

**TAISOL ELECTRONICS CO., LTD.  
AND SUBSIDIARIES**

**Consolidated Financial Statements**

**With Independent Auditors' Review Report  
For the Six Months Ended June 30, 2023 and 2022**

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

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## Independent Auditors' Review Report

To the Board of Directors of TaiSol Electronics Co., Ltd.:

### Introduction

We have reviewed the accompanying consolidated balance sheets of TaiSol Electronics Co., Ltd. and its subsidiaries as of June 30, 2023 and 2022, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2023 and 2022, as well as the changes in equity and cash flows for the six months ended June 30, 2023 and 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### Scope of Review

We conducted our reviews in accordance with the Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” of the Republic of China. A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of TaiSol Electronics Co., Ltd. and its subsidiaries as of June 30, 2023 and 2022, and of its consolidated financial performance for the three months and six months ended June 30, 2023 and 2022, as well as its consolidated cash flows for the six months ended June 30, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.



The engagement partners on the reviews resulting in this independent auditors' review report are Chen, Fu Jen and Yin, Yuan Sheng.

KPMG

Taipei, Taiwan (Republic of China)

August 11, 2023

#### **Notes to Readers**

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

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

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

## TAISOL ELECTRONICS CO., LTD. AND SUBSIDIARIES

## Consolidated Balance Sheets

June 30, 2023, December 31, 2022, and June 30, 2022

(Expressed in Thousands of New Taiwan Dollars)

Assets		June 30, 2023		December 31, 2022		June 30, 2022		Liabilities and Equity		June 30, 2023		December 31, 2022		June 30, 2022	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
<b>Current assets:</b>								<b>Current liabilities:</b>							
1100	Cash and cash equivalents (note 6(a))	\$ 961,506	28	764,603	21	664,150	16	2100	Short-term borrowings (note 6(i))	\$ -	-	-	-	218,003	5
1150	Notes receivable, net (notes 6(b) and (r))	208,097	6	293,692	8	307,196	7	2170	Accounts payable	806,903	24	898,157	25	1,122,642	27
1170	Accounts receivable, net (notes 6(b) and (r))	1,160,704	34	1,329,185	37	1,733,083	41	2209	Other payables (note 6(m))	530,931	15	400,059	11	559,243	13
1200	Other receivables, net (note 6(c))	4,458	-	3,898	-	13,846	-	2220	Other payables to related parties (note 7)	-	-	-	-	32	-
130X	Inventories (note 6(d))	349,686	10	410,390	12	625,803	15	2230	Current tax liabilities	32,181	1	101,319	3	48,341	1
1410	Prepayments (note 6(h))	86,200	4	90,559	3	128,925	3	2280	Current lease liabilities (note 6(k))	22,244	1	34,806	1	41,658	1
1470	Other current assets (notes 6(h) and 8)	694	-	733	-	54,781	1	2399	Other current liabilities (notes 6(m) and (r))	131,903	4	140,888	4	132,556	3
	<b>Total current assets</b>	<u>2,771,345</u>	<u>82</u>	<u>2,893,060</u>	<u>81</u>	<u>3,527,784</u>	<u>83</u>	2321	Bonds payable, current portion (note 6(j))	-	-	-	-	212,486	5
Non-current assets:									<b>Total current liabilities</b>	<u>1,524,162</u>	<u>45</u>	<u>1,575,229</u>	<u>44</u>	<u>2,334,961</u>	<u>55</u>
1600	Property, plant and equipment (notes 6(e) and 8)	450,137	13	468,122	13	451,554	11		<b>Non-Current liabilities:</b>						
1755	Right of use assets (note 6(f))	43,684	1	61,511	2	80,090	2	2570	Deferred tax liabilities	123,100	4	110,165	3	122,124	3
1780	Intangible assets (note 6(g))	1,203	-	1,517	-	1,703	-	2580	Non-current lease liabilities (note 6(k))	2,019	-	4,986	-	21,059	1
1840	Deferred tax assets	75,884	2	71,347	2	61,638	1	2670	Other non-current liabilities	13,306	-	12,859	1	12,739	-
1990	Other non-current assets	52,967	2	59,909	2	116,706	3		<b>Total non-current liabilities</b>	<u>138,425</u>	<u>4</u>	<u>128,010</u>	<u>4</u>	<u>155,922</u>	<u>4</u>
	<b>Total non-current assets</b>	<u>623,875</u>	<u>18</u>	<u>662,406</u>	<u>19</u>	<u>711,691</u>	<u>17</u>		<b>Total liabilities</b>	<u>1,662,587</u>	<u>49</u>	<u>1,703,239</u>	<u>48</u>	<u>2,490,883</u>	<u>59</u>
									<b>Equity attributable to owners of parent (notes 6(j) and (p)):</b>						
								3110	Ordinary shares	879,081	26	879,081	25	879,081	21
								3200	Capital surplus	348,899	10	348,899	10	348,765	8
									Retained earnings:						
								3310	Legal reserve	197,029	6	170,281	5	170,281	4
								3320	Special reserve	61,180	2	85,614	2	85,614	2
								3350	Unappropriated retained earnings	360,636	11	446,785	13	320,025	7
										618,845	19	702,680	20	575,920	13
								3410	Exchange differences on translation of foreign financial statements	(96,939)	(3)	(61,180)	(2)	(55,174)	(1)
								3500	Treasury shares	(17,253)	(1)	(17,253)	(1)	-	-
									<b>Total equity</b>	<u>1,732,633</u>	<u>51</u>	<u>1,852,227</u>	<u>52</u>	<u>1,748,592</u>	<u>41</u>
<b>Total assets</b>		<u>\$ 3,395,220</u>	<u>100</u>	<u>3,555,466</u>	<u>100</u>	<u>4,239,475</u>	<u>100</u>		<b>Total liabilities and equity</b>	<u>\$ 3,395,220</u>	<u>100</u>	<u>3,555,466</u>	<u>100</u>	<u>4,239,475</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

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

## TAISOL ELECTRONICS CO., LTD. AND SUBSIDIARIES

## Consolidated Statements of Comprehensive Income

For the three months and six months ended June 30, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

	For the three months ended June 30				For the six months ended June 30				
	2023		2022		2023		2022		
	Amount	%	Amount	%	Amount	%	Amount	%	
4000	Operating revenue (notes 6(r) and 7)	\$ 854,569	100	1,206,708	100	1,684,800	100	2,428,178	100
5000	Operating costs (notes 6(d) and 12)	<u>680,930</u>	<u>80</u>	<u>983,348</u>	<u>81</u>	<u>1,345,674</u>	<u>80</u>	<u>1,970,841</u>	<u>81</u>
5900	Gross profit from operations	<u>173,639</u>	<u>20</u>	<u>223,360</u>	<u>19</u>	<u>339,126</u>	<u>20</u>	<u>457,337</u>	<u>19</u>
6000	Operating expenses (notes 6(b), (n), (s), 7 and 12):								
6100	Selling expenses	38,259	4	67,914	6	89,831	5	133,934	6
6200	Administrative expenses	54,692	6	42,584	3	92,285	6	85,589	3
6300	Research and development expenses	33,796	4	45,980	4	68,946	4	92,328	4
6450	Expected credit (gain) loss	<u>414</u>	<u>-</u>	<u>2,948</u>	<u>-</u>	<u>(91)</u>	<u>-</u>	<u>11,244</u>	<u>-</u>
		<u>127,161</u>	<u>14</u>	<u>159,426</u>	<u>13</u>	<u>250,971</u>	<u>15</u>	<u>323,095</u>	<u>13</u>
6900	Net operating income	<u>46,478</u>	<u>6</u>	<u>63,934</u>	<u>6</u>	<u>88,155</u>	<u>5</u>	<u>134,242</u>	<u>6</u>
7000	Non-operating income and expenses (notes 6(j), (k), (t) and 12):								
7100	Interest income	6,329	1	1,256	-	11,566	1	2,003	-
7010	Other income	11,164	1	4,784	-	15,739	1	7,329	-
7020	Other gains and losses, net	26,122	3	35,527	3	10,858	-	46,548	2
7050	Finance costs, net	<u>(471)</u>	<u>-</u>	<u>(2,429)</u>	<u>-</u>	<u>(1,087)</u>	<u>-</u>	<u>(4,767)</u>	<u>-</u>
		<u>43,144</u>	<u>5</u>	<u>39,138</u>	<u>3</u>	<u>37,076</u>	<u>2</u>	<u>51,113</u>	<u>2</u>
7900	Profit from continuing operations before tax	89,622	11	103,072	9	125,231	7	185,355	8
7950	Less: Income tax expenses (note 6(o))	<u>25,001</u>	<u>3</u>	<u>24,583</u>	<u>2</u>	<u>34,150</u>	<u>2</u>	<u>44,638</u>	<u>2</u>
	Profit	<u>64,621</u>	<u>8</u>	<u>78,489</u>	<u>7</u>	<u>91,081</u>	<u>5</u>	<u>140,717</u>	<u>6</u>
8300	Other comprehensive income:								
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss								
8361	Exchange differences on translation of foreign financial statements	(41,943)	(5)	(19,881)	(2)	(35,759)	(2)	30,440	1
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-	-	-	-	-
8300	Other comprehensive income	<u>(41,943)</u>	<u>(5)</u>	<u>(19,881)</u>	<u>(2)</u>	<u>(35,759)</u>	<u>(2)</u>	<u>30,440</u>	<u>1</u>
8500	Total comprehensive income	<u>\$ 22,678</u>	<u>3</u>	<u>58,608</u>	<u>5</u>	<u>55,322</u>	<u>3</u>	<u>171,157</u>	<u>7</u>
	Profit, attributable to:								
8610	Owners of parent	<u>\$ 64,621</u>	<u>8</u>	<u>78,489</u>	<u>7</u>	<u>91,081</u>	<u>5</u>	<u>140,717</u>	<u>6</u>
	Comprehensive income attributable to:								
8710	Owners of parent	<u>\$ 22,678</u>	<u>3</u>	<u>58,608</u>	<u>5</u>	<u>55,322</u>	<u>3</u>	<u>171,157</u>	<u>7</u>
	Earnings per share (note 6(q))								
9750	Basic earnings per share	<u>\$ 0.74</u>		<u>0.89</u>		<u>1.04</u>		<u>1.60</u>	
9850	Diluted earnings per share	<u>\$ 0.74</u>		<u>0.87</u>		<u>1.04</u>		<u>1.56</u>	

