent Automotive Standards

Conformal Coating Technology

Protection Against Moisture, Mold, and Salt Spray

Aerospace-grade conformal coating solutions for ECUs operating in high-salinity and high-vibration environments, compliant with IEC 60068 standards. Supports applications including AI thermal management BMC modules and liquid-cooling control systems for AI servers.

ISO Class 5 Cleanroom

Precision Manufacturing with Medical-Grade Cleanliness

Critical assembly areas are equipped with ISO Class 5 cleanrooms (≤100 particles/ft^3), ensuring contamination-free manufacturing environments.

Fully Automated AOI & ATE Inspection

100% Coverage and Zero-Escape Quality Control

Comprehensive implementation of Automated Optical Inspection (AOI) and Automated Test Equipment (ATE), delivering full electrical and visual inspection coverage.

IATF 16949 Zero-Defect Management

Highest Automotive Quality Standard

Certified to IATF 16949 standards with PFMEA-driven preventive quality management and PPAP-first-pass approval as a key performance indicator.

Proven Mass Production Track Record: Trusted by Leading Global Customers

Long-Term Strategic Partnerships with Leading Global Customers Including DENSO, AI Thermal Management BMC Projects, ZF, and AUTOLIV

DENSO

Global Leader in Automotive Components

Sole Qualified Supplier

VB Series

Next-Generation Vibration-Resistant ECU

Successfully passed DENSO's most rigorous qualification process and was awarded Sole Qualified Supplier status. Mass production qualification of the VB32-F vibration-resistant ECU is progressing steadily, with contributions from Japanese customers expected to continue expanding.

AI Thermal Management BMC Project

Next-Generation High-Efficiency Thermal Management Control Systems

High-Power Thermal Management Solution Deployment

BMC Series

AI Server and Mobility Thermal Control Modules

The AI Thermal Management BMC Project is progressing steadily. Our conformal coating expertise provides a critical technology foundation for AI server cooling systems and a wide range of mobility applications.

ZF / AUTOLIV

World-Class Tier-1 Suppliers of Automotive Safety Systems

One-Million-Unit Shipment Milestone

1M+

Cumulative Safety System ECU Shipments

Cumulative shipments of safety system ECUs have exceeded one million units, demonstrating industry-leading quality performance and reinforcing long-term customer trust.

Four Key Growth Drivers

Building a Sustainable Engine for High-Quality Growth Through Multiple Growth Drivers

01 Deepening Engagement with Japanese Tier-1 Customers

- Deepening Technical Collaboration with DENSO and the AI Thermal Management BMC Project
- Entering Next-Generation EV and ADAS Development Programs
- Leveraging ISO 26262 Certification as a Technology Differentiator
- Steady Growth Expected from Japanese Customer Programs

02 Localization Collaboration within Toyota's China Ecosystem

- Supporting Toyota China's Localized EV Supply Chain Development
- The Chuzhou Facility Provides a Cost-Competitive Local Delivery Advantage
- Aligned with the Rapid Electrification of China's Automotive Market
- Growing Opportunities to Engage with Emerging Local Customers

03 Opportunities Driven by Taiwan's Localization Initiatives

- Entering Taiwan's EV and E-Scooter Supply Chains
- Benefiting from Government-Driven Localization Initiatives
- Established a Meaningful Supply Chain Partnership with VinFast
- Promising Progress in Expanding Business with Domestic Customers

04 Value-Added Expansion in the AM Aftermarket

- Focusing on High-Value Electronic Upgrade Components for the Aftermarket
- Building Brand Trust Through OEM-Grade Quality Standards
- Building Direct Brand Awareness in End Markets
- Further Room for Gross Margin Enhancement

Entering Emerging Markets: Launching the Second Growth Curve

Leveraging Technology Expertise to Drive Diversification into AI Liquid Cooling Controls and Unmanned Mobility Applications

AI Liquid Cooling Controls: Entering a High-Growth Emerging Market

Leveraging Existing Conformal Coating Expertise | Commercialization Underway

Market Opportunity

As AI GPU power consumption continues to push beyond conventional thermal limits, liquid cooling CDUs are becoming essential infrastructure for next-generation data centers. Market demand is transitioning from pilot deployments to large-scale implementation.

Core Capabilities

Our conformal coating expertise, high-reliability electronic control capabilities, and IEC 60068 certification are directly applicable to CDU control modules, eliminating the need to rebuild core R&D capabilities.

Progress Status

Technical validation has been completed, and formal collaboration with local system integration partners is underway. New revenue growth drivers are beginning to emerge.

Strategic Positioning

Expected to become the Company's first scalable revenue stream beyond automotive electronics, helping diversify revenue sources and reduce market concentration risk.

Unmanned Vehicle Controls: Extending Automotive-Grade Capabilities into Aerospace Applications

LEO Satellites | Commercial UAVs | Reliability-Critical Markets

Shared Requirements

Reliability requirements for LEO satellite and commercial UAV control systems closely align with IATF 16949 automotive standards, making our existing capabilities highly transferable to these applications.

Market Opportunity

Global deployment of LEO satellite networks is accelerating, while commercial UAV procurement is scaling up. Demand for electronic control systems is transitioning from concept validation to commercial orders.

Strategic Initiatives

Technical feasibility has been validated, with vibration-resistant and extreme-environment design capabilities readily transferable to these applications. Market entry priorities are being established based on market maturity and commercial readiness.