See accompanying notes to consolidated financial statements.

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

**TAISOL ELECTRONICS CO., LTD. AND SUBSIDIARIES****Consolidated Statements of Changes in Equity****For the six months ended June 30, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars)**

	Equity attributable to owners of parent								
	Share capital		Retained earnings				Exchange differences on translation of foreign financial statements	Treasury shares	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings			
<b>Balance at January 1, 2022</b>	\$ 879,081	348,765	151,536	73,874	341,655	567,065	(85,614)	-	1,709,297
Profit	-	-	-	-	140,717	140,717	-	-	140,717
Other comprehensive income	-	-	-	-	-	-	30,440	-	30,440
Total comprehensive income	-	-	-	-	140,717	140,717	30,440	-	171,157
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	18,745	-	(18,745)	-	-	-	-
Special reserve appropriated	-	-	-	11,740	(11,740)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(131,862)	(131,862)	-	-	(131,862)
<b>Balance at June 30, 2022</b>	<b>\$ 879,081</b>	<b>348,765</b>	<b>170,281</b>	<b>85,614</b>	<b>320,025</b>	<b>575,920</b>	<b>(55,174)</b>	<b>-</b>	<b>1,748,592</b>
<b>Balance at January 1, 2023</b>	\$ 879,081	348,899	170,281	85,614	446,785	702,680	(61,180)	(17,253)	1,852,227
Profit	-	-	-	-	91,081	91,081	-	-	91,081
Other comprehensive income	-	-	-	-	-	-	(35,759)	-	(35,759)
Total comprehensive income	-	-	-	-	91,081	91,081	(35,759)	-	55,322
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	26,748	-	(26,748)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(174,916)	(174,916)	-	-	(174,916)
Reversal of special reserve	-	-	-	(24,434)	24,434	-	-	-	-
<b>Balance at June 30, 2023</b>	<b>\$ 879,081</b>	<b>348,899</b>	<b>197,029</b>	<b>61,180</b>	<b>360,636</b>	<b>618,845</b>	<b>(96,939)</b>	<b>(17,253)</b>	<b>1,732,633</b>

See accompanying notes to consolidated financial statements.

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

**TAISOL ELECTRONICS CO., LTD. AND SUBSIDIARIES****Consolidated Statements of Cash Flows****For the six months ended June 30, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars)**

	<b>For the six months ended June 30</b>	
	<b>2023</b>	<b>2022</b>
<b>Cash flows from (used in) operating activities:</b>		
<b>Profit before tax</b>	\$ 125,231	185,355
<b>Adjustments:</b>		
Adjustments to reconcile profit or loss:		
Depreciation expense	59,555	89,247
Amortization expense	308	468
Expected credit (gain) loss	(91)	11,244
Interest expense	1,087	4,767
Interest income	(11,566)	(2,003)
(Gain) loss on disposal of property, plan and equipment	(168)	29
Unrealized foreign exchange gain	(3,790)	(16,680)
Gains on modification of leases	-	(13)
Total adjustments to reconcile profit	<u>45,335</u>	<u>87,059</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in notes receivable	79,572	(52,735)
Decrease in accounts receivable	171,342	140,975
Increase in other receivables	(631)	(1,173)
Decrease in inventories	55,347	36,568
Decrease (increase) in prepayments	1,913	(21,260)
Decrease (increase) in other current assets	33	(52,755)
Increase in other non-current assets	-	(450)
Total changes in operating assets	<u>307,576</u>	<u>49,170</u>
Changes in operating liabilities:		
Decrease in accounts payable	(79,385)	(148,561)
Decrease in other payable	(42,819)	(33,110)
Increase in other payable to related parties	-	32
(Decrease) increase in other current liabilities	(10,550)	12,550
Increase (decrease) in other operating liabilities	447	(340)
Total changes in operating liabilities	<u>(132,307)</u>	<u>(169,429)</u>
Total changes in operating assets and liabilities	<u>175,269</u>	<u>(120,259)</u>
Total adjustments	<u>220,604</u>	<u>(33,200)</u>
Cash inflow generated from operations	345,835	152,155
Interest received	11,558	2,461
Interest paid	(1,087)	(2,499)
Income taxes paid	(94,501)	(72,067)
<b>Net cash flows from operating activities</b>	<u>261,805</u>	<u>80,050</u>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of property, plant and equipment	(29,944)	(15,358)
Proceeds from disposal of property, plant and equipment	586	-
Decrease (Increase) in other non-current assets	5,764	(15,456)
<b>Net cash flows used in investing activities</b>	<u>(23,594)</u>	<u>(30,814)</u>
<b>Cash flows from (used in) financing activities:</b>		
Increase in short-term loans	-	197,976
Payment of lease liabilities	(18,033)	(18,808)
<b>Net cash flows (used in) from financing activities</b>	<u>(18,033)</u>	<u>179,168</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	(23,275)	17,595
<b>Net increase in cash and cash equivalents</b>	196,903	245,999
<b>Cash and cash equivalents at beginning of period</b>	764,603	418,151
<b>Cash and cash equivalents at end of period</b>	<u>\$ 961,506</u>	<u>664,150</u>

See accompanying notes to consolidated financial statements.

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

**TAISOL ELECTRONICS CO., LTD. AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

**For the six months ended June 30, 2023 and 2022**

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

**(1) Company history**

TaiSol Electronics Co., Ltd. (the “Company”) was incorporated on September 23rd, 1994 under the approval of Ministry of Economic Affairs, Republic of China (“ROC”). The address of its registered office is 3F, No.302, Rueiguang Rd., Neihu District, Taipei City 114, Taiwan. The principal activities of the Company and its subsidiaries (the “Group”) are the manufacturing, agency sales and trading of connectors and thermal solutions, the processing of components of electronic computers, the processing and assembly of electrical wires and cables, trading of magnesium-aluminum components, the processing of components of automobiles, and the sale and tender of sales quotations for various products of domestic and foreign manufacturers.

The Company’s common shares have been publicly listed on the Taiwan Stock Exchange since December 13th, 2013. Please refer to Note 14 for the Group's operating activities and operating segments informations.

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

These consolidated financial statements for the six Months ended June 30, 2023 and 2022 were authorized for issuance by the Board of Directors on August 11, 2023.

**(3) New standards, amendments and interpretations adopted:**

- (a) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2023:

- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

(Continued)

**TAISOL ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

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

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

<b>Standards or Interpretations</b>	<b>Content of amendment</b>	<b>Effective date per IASB</b>
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The amendments has removed the requirement for a right to be unconditional and instead now requires that a right to defer settlement must exist at the reporting date and have substance.  The amendments clarify how a company classifies a liability that can be settled in its own shares – e.g. convertible debt.	January 1, 2024

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- IFRS16 “Requirements for Sale and Leaseback Transactions”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IAS12 “International Tax Reform – Pillar Two Model Rules”

(Continued)

**TAISOL ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**(4) Summary of significant accounting policies:**

(a) Statement of compliance

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

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2022. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2022.

(b) Basis of consolidation

List of the subsidiaries in the consolidated financial statements:

Name of investor	Name of subsidiary	Principle activity	Shareholding		
			June 30, 2023	December 31, 2022	June 30, 2022
The Company	World Window Electronics (H.K.) Limited (hereinafter referred to as "World Window Electronics")	Investment holding and trading	100 %	100 %	100 %
The Company	TaiSol Electronics (HONG KONG) Co., Ltd. (hereinafter referred to as "TaiSol HONG KONG")	Investment holding	100 %	100 %	100 %
The Company	TaiSol Electronics Japan Co., Ltd. (hereinafter referred to as "TaiSol Japan")	Trading	100 %	100 %	100 %
The Company	Techmaster Limited (SAMOA) (hereinafter referred to as "Techmaster")	Trading	- %	- %	100 %
The Company	SiYang TaiSol Electronics Co., Ltd. (hereinafter referred to as "SiYang TaiSol")	Manufacturing and trading	100 %	100 %	100 %
The Company	Vietnam TaiSol Electronics Company Limited (hereinafter referred to as "Vietnam TaiSol")	Trading	100 %	100 %	100 %
World Window Electronics	DongGuan TaiSol Electronics Co., Ltd. (hereinafter referred to as "DongGuan TaiSol")	Manufacturing and trading	100 %	100 %	100 %
TaiSol HONG KONG	Suzhou TaiSol Electronics Co., Ltd. (hereinafter referred to as "Suzhou TaiSol")	Manufacturing and trading	100 %	100 %	100 %

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**TAISOL ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

Techmaster had applied for deregistration in November 2022, and its net worth was transferred to the Company.

There were no subsidiaries excluded from the consolidated financial statements.

(c) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B 12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period using the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period and allocated to current and deferred taxes based on its proportionate size.

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

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

The preparation of the consolidated financial statements, in conformity with the Regulations and the IFRSs endorsed by the FSC, requires management to make judgments estimates and assumptions that affect the application of the accounting policies and reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimations.

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2022. For related information, please refer to Note 5 of the consolidated financial statements for the year ended December 31, 2022.

**(6) Explanation of significant accounts:**

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim consolidated financial statements for the current period and the consolidated financial statements for the year ended December 31, 2022. Please refer to Note 6 of the consolidated financial statements for the year ended December 31, 2022.

(a) Cash and cash equivalents

	<b>June 30, 2023</b>	<b>December 31, 2022</b>	<b>June 30, 2022</b>
Cash on hand	\$ 674	594	623
Demand deposits	595,800	347,638	364,267
Time deposits	365,032	396,371	247,960
Repurchase agreement	-	20,000	51,300
Cash and cash equivalents in the statement of cash flows	<u>\$ 961,506</u>	<u>764,603</u>	<u>664,150</u>

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**TAISOL ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(b) Notes and accounts receivable

	<b>June 30, 2023</b>	<b>December 31, 2022</b>	<b>June 30, 2022</b>
Notes receivable—measured at amortized cost	\$ 208,097	293,692	307,196
Accounts receivable—measured at amortized cost	1,164,589	1,333,261	1,747,996
Less: Loss allowance	<u>3,885</u>	<u>4,076</u>	<u>14,913</u>
	<b><u>\$ 1,368,801</u></b>	<b><u>1,622,877</u></b>	<b><u>2,040,279</u></b>

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including the macroeconomic and related industrial information. The loss allowance provisions of the clients classified as category A were determined as follows:

	<b>June 30, 2023</b>		
	<b>Book value of accounts and notes receivable</b>	<b>Weighted average expected credit losses rate</b>	<b>Loss allowance provision for lifetime expected credit losses</b>
Current	\$ 1,130,413	-	-
1 to 30 days past due	2,737	1%	27
31 to 120 days past due	738	1%	7
121 to 365 days past due	<u>757</u>	1%	<u>7</u>
	<b><u>\$ 1,134,645</u></b>		<b><u>41</u></b>
	<b>December 31, 2022</b>		
	<b>Book value of accounts and notes receivable</b>	<b>Weighted average expected credit losses rate</b>	<b>Loss allowance provision for lifetime expected credit losses</b>
Current	\$ 1,341,508	-	-
1 to 30 days past due	22,211	1%	222
31 to 120 days past due	2,515	1%	25
121 to 365 days past due	<u>1,440</u>	1%	<u>14</u>
	<b><u>\$ 1,367,674</u></b>		<b><u>261</u></b>

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**TAISOL ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	<b>June 30, 2022</b>		
	<b>Book value of accounts and notes receivable</b>	<b>Weighted average expected credit losses rate</b>	<b>Loss allowance provision for lifetime expected credit losses</b>
Current	\$ 1,703,459	-	-
1 to 30 days past due	5,725	1%	57
31 to 120 days past due	61,343	1%	613
121 to 365 days past due	155	1%	2
	<b>\$ 1,770,682</b>		<b>672</b>

The loss allowance provisions of the clients classified as category B were determined as follows:

	<b>June 30, 2023</b>		
	<b>Book value of accounts and notes receivable</b>	<b>Weighted average expected credit losses rate</b>	<b>Loss allowance provision for lifetime expected credit losses</b>
Current	\$ 221,146	1%	2,211
1 to 30 days past due	8,150	5%	407
31 to 120 days past due	4,357	5%	218
121 to 365 days past due	3,660	5%	183
	<b>\$ 237,313</b>		<b>3,019</b>

	<b>December 31, 2022</b>		
	<b>Book value of accounts and notes receivable</b>	<b>Weighted average expected credit losses rate</b>	<b>Loss allowance provision for lifetime expected credit losses</b>
Current	\$ 231,310	1%	2,313
1 to 30 days past due	7,061	5%	353
31 to 120 days past due	20,590	5%	1,029
121 to 365 days past due	10	5%	1
	<b>\$ 258,971</b>		<b>3,696</b>

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**TAISOL ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	<b>June 30, 2022</b>		
	<b>Book value of accounts and notes receivable</b>	<b>Weighted average expected credit losses rate</b>	<b>Loss allowance provision for lifetime expected credit losses</b>
Current	\$ 242,344	1%	2,423
1 to 30 days past due	16,483	5%	824
31 to 120 days past due	4,679	5%	234
121 to 365 days past due	311	5%	16
	<b>\$ 263,817</b>		<b>3,497</b>

The loss allowance provisions of the clients classified as category C were determined as follows:

	<b>December 31, 2022</b>		
	<b>Book value of accounts and notes receivable</b>	<b>Weighted average expected credit losses rate</b>	<b>Loss allowance provision for lifetime expected credit losses</b>
121 to 365 days past due	\$ 6	10%	1
More than 365 days past	302	10%	30
	<b>\$ 308</b>		<b>31</b>

The loss allowance provisions of the clients classified as category D were determined as follows:

	<b>June 30, 2023</b>		
	<b>Book value of accounts and notes receivable</b>	<b>Weighted average expected credit losses rate</b>	<b>Loss allowance provision for lifetime expected credit losses</b>
121 to 365 days past due	\$ 428	100%	428
More than 365 days past	300	100%	300
	<b>\$ 728</b>		<b>728</b>

Additionally, the Group has assessed the individually assessed accounts receivable amounting to \$20,693 thousand as of June 30, 2022, which are not due to changes in customer credit, and has recognized an allowance for loss of \$10,672 thousand.

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**TAISOL ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

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

	<b>For the six months ended June 30</b>	
	<b>2023</b>	<b>2022</b>
Balance at January 1	\$ 4,076	3,611
Impairment losses (reversed) recognized	(91)	11,244
Effect of changes in exchange rates	(100)	58
Balance at June 30	<u>\$ 3,885</u>	<u>14,913</u>

The Group's notes and accounts receivable were not pledged as collateral.

(c) Other receivables

	<b>June 30, 2023</b>	<b>December 31, 2022</b>	<b>June 30, 2022</b>
Others receivables	\$ 5,005	4,461	14,413
Less: Loss allowance	547	563	567
	<u>\$ 4,458</u>	<u>3,898</u>	<u>13,846</u>

Other receivables are impaired at the loss allowance based on 12 month expected credit losses. The loss allowance provisions and credit impairments were determined as follows:

	<b>June 30, 2023</b>		<b>December 31, 2022</b>		<b>June 30, 2022</b>	
	<b>Life time Expected loss— unimpaired</b>	<b>Life time Expected loss— impaired</b>	<b>Life time Expected loss— unimpaired</b>	<b>Life time Expected loss— impaired</b>	<b>Life time Expected loss— unimpaired</b>	<b>Life time Expected loss— impaired</b>
Current	\$ 4,458	-	3,898	-	13,846	-
More than 365 days past	-	547	-	563	-	567
Gross carrying amounts	4,458	547	3,898	563	13,846	567
Loss allowance	-	(547)	-	(563)	-	(567)
Amortized cost (carrying amount)	<u>\$ 4,458</u>	<u>-</u>	<u>3,898</u>	<u>-</u>	<u>13,846</u>	<u>-</u>

The movements in the allowance for others receivables were as follows:

	<b>For the six months ended June 30, 2023</b>		
	<b>Life time Expected loss— unimpaired</b>	<b>Life time Expected loss— impaired</b>	<b>Total</b>
Balance at January 1	\$ -	563	563
Effect of changes in exchange rates	-	(16)	(16)
Balance at June 30	<u>\$ -</u>	<u>547</u>	<u>547</u>

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**TAISOL ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	<b>For the six months ended June 30, 2022</b>		
	<b>Life time Expected loss – unimpaired</b>	<b>Life time Expected loss – impaired</b>	<b>Total</b>
	Balance at January 1	\$ -	555
Effect of changes in exchange rates	-	12	12
Balance at June 30	\$ -	567	567

## (d) Inventories

	<b>June 30, 2023</b>	<b>December 31, 2022</b>	<b>June 30, 2022</b>
Finished goods	\$ 182,209	251,118	383,862
Work in progress	22,709	31,796	39,098
Raw materials	63,138	78,408	106,280
Merchandise	81,630	49,068	96,563
Total	\$ 349,686	410,390	625,803

The details of the cost of sales were as follows:

	<b>For the three months ended June 30</b>		<b>For the six months ended June 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	Cost of goods sold	\$ 677,968	962,902	1,343,987
Recognition of provisions for inventory valuation	1,812	11,730	6	12,307
Loss on scrap of inventory	1,176	8,801	1,707	9,220
Gain on physical inventory	(26)	(85)	(26)	(85)
	\$ 680,930	983,348	1,345,674	1,970,841

The Group's inventories mentioned above were not pledged as collateral.

## (e) Property, plant and equipment

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

	<b>Land</b>	<b>Buildings</b>	<b>Machinery and equipment</b>	<b>Molding equipment</b>	<b>Office equipment</b>	<b>Other equipment</b>	<b>Total</b>
Cost or deemed cost:							
Balance at January 1, 2023	\$ 107,699	218,971	410,581	46,347	5,811	102,708	892,117
Additions	-	5,200	9,502	2,730	530	12,799	30,761
Disposal	-	-	(11,726)	(3,249)	(273)	(4,307)	(19,555)
Effect of exchange rate changes	-	(4,797)	(11,080)	(1,285)	(52)	(2,807)	(20,021)
Balance at June 30, 2023	\$ 107,699	219,374	397,277	44,543	6,016	108,393	883,302

(Continued)

**TAISOL ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	<u>Land</u>	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Molding equipment</u>	<u>Office equipment</u>	<u>Other equipment</u>	<u>Total</u>
Balance at January 1, 2022	\$ 107,699	157,934	439,057	42,241	7,656	172,485	927,072
Additions	-	-	6,014	2,498	279	2,211	11,002
Disposal	-	-	(6,421)	(785)	(1,109)	(12,215)	(20,530)
Reclassification	-	-	(3,889)	-	-	3,889	-
Effect of exchange rate changes	-	2,207	9,510	888	64	3,561	16,230
Balance at June 30, 2022	<u>\$ 107,699</u>	<u>160,141</u>	<u>444,271</u>	<u>44,842</u>	<u>6,890</u>	<u>169,931</u>	<u>933,774</u>
Depreciation:							
Balance at January 1, 2023	\$ -	32,859	287,216	13,332	3,788	86,800	423,995
Depreciation for the period	-	3,283	25,314	2,958	786	7,454	39,795
Disposal	-	-	(11,328)	(3,249)	(273)	(4,287)	(19,137)
Effect of exchange rate changes	-	(475)	(8,036)	(370)	(38)	(2,569)	(11,488)
Balance at June 30, 2023	<u>\$ -</u>	<u>35,667</u>	<u>293,166</u>	<u>12,671</u>	<u>4,263</u>	<u>87,398</u>	<u>433,165</u>
Balance at January 1, 2022	\$ -	27,117	241,169	9,283	4,521	143,342	425,432
Depreciation for the period	-	2,506	47,698	4,559	1,164	12,589	68,516
Disposal	-	-	(6,421)	(785)	(1,110)	(12,185)	(20,501)
Reclassification	-	-	(1,405)	-	-	1,405	-
Effect of exchange rate changes	-	197	5,365	203	46	2,962	8,773
Balance at June 30, 2022	<u>\$ -</u>	<u>29,820</u>	<u>286,406</u>	<u>13,260</u>	<u>4,621</u>	<u>148,113</u>	<u>482,220</u>
Carrying amounts:							
Balance at January 1, 2023	<u>\$ 107,699</u>	<u>186,112</u>	<u>123,365</u>	<u>33,015</u>	<u>2,023</u>	<u>15,908</u>	<u>468,122</u>
Balance at June 30, 2023	<u>\$ 107,699</u>	<u>183,707</u>	<u>104,111</u>	<u>31,872</u>	<u>1,753</u>	<u>20,995</u>	<u>450,137</u>
Balance at January 1, 2022	<u>\$ 107,699</u>	<u>130,817</u>	<u>197,888</u>	<u>32,958</u>	<u>3,135</u>	<u>29,143</u>	<u>501,640</u>
Balance at June 30, 2022	<u>\$ 107,699</u>	<u>130,321</u>	<u>157,865</u>	<u>31,582</u>	<u>2,269</u>	<u>21,818</u>	<u>451,554</u>

Please refer to Note 8 for the property, plant and equipment pledged to secure bank loans as of June 30, 2023 and 2022.

(f) Right of use assets

The Group leases land, buildings, vehicles, and office equipments. Information about leases for which the Group as a lessee was as follows:

	<u>Land</u>	<u>Buildings</u>	<u>Vehicles</u>	<u>Office equipment</u>	<u>Total</u>
Cost:					
Balance at January 1, 2023	\$ 24,276	205,968	15,105	238	245,587
Additions	-	-	3,087	-	3,087
Effect of exchange rate changes	(694)	(5,834)	(303)	-	(6,831)
Balance at June 30, 2023	<u>\$ 23,582</u>	<u>200,134</u>	<u>17,889</u>	<u>238</u>	<u>241,843</u>
Balance at January 1, 2022	\$ 23,923	201,048	16,462	238	241,671
Additions	-	901	1,346	-	2,247
Disposal	-	(682)	(2,647)	-	(3,329)
Effect of exchange rate changes	523	4,057	176	-	4,756
Balance at June 30, 2022	<u>\$ 24,446</u>	<u>205,324</u>	<u>15,337</u>	<u>238</u>	<u>245,345</u>
Depreciation:					
Balance at January 1, 2023	\$ 2,034	169,861	12,082	99	184,076
Depreciation for the period	303	17,510	1,923	24	19,760
Effect of exchange rate changes	(66)	(5,345)	(266)	-	(5,677)
Balance at June 30, 2023	<u>\$ 2,271</u>	<u>182,026</u>	<u>13,739</u>	<u>123</u>	<u>198,159</u>

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**TAISOL ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	<u>Land</u>	<u>Buildings</u>	<u>Vehicles</u>	<u>Office equipment</u>	<u>Total</u>
Balance at January 1, 2022	\$ 1,420	131,328	10,116	52	142,916
Depreciation for the period	291	18,456	1,960	24	20,731
Disposal	-	-	(1,271)	-	(1,271)
Effect of exchange rate changes	32	2,708	139	-	2,879
Balance at June 30, 2022	<u>\$ 1,743</u>	<u>152,492</u>	<u>10,944</u>	<u>76</u>	<u>165,255</u>
Carrying amounts:					
Balance at January 1, 2023	<u>\$ 22,242</u>	<u>36,107</u>	<u>3,023</u>	<u>139</u>	<u>61,511</u>
Balance at June 30, 2023	<u>\$ 21,311</u>	<u>18,108</u>	<u>4,150</u>	<u>115</u>	<u>43,684</u>
Balance at January 1, 2022	<u>\$ 22,503</u>	<u>69,720</u>	<u>6,346</u>	<u>186</u>	<u>98,755</u>
Balance at June 30, 2022	<u>\$ 22,703</u>	<u>52,832</u>	<u>4,393</u>	<u>162</u>	<u>80,090</u>

## (g) Intangible assets

	<u>Computer software</u>	<u>Patents</u>	<u>Total</u>
Cost:			
Balance at January 1, 2023	\$ 3,944	1,484	5,428
Disposal	-	(150)	(150)
Effect of exchange rate changes	(95)	-	(95)
Balance at June 30, 2023	<u>\$ 3,849</u>	<u>1,334</u>	<u>5,183</u>
Balance at January 1, 2022	\$ 3,908	2,274	6,182
Disposal	(185)	(564)	(749)
Effect of exchange rate changes	68	-	68
Balance at June 30, 2022	<u>\$ 3,791</u>	<u>1,710</u>	<u>5,501</u>
Amortization:			
Balance at January 1, 2023	\$ 3,431	480	3,911
Amortization	216	92	308
Disposal	-	(150)	(150)
Effect of exchange rate changes	(89)	-	(89)
Balance at June 30, 2023	<u>\$ 3,558</u>	<u>422</u>	<u>3,980</u>
Balance at January 1, 2022	\$ 3,119	899	4,018
Amortization	236	232	468
Disposal	(185)	(564)	(749)
Effect of exchange rate changes	61	-	61
Balance at June 30, 2022	<u>\$ 3,231</u>	<u>567</u>	<u>3,798</u>
Carrying amounts:			
Balance at January 1, 2023	<u>\$ 513</u>	<u>1,004</u>	<u>1,517</u>
Balance at June 30, 2023	<u>\$ 291</u>	<u>912</u>	<u>1,203</u>
Balance at January 1, 2022	<u>\$ 789</u>	<u>1,375</u>	<u>2,164</u>
Balance at June 30, 2022	<u>\$ 560</u>	<u>1,143</u>	<u>1,703</u>

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**TAISOL ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

The Group did not provide any of the aforementioned intangible assets as collateral.