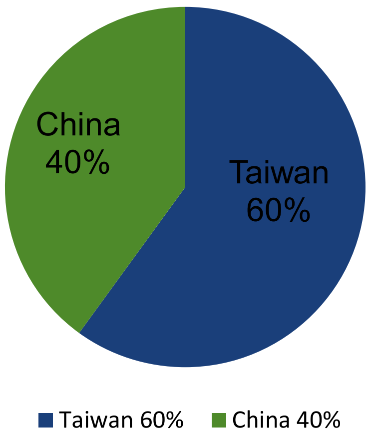
Competitive Moat

Combining IATF 16949 automotive-quality expertise with advanced harsh-environment manufacturing capabilities, the Company is well positioned in a high-barrier aerospace electronics niche that is difficult to replicate.

Strong Operational and Financial Fundamentals

A Balanced Market Mix of 60% Taiwan and 40% China Effectively Mitigates Geopolitical and Foreign Exchange Risks

Geographic Market Distribution



Reduced Tariff Exposure · Diversified Geopolitical Risks

Tariff-Resilient Operating Model

With Taiwan and China operations serving different customer segments, the Company's overall business has limited direct exposure to tariff barriers associated with U.S.–China trade tensions.

Natural Foreign Exchange Hedge Through Multi-Currency Exposure

Revenue generated in multiple currencies (JPY, USD, and RMB), together with a TWD-based cost structure, provides a natural hedge against foreign exchange fluctuations.

Advancing ISO 21434 Automotive Cybersecurity Certification

SGS has been engaged to perform ISO 21434 automotive cybersecurity process assessments. Upon certification, the Company expects to further reinforce long-term customer confidence and deepen relationships with international clients.

DENSO 2026 Comprehensive Supplier Review Successfully Completed

The Company successfully completed DENSO's 2026 supplier assessment covering operational performance, financial stability, and environmental, health, and safety (EHS) requirements, serving as a highly credible external endorsement of its overall operating strength.

ESG Commitment and 2026–2027 Growth Outlook

Building Sustainable Growth Through Technology Leadership and Global Customer Expansion

ESG Sustainability

E

- Promoting Energy Efficiency, Carbon Reduction, and Green Procurement Across Manufacturing Operations
- The Chuzhou Facility Successfully Passed All External Environmental Compliance Audits
- Supply Chain Carbon Management Assessment Underway

S

- Continuous Enhancement of Employee Career Development and Training Programs
- Ensuring Workplace Safety and Labor Protection
- Employee Satisfaction Targets Achieved for Multiple Consecutive Years

G

- Continuously Improving Information Disclosure Quality and Corporate Transparency
- Established an Independent Director System
- Ongoing Enhancement of Corporate Governance Framework

2026 - 2027 Growth Roadmap

2026 H1

- DENSO Advancing New Platform Production Qualifications
- Expanding Participation in the AI Thermal Management BMC Project
- AI Liquid Cooling Control Collaboration Underway, with New Growth Momentum Emerging
- Targeting Completion of ISO 21434 Cybersecurity Certification

2026 H2

- Design-In of Next-Generation ADAS ECUs for Japanese Customers
- Market Entry Priorities for Unmanned Vehicle Controls Established, with Strategic Deployment Underway
- Entering Toyota's Localization Supply Chain Through the Chuzhou Facility
- Launch of the ASPICE Level 3 Capability Enhancement Program

2027

- Significant Increase in Revenue Contribution from Diversified Business Segments
- Continued Expansion of Global Customer Partnerships and New Market Opportunities
- Achievement of ASPICE Level 3 Capability
- Enhanced Capital Market Visibility and Brand Recognition

(Income Statement)

Unit: NTD thousand

ITEMS	2026Q1	205Q1	YoY Growth
Operating revenue	169,251	224,448	-25%
Gross profit	52,786	66,648	-20%
Gross Margin	31%	30%	1%
Operating profit (loss)	(1,887)	3,329	-157%
Operating Margin	-1%	1%	-2%
Net income (loss) for the period	(2,562)	4,529	-156%
Net Income (Loss) Margin	-2%	2%	-4%
Basic earnings (loss) per share(NT$)	(0.05)	0.09	-0.14

Balance Sheet and Key Metrics

Unit: NTD thousand

ITEMS	2026.3.31		2025.12.31		2025.3.31	
	Amount	%	Amount		Amount	%
Total assets	1,141,860	100%	1,190,648	100%	1,318,495	100%
Cash & Financial Assets	341,289	30%	388,767	33%	322,723	24%
Accounts and Notes Receivable	284,569	25%	285,013	24%	389,607	30%
Inventories	93,426	8%	93,117	8%	149,412	11%
Property, Plant and Equipment	372,374	33%	376,825	32%	373,669	28%
Other Current and Non-Current Assets	50,202	4%	46,926	4%	83,084	6%
Total liabilities	428,821	38%	461,830	39%	503,886	38%
Short-Term and Long-Term Loan	235,200	21%	236,500	20%	269,400	20%
Accounts and Notes Payable	169,514	15%	195,912	16%	198,549	15%
Other Current and Non-Current	24,107	2%	29,418	2%	35,937	3%
Total Equity	713,039	62%	728,818	61%	814,609	62%
Current Ratio	320%		306%		326%	
Debt Ratio	38%		39%		38%	
Days Sales Outstanding	153		155		151	
Inventory Days Outstanding	111		105		108	

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