(h) Prepayments and other current assets

The Group's prepayments were as follows:

	<b>June 30, 2023</b>	<b>December 31, 2022</b>	<b>June 30, 2022</b>
Prepaid sales tax	\$ 46,799	52,275	84,507
Other prepayments	38,943	38,250	44,333
Prepayments for purchases	458	34	85
	<b><u>\$ 86,200</u></b>	<b><u>90,559</u></b>	<b><u>128,925</u></b>

The Group's other current assets were as follows:

	<b>June 30, 2023</b>	<b>December 31, 2022</b>	<b>June 30, 2022</b>
Restricted time deposits	\$ 600	600	600
Time deposits with original maturities exceeding three months	-	-	53,774
Others	94	133	407
Total	<b><u>\$ 694</u></b>	<b><u>733</u></b>	<b><u>54,781</u></b>

(i) Short-term borrowings

	<b>June 30, 2023</b>	<b>December 31, 2022</b>	<b>June 30, 2022</b>
Unsecured bank loans	\$ -	-	<b><u>218,003</u></b>
Unused credit lines	<b><u>663,680</u></b>	<b><u>735,295</u></b>	<b><u>502,937</u></b>
Interest rate	<u>-</u>	<u>-</u>	<b><u>1.64%~3.70%</u></b>

For the collateral for bank loans, please refer to Note 8.

(j) Bonds payable

- (i) There were no significant issues, repurchases and repayments of bonds payable for the six months ended June 30, 2023 and 2022. Please refer to Note 6(j) of the consolidated financial statements for the year ended December 31, 2022.
- (ii) The second unsecured domestic convertible corporate bonds issued by the Group reached maturity on August 20, 2022. According to the regulations, the Group had redeemed and suspended the trading. The Group had repaid in full at the end of August, 2022.

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**TAISOL ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

- (iii) The details of the second unsecured domestic convertible corporate bonds issued on August 20, 2019 were as follows:

	<b>December 31, 2022</b>	<b>June 30, 2022</b>
The original issued amount of the convertible bonds	\$ 303,000	303,000
Less: Accumulative redeemed amount	(213,009)	-
Accumulative converted amount	(89,991)	(89,991)
Unamortized discounted corporate bonds payable	-	(523)
Expected to be redeemed within one year	-	(212,486)
Corporate bonds issued balance at period-end	<u>\$ -</u>	<u>-</u>
Equity component – conversion options, included in capital surplus– stock options	<u>\$ -</u>	<u>9,495</u>

	<b>For the three months ended June 30</b>		<b>For the six months ended June 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Interest expense	<u>\$ -</u>	<u>1,043</u>	<u>-</u>	<u>2,080</u>

- (k) Lease liabilities

The amounts of the Group's lease liabilities were as follows:

	<b>June 30, 2023</b>	<b>December 31, 2022</b>	<b>June 30, 2022</b>
Current	<u>\$ 22,244</u>	<u>34,806</u>	<u>41,658</u>
Non-current	<u>\$ 2,019</u>	<u>4,986</u>	<u>21,059</u>

For the maturity analysis, please refer to Note 6(u).

The amounts recognized in profit or loss were as follows:

	<b>For the three months ended June 30</b>		<b>For the six months ended June 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Interest on lease liabilities	<u>\$ 471</u>	<u>1,117</u>	<u>1,087</u>	<u>2,379</u>
Income from sub-leasing right-of-use assets	<u>\$ 1,415</u>	<u>1,793</u>	<u>2,756</u>	<u>3,121</u>
Expenses relating to short-term leases	<u>\$ 6,338</u>	<u>5,417</u>	<u>11,820</u>	<u>10,756</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	<u>\$ 12</u>	<u>25</u>	<u>35</u>	<u>42</u>

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**TAISOL ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

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

	<b>For the six months ended June 30</b>	
	<b>2023</b>	<b>2022</b>
Total cash outflow for leases	<b>\$ 30,975</b>	<b>31,985</b>

(i) Real estate leases

The Group leases land and buildings for its office space, staff dormitories, research and development centers and plants. The leases of office space and plants typically run for a period of 2 to 5 years, and of staff dormitories for 3 to 8 years, and of R&D centers for 2 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

(ii) Other leases

The Group leases vehicles and other equipment, with lease terms of one to five years.

(l) Operating lease

There were no significant changes in operating lease for the six months ended June 30, 2023 and 2022. Please refer to Note 6(l) of the consolidated financial statements for the year ended December 31, 2022 for other related information.

(m) Other payables and other current liabilities

The other payables were as follows:

	<b>June 30, 2023</b>	<b>December 31, 2022</b>	<b>June 30, 2022</b>
Accrued expenses	\$ 110,624	112,855	99,503
Commission payable	94,865	105,292	116,673
Salary and bonus payable	71,673	80,732	108,654
Remuneration payable to employees and directors	18,759	38,590	35,133
Payable for equipment	22,676	22,527	24,842
Dividend payable	174,916	-	131,862
Other payables	37,418	40,063	42,576
	<b>\$ 530,931</b>	<b>400,059</b>	<b>559,243</b>

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**TAISOL ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
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The other current liabilities were as follows:

	<b>June 30, 2023</b>	<b>December 31, 2022</b>	<b>June 30, 2022</b>
Refund liabilities	\$ 123,917	132,847	124,839
Temporary credits	3,736	6,478	5,606
Receipts under custody	2,158	1,546	2,008
Unearned receipts	2,092	17	103
	<u>\$ 131,903</u>	<u>140,888</u>	<u>132,556</u>

A refund liability is recognized for expected discounts payable to customers in relation to sales made at each reporting date.

(n) Employee benefits

(i) Defined benefit plans

In the fourth quarter of 2021, the Group settled with the employees who were eligible for the defined benefit scheme. The Group applied to the Department of Labor, Taipei City Government in accordance with the law for payment of the employee pension and return of the remaining balance of the labor retirement reserve. The Group received the remaining balance in April 2022, and recognized liquidation gain of \$4,727 thousand in the second quarter of 2022.

(ii) Defined contribution plans

The cost of the pension contributions to the Bureau of Labor Insurance for the three months and six months ended June 30, 2023 and 2022 amounted to \$1,296 thousand, \$1,313 thousand, \$2,611 thousand and \$2,626 thousand, respectively.

Under the retirement scheme for senior managers of the Group, the retirement benefits of senior management are provided by the payment to the insurance company premiums, under which the Group has no statutory or constructive obligation to pay additional amount after payment of a fixed amount to the insurance company. Under the contribution pension plan, the Group's pension costs amounted to \$168 thousand, \$166 thousand, \$335 thousand and \$27 thousand for the three months and six months ended June 30, 2023 and 2022, respectively.

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**TAISOL ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(o) Income taxes

(i) Income tax expenses

The components of income tax for the three months and six months ended June 30, 2023 and 2022 were as follows:

	<b>For the three months ended June 30</b>		<b>For the six months ended June 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Current tax expense				
Current period	\$ 18,195	21,408	25,922	44,846
Adjustment for prior years	<u>(171)</u>	<u>3,356</u>	<u>(171)</u>	<u>3,356</u>
	<u>18,024</u>	<u>24,764</u>	<u>25,751</u>	<u>48,202</u>
Deferred tax expense (income)				
Origination and reversal of temporary differences	<u>6,977</u>	<u>(181)</u>	<u>8,399</u>	<u>(3,564)</u>
Income tax expense	<u><u>\$ 25,001</u></u>	<u><u>24,583</u></u>	<u><u>34,150</u></u>	<u><u>44,638</u></u>

There were no income tax expense recognized in equity and other comprehensive income for the six months ended June 30, 2023 and 2022.

(ii) Assessment of tax

The Company's income tax returns for the years through 2020 have been examined and approved by the R.O.C. tax authorities.

(p) Capital and other equity

There was no significant change in capital and other equity for the periods for the six months ended June 30, 2023 and 2022. For the related information, please refer to Note 6(p) of the consolidated financial statements for the year ended December 31, 2022.

(i) Capital surplus

The components of capital surplus were as follows:

	<b>June 30, 2023</b>	<b>December 31, 2022</b>	<b>June 30, 2022</b>
Additional paid in capital	\$ 325,371	325,371	325,371
Share option –convertible bonds issued	-	-	9,495
Others	<u>23,528</u>	<u>23,528</u>	<u>13,899</u>
	<u><u>\$ 348,899</u></u>	<u><u>348,899</u></u>	<u><u>348,765</u></u>

(Continued)

**TAISOL ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
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(ii) Retained earnings

In accordance with the Company's articles, if there are earnings at year end, 10 percent should be set aside as legal reserve (unless the amount in the legal reserve is already equal to or greater than the total paid-in capital) and special reserve according to the Securities and Exchange Act and the Company's operations after the payment of income tax and offsetting accumulated losses from prior years. The remaining portion will be combined with earnings from prior years, and the Board of directors can propose distribution plan to be approved by the shareholders' meeting.

In consideration of the Company's longterm operating plan, funding needs, and satisfying shareholder demand for cash flow, distribution of earnings may be retained in whole or in part as unappropriated retained earnings by resolution of the shareholders' general meeting and shall be paid in subsequent years. The distribution of dividends by shareholders may be in the form of cash dividends or share dividends, where the distribution rate of share dividends shall be not less than 20 percent, provided that the ratio of such earnings to cash dividends or share dividends shall be adjusted by resolution of the shareholders in accordance with the actual profit and fund status for the year.

Earnings distribution for 2022 and 2021 was decided by the resolution adopted, at the general meeting of shareholders held on May 30, 2023 and May 20, 2022, respectively. The relevant dividend distributions to shareholders were as follows:

	<u>2022</u>		<u>2021</u>	
	<u>Amount</u> <u>per share</u> <u>(NT dollars)</u>	<u>Amount</u>	<u>Amount</u> <u>per share</u> <u>(NT dollars)</u>	<u>Amount</u>
Dividends distributed to ordinary shareholders				
Cash	\$ <u>2.0</u>	<u>174,916</u>	<u>1.5</u>	<u>131,862</u>

(iii) Treasury shares

In accordance with the requirements under section 28(2) of the Securities and Exchange Act, on July 1, 2022, the Board of Directors resolved to repurchase 600 thousand shares as treasury shares to motivate its employees, at a price ranging from \$30.0 to \$60.0 per share, during the repurchased period from July 1 to August 31, 2022. During the repurchased period, the Company repurchased 450 thousand shares for a total consideration of \$17,253 thousand. As of June 30, 2023, the number of shares held by the Company was 450 thousand shares.

In accordance with the requirements of Securities and Exchange Act, treasury shares held by the Company should not be pledged, and do not hold any shareholder rights before their transfer. In addition, the number of shares bought back shall not exceed 10% of the total number of issued shares. The total purchase amount shall not exceed the sum of retained earnings, additional paid-in capital-premiums and realized capital surplus. The Company had complied with the relevant laws and regulations to calculate the limit of treasury shares in accordance with the application, and there were no cases of exceeding the limit.

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**TAISOL ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(iv) Other equity amounts (net of tax)

	<b>Exchange differences on translation of foreign financial statements</b>
Balance as of January 1, 2023	\$ (61,180)
Exchange differences on translation of net assets of foreign operations	<u>(35,759)</u>
Balance as of June 30, 2023	<u><b>\$ (96,939)</b></u>
Balance as of January 1, 2022	\$ (85,614)
Exchange differences on translation of net assets of foreign operations	<u>30,440</u>
Balance as of June 30, 2022	<u><b>\$ (55,174)</b></u>

(q) Earnings per share

The basic earnings per share were calculated as follows:

	<b>For the three months ended June 30</b>		<b>For the six months ended June 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Basic earnings per share:				
Profit attributable to the Company	<u><b>\$ 64,621</b></u>	<u><b>78,489</b></u>	<u><b>91,081</b></u>	<u><b>140,717</b></u>
Weighted average number of ordinary shares outstanding (in thousands of shares)	<u><b>87,458</b></u>	<u><b>87,908</b></u>	<u><b>87,458</b></u>	<u><b>87,908</b></u>
Basic earnings per share (in New Taiwan dollars)	<u><b>\$ 0.74</b></u>	<u><b>0.89</b></u>	<u><b>1.04</b></u>	<u><b>1.60</b></u>
Diluted earnings per share:				
Profit attributable to the Company	\$ 64,621	78,489	91,081	140,717
Effect of dilutive potential ordinary shares				
Convertible bonds	<u>-</u>	<u>1,043</u>	<u>-</u>	<u>2,080</u>
Profit attributable to ordinary equity holders of the Company (after adjusting the effect of dilutive potential ordinary share)	<u><b>\$ 64,621</b></u>	<u><b>79,532</b></u>	<u><b>91,081</b></u>	<u><b>142,797</b></u>

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**TAISOL ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	<b>For the three months ended June 30</b>		<b>For the six months ended June 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Weighted average number of ordinary shares outstanding (in thousands of shares)	87,458	87,908	87,458	87,908
Effect of dilutive potential ordinary shares				
Effect of issuance of share options (in thousands of shares)	58	155	175	375
Effect of the conversion of convertible bonds (in thousands of shares)	-	2,986	-	2,986
Weighted average number of common shares outstanding (Diluted / in thousands of shares)	<b><u>87,516</u></b>	<b><u>91,049</u></b>	<b><u>87,633</u></b>	<b><u>91,269</u></b>
Diluted earnings per share (in New Taiwan dollars)	<b><u>\$ 0.74</u></b>	<b><u>0.87</u></b>	<b><u>1.04</u></b>	<b><u>1.56</u></b>

## (r) Revenue from contracts with customers

## (i) Details of revenue

	<b>For the three months ended June 30, 2023</b>				
	<b>The Company and others</b>	<b>Suzhou TaiSol</b>	<b>DongGuan TaiSol</b>	<b>SiYang TaiSol</b>	<b>Total</b>
Primary geographical markets:					
Asia	\$ 494,672	4,230	214,525	99,738	813,165
America	32,988	-	-	-	32,988
Europe	8,416	-	-	-	8,416
	<b><u>\$ 536,076</u></b>	<b><u>4,230</u></b>	<b><u>214,525</u></b>	<b><u>99,738</u></b>	<b><u>854,569</u></b>
Merchandise:					
Connector	\$ 176,609	-	8,575	-	185,184
Thermal solutions	359,467	4,230	205,950	99,738	669,385
	<b><u>\$ 536,076</u></b>	<b><u>4,230</u></b>	<b><u>214,525</u></b>	<b><u>99,738</u></b>	<b><u>854,569</u></b>
	<b>For the three months ended June 30, 2022</b>				
	<b>The Company and others</b>	<b>Suzhou TaiSol</b>	<b>DongGuan TaiSol</b>	<b>SiYang TaiSol</b>	<b>Total</b>
Primary geographical markets:					
Asia	\$ 767,617	120,412	264,040	976	1,153,045
America	44,710	-	-	-	44,710
Europe	8,953	-	-	-	8,953
	<b><u>\$ 821,280</u></b>	<b><u>120,412</u></b>	<b><u>264,040</u></b>	<b><u>976</u></b>	<b><u>1,206,708</u></b>

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**TAISOL ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
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<b>For the three months ended June 30, 2022</b>					
	<b>The Company and others</b>	<b>Suzhou TaiSol</b>	<b>DongGuan TaiSol</b>	<b>SiYang TaiSol</b>	<b>Total</b>
Merchandise:					
Connector	\$ 246,593	-	4,242	-	250,835
Thermal solutions	<u>574,687</u>	<u>120,412</u>	<u>259,798</u>	<u>976</u>	<u>955,873</u>
	<b><u>\$ 821,280</u></b>	<b><u>120,412</u></b>	<b><u>264,040</u></b>	<b><u>976</u></b>	<b><u>1,206,708</u></b>
<b>For the six months ended June 30, 2023</b>					
	<b>The Company and others</b>	<b>Suzhou TaiSol</b>	<b>DongGuan TaiSol</b>	<b>SiYang TaiSol</b>	<b>Total</b>
Primary geographical markets:					
Asia	\$ 959,094	6,860	457,937	187,261	1,611,152
America	57,462	-	-	-	57,462
Europe	<u>16,186</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,186</u>
	<b><u>\$ 1,032,742</u></b>	<b><u>6,860</u></b>	<b><u>457,937</u></b>	<b><u>187,261</u></b>	<b><u>1,684,800</u></b>
Merchandise:					
Connector	\$ 343,120	-	30,614	-	373,734
Thermal solutions	<u>689,622</u>	<u>6,860</u>	<u>427,323</u>	<u>187,261</u>	<u>1,311,066</u>
	<b><u>\$ 1,032,742</u></b>	<b><u>6,860</u></b>	<b><u>457,937</u></b>	<b><u>187,261</u></b>	<b><u>1,684,800</u></b>
<b>For the six months ended June 30, 2022</b>					
	<b>The Company and others</b>	<b>Suzhou TaiSol</b>	<b>DongGuan TaiSol</b>	<b>SiYang TaiSol</b>	<b>Total</b>
Primary geographical markets:					
Asia	\$ 1,518,274	240,027	566,849	2,794	2,327,944
America	80,363	-	-	-	80,363
Europe	<u>19,871</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,871</u>
	<b><u>\$ 1,618,508</u></b>	<b><u>240,027</u></b>	<b><u>566,849</u></b>	<b><u>2,794</u></b>	<b><u>2,428,178</u></b>
Merchandise:					
Connector	\$ 503,496	-	6,912	-	510,408
Thermal solutions	<u>1,115,012</u>	<u>240,027</u>	<u>559,937</u>	<u>2,794</u>	<u>1,917,770</u>
	<b><u>\$ 1,618,508</u></b>	<b><u>240,027</u></b>	<b><u>566,849</u></b>	<b><u>2,794</u></b>	<b><u>2,428,178</u></b>

## (ii) Contract Balance

	<b>June 30, 2023</b>	<b>December 31, 2022</b>	<b>June 30, 2022</b>
Notes receivable	\$ 208,097	293,692	307,196
Accounts receivable	1,164,589	1,333,261	1,747,996
Less: Loss allowance	<u>3,885</u>	<u>4,076</u>	<u>14,913</u>
Total	<b><u>\$ 1,368,801</u></b>	<b><u>1,622,877</u></b>	<b><u>2,040,279</u></b>
Contract liabilities	<b><u>\$ 126,009</u></b>	<b><u>132,864</u></b>	<b><u>124,942</u></b>

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**TAISOL ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
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For details on notes and accounts receivable and allowance for impairment, please refer to Note 6(b).

(s) Employee compensation and directors' remuneration

The Company's Articles of Incorporation stipulate that if there is profit for the year, a minimum of 3% but not exceeding 15% shall be allocated as employee compensation and a maximum of 5% as director compensation. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The recipients of shares and cash may include the employees of the Company's subsidiaries who meet certain conditions.

For the three months ended June 30, 2023 and 2022 and the six months ended June 30, 2023 and 2022, the Company estimated its employee remuneration amounting to \$2,682 thousand, \$5,657 thousand, \$3,785 thousand and \$10,018 thousand, and directors' remuneration amounting to \$2,682 thousand, \$4,525 thousand, \$3,785 thousand and \$8,014 thousand, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Company's article. These remunerations were expensed under operating expenses during the periods. If there is a difference between the actual distribution amount in the next year and the estimated figure, it will be handled according to the change in accounting estimates, and the difference will be recognized as the profit and loss of the next year.

The Company's employee remuneration in 2022 and 2021 was \$11,189 thousand and \$17,101 thousand respectively, and directors' remuneration was \$10,300 thousand and \$8,200 thousand respectively. The amounts were identical to the actual distribution and the relevant information can be inquired at the Market Observation Post System website.

(t) Non-operating income and expenses

(i) Interest income

The Group's interest income was as follows:

	<b>For the three months ended June 30</b>		<b>For the six months ended June 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Interest income from bank deposits	<u>\$ 6,329</u>	<u>1,256</u>	<u>11,566</u>	<u>2,003</u>

(ii) Other income

The Group's other income was as follows:

	<b>For the three months ended June 30</b>		<b>For the six months ended June 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Rental income	\$ 1,415	1,793	2,756	3,121
Others	<u>9,749</u>	<u>2,991</u>	<u>12,983</u>	<u>4,208</u>
Total other income	<u>\$ 11,164</u>	<u>4,784</u>	<u>15,739</u>	<u>7,329</u>

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**TAISOL ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
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The unconditional government grants were recognized amounting to CNY335 thousand, 53 thousand, 470 thousand and 63 thousand for the three months and six months ended June 30, 2023 and 2022, respectively.

(iii) Other gains and losses

The Group's other gains and losses were as follows:

	<b>For the three months ended June 30</b>		<b>For the six months ended June 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Gains (losses) on disposal of property, plant and equipment	\$ 168	-	168	(29)
Gains on modification of leases	-	-	-	13
Foreign exchange gains	29,588	36,424	18,834	48,779
Miscellaneous disbursements	(3,634)	(1,111)	(8,144)	(2,429)
Others	-	214	-	214
Other gains and losses, net	<u>\$ 26,122</u>	<u>35,527</u>	<u>10,858</u>	<u>46,548</u>

(iv) Finance costs

	<b>For the three months ended June 30</b>		<b>For the six months ended June 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Interest expense	<u>\$ 471</u>	<u>2,429</u>	<u>1,087</u>	<u>4,767</u>

(u) Financial Instrument

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk arising from financial instruments. For related information, please refer to Note 6(v) of the consolidated financial statements for the year ended December 31, 2022.

(i) Liquidity risk

The followings were the contractual maturities of financial liabilities, including estimated interest payment.

	<b>Carrying amounts</b>	<b>Cash flows</b>	<b>Less than one year</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>Over 5 years</b>
June 30, 2023						
Non-derivative financial liabilities						
Accounts payable	\$ 806,903	806,903	806,903	-	-	-
Other payables	530,931	530,931	530,931	-	-	-
Lease liabilities	24,263	24,864	22,779	1,103	982	-
	<u>\$ 1,362,097</u>	<u>1,362,698</u>	<u>1,360,613</u>	<u>1,103</u>	<u>982</u>	<u>-</u>

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**TAISOL ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
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	<u>Carrying amounts</u>	<u>Cash flows</u>	<u>Less than one year</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>Over 5 years</u>
December 31, 2022						
Non-derivative financial liabilities						
Accounts payable	\$ 898,157	898,157	898,157	-	-	-
Other payables	400,059	400,059	400,059	-	-	-
Lease liabilities	39,792	41,360	36,328	4,722	310	-
	<u>\$ 1,338,008</u>	<u>1,339,576</u>	<u>1,334,544</u>	<u>4,722</u>	<u>310</u>	<u>-</u>
June 30, 2022						
Non-derivative financial liabilities						
Unsecured bank loans	\$ 218,003	220,124	220,124	-	-	-
Accounts payable	1,122,642	1,122,642	1,122,642	-	-	-
Other payables (including related parties)	559,275	559,275	559,275	-	-	-
Bonds Payable	212,486	214,079	214,079	-	-	-
Lease liabilities	62,717	65,961	44,525	21,071	365	-
	<u>\$ 2,175,123</u>	<u>2,182,081</u>	<u>2,160,645</u>	<u>21,071</u>	<u>365</u>	<u>-</u>

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

(ii) Currency risk

1) Exposure of foreign currency risk

The Group's significant exposure to foreign currency risk was as follows:

	<u>June 30, 2023</u>			<u>December 31, 2022</u>			<u>June 30, 2022</u>			
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD</u>	
<u>Financial assets</u>										
<u>Monetary items</u>										
CNY	\$	36,196	4.282	154,991	8,293	4.408	36,554	45,006	4.439	199,780
USD		47,644	31.140	1,483,640	56,112	30.710	1,723,207	72,990	29.720	2,169,255
JPY		18,991	0.215	4,083	14,064	0.232	3,268	14,384	0.218	3,139
HKD		3	3.974	14	45	3.938	175	76	3.788	289
<u>Financial liabilities</u>										
<u>Monetary items</u>										
CNY		1,746	4.282	7,477	1,547	4.408	6,820	5,384	4.439	23,898
USD		24,997	31.140	778,414	26,930	30.710	827,032	33,857	29.720	1,006,231
JPY		5,189	0.215	1,116	8,197	0.232	1,905	9,198	0.218	2,007
HKD		28	3.974	112	31	3.938	122	101	3.788	383

Since the Group has many kinds of functional currency, the information on foreign exchange gains (losses) on monetary items is disclosed by total amount. For the six months ended June 30, 2023 and 2022, the foreign exchange gains (losses) (including realized and unrealized portions) amounted to gains of \$18,834 thousand and gains of \$48,779 thousand, respectively.

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**TAISOL ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, accounts payable and other payables that are denominated in foreign currency. A strengthening (weakening) of 0.25% of the NTD against all foreign currencies as of June 30, 2023 and 2022 would have increased (decreased) the net profit after tax as follows. The analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2022.

	<b>Effect of appreciation on net profit after tax</b>	<b>Effect of depreciation on net profit after tax</b>
	<u>                    </u>	<u>                    </u>
<b>June 30, 2023</b>		
CNY (0.25% of appreciation or depreciation)	\$ 295	(295)
USD (0.25% of appreciation or depreciation)	1,410	(1,410)
JPY (0.25% of appreciation or depreciation)	<u>6</u>	<u>(6)</u>
	<b><u>\$ 1,711</u></b>	<b><u>(1,711)</u></b>
	<b>Effect of appreciation on net profit after tax</b>	<b>Effect of depreciation on net profit after tax</b>
	<u>                    </u>	<u>                    </u>
<b>June 30, 2022</b>		
CNY (0.25% of appreciation or depreciation)	\$ 352	(352)
USD (0.25% of appreciation or depreciation)	2,326	(2,326)
JPY (0.25% of appreciation or depreciation)	<u>2</u>	<u>(2)</u>
	<b><u>\$ 2,680</u></b>	<b><u>(2,680)</u></b>

(Continued)

**TAISOL ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(iii) Fair value of financial instruments

1) Categories of financial instruments and fair value hierarchy

The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and for lease liabilities, disclosure of fair value information is not required:

		<b>June 30, 2023</b>				
		<b>Carrying amounts</b>	<b>Fair value</b>			
			<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets measured at amortized cost						
Cash and cash equivalents	\$	961,506	-	-	-	-
Notes and accounts receivable		1,368,801	-	-	-	-
Other receivables		4,458	-	-	-	-
Restricted time deposits (recognized in other current assets)		600	-	-	-	-
Guarantee deposits paid (recognized in other non-current assets)		18,861	-	-	-	-
<b>Total</b>	<b>\$</b>	<b><u>2,354,226</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
Financial liabilities measured at amortized cost						
Accounts payable	\$	806,903	-	-	-	-
Other payables		530,931	-	-	-	-
Lease liabilities		24,263	-	-	-	-
<b>Total</b>	<b>\$</b>	<b><u>1,362,097</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
		<b>December 31, 2022</b>				
		<b>Carrying amounts</b>	<b>Fair value</b>			
			<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets measured at amortized cost						
Cash and cash equivalents	\$	764,603	-	-	-	-
Notes and accounts receivable		1,622,877	-	-	-	-
Other receivables		3,898	-	-	-	-
Restricted time deposits (recognized in other current assets)		600	-	-	-	-
Guarantee deposits paid (recognized in other non-current assets)		19,383	-	-	-	-
<b>Total</b>	<b>\$</b>	<b><u>2,411,361</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

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**TAISOL ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

		December 31, 2022				
		Carrying amounts	Fair value			
			Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost						
Accounts payable	\$	898,157	-	-	-	-
Other payables		400,059	-	-	-	-
Lease liabilities		39,792	-	-	-	-
Total	\$	<u>1,338,008</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		June 30, 2022				
		Carrying amounts	Fair value			
			Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost						
Cash and cash equivalents	\$	664,150	-	-	-	-
Notes and accounts receivable		2,040,279	-	-	-	-
Other receivables		13,846	-	-	-	-
Restricted time deposits (recognized in other current assets)		600	-	-	-	-
Time deposits with original maturities exceeding three months (recognized in other current assets)		53,774	-	-	-	-
Guarantee deposits paid (recognized in other non-current assets)		19,507	-	-	-	-
Total	\$	<u>2,792,156</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities measured at amortized cost						
Short-term borrowings	\$	218,003	-	-	-	-
Bonds payable		212,486	-	-	-	-
Accounts payable		1,122,642	-	-	-	-
Other payables (including related parties)		559,275	-	-	-	-
Lease liabilities		62,717	-	-	-	-
Total	\$	<u>2,175,123</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

2) Valuation techniques for financial instruments measured at fair value

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and those prices represent actual and regularly occurring market transactions on an arm's-length basis.

The Group adopted the binomial tree valuation model to measure its domestic convertible bonds, taking into account such parameters as stock price volatility and risk-free interest rates.

(Continued)

**TAISOL ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

- 3) There was no transfer between the fair value hierarchy levels for the six months ended June 30, 2023 and 2022.

(v) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in Note 6(w) of the consolidated financial statements for the year ended December 31, 2022.

(w) Capital management

There were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2022. Please refer to Note 6(x) of the consolidated financial statements for the year ended December 31, 2022 for further details.

(x) Investing and financing activities not affecting current cash flow

- (i) The cash paid by the Group for the purchase of property, plant and equipment is supplemented by the following information:

	<b>For the six months ended June 30</b>	
	<b>2023</b>	<b>2022</b>
Increase in property, plant and equipment	\$ 30,761	11,002
Add: Payable for equipment as of January 1	22,527	28,577
Less: Payable for equipment as of June 30	(22,676)	(24,842)
Effect of exchange rate changes	(668)	621
Cash paid	<b>\$ 29,944</b>	<b>15,358</b>

- (ii) The cash payment from the Group's acquisition of the right of use assets is supplemented by the following cash flow information:

	<b>For the six months ended June 30</b>	
	<b>2023</b>	<b>2022</b>
Increase in right of use assets	\$ 3,087	2,247
Less: Increase in lease liabilities	(3,087)	(2,247)
Cash paid	<b>\$ -</b>	<b>-</b>

- (iii) Reconciliations of liabilities arising from financing activities were as follows:

	<b>January 1, 2023</b>	<b>Cash flows</b>	<b>Non-Cash changes</b>			<b>June 30, 2023</b>
			<b>Effect of exchange rate changes</b>	<b>Right-of-use assets increases</b>	<b>Others</b>	
Lease liabilities	\$ 39,792	(18,033)	(583)	3,087	-	24,263

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**TAISOL ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	January 1, 2022	Cash flows	Non-Cash changes			June 30, 2022
			Effect of exchange rate changes	Right-of-use assets increases	Others	
Short-term borrowings	\$ 20,000	197,976	27	-	-	218,003
Lease liabilities	79,880	(18,808)	1,469	2,247	(2,071)	62,717
Bonds payable	210,406	-	-	-	2,080	212,486
Total liabilities from financing activities	<u>\$ 310,286</u>	<u>179,168</u>	<u>1,496</u>	<u>2,247</u>	<u>9</u>	<u>493,206</u>

**(7) Related-party transactions**

(a) Names and relationship with related parties

The following are the entities that have had transactions with the Group during the periods covered in the financial statements.

<u>Name of related party</u>	<u>Relationship with The Group</u>
VSELL ENTERPRISE CO., LTD. (hereinafter referred to as "VSELL")	Other related party (from May, 2023 it is no longer to be a related party since the chairman of the Company has not been its principal management )

(b) Significant transactions with related parties

(i) Operating income

The amounts of significant sales transactions between the Group and related parties were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2023	2022	2023	2022
Other related parties – VSELL	\$ -	-	147	-

The Group has no other customers to compare with the above related party relating to sales price, and the terms for the related party are approximately 60 days. Collecting period for non-related parties is mainly 30 to 210 days.

(ii) Operating expenses

The amounts of operating expenses of the Group from related parties were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2023	2022	2023	2022
Other related parties – VSELL	\$ -	30	-	30

(Continued)

**TAISOL ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(iii) Payables to related parties

The details of the Company's payables to related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Other payables to related parties	Other related parties — VSELL	\$ <u>-</u>	<u>-</u>	<u>32</u>

Other payables are to pay for the purchase of research and development materials.

(c) Key management personnel transactions

Key management personnel compensation includes:

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Short-term employee benefits	\$ 16,539	11,376	26,852	27,973
Post-employment benefits	168	374	335	448
Other long-term employee benefits	45	45	113	(368)
	<u>\$ 16,752</u>	<u>11,795</u>	<u>27,300</u>	<u>28,053</u>

(8) Pledged assets:

The carrying values of pledged assets were as follows:

<u>Pledged assets</u>	<u>Object</u>	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Restricted time deposits (recognized in other current asset)	Custom deposits	\$ 600	600	600
Land and buildings (recognized in property, plant and equipment)	Long-term and short- term loans	144,585	145,094	145,681
		<u>\$ 145,185</u>	<u>145,694</u>	<u>146,281</u>

(9) Commitments and contingencies:

As of June 30, 2023, December 31 and June 30, 2022, the Group had outstanding notes for guarantee of bank loans, credit limit amounting to \$706,820 thousand, \$854,363 thousand and \$886,880 thousand, respectively.

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**TAISOL ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(10) Losses due to major disasters: None.

(11) Subsequent Events: None.

(12) Other:

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

By function	For the three months ended June 30							
	2023				2022			
	Cost of good sold	Operating expenses	Non-operating expenses	Total	Cost of good sold	Operating expenses	Non-operating expenses	Total
Employee benefits								
Salary	71,750	55,291	-	127,041	106,139	65,813	-	171,952
Labor and health insurance	-	2,397	-	2,397	-	2,368	-	2,368
Pension	-	1,464	-	1,464	-	(3,248)	-	(3,248)
Remuneration of directors	-	2,899	-	2,899	-	4,743	-	4,743
Others	10,201	4,893	-	15,094	13,440	5,301	-	18,741
Depreciation	20,746	6,359	1,082	28,187	34,445	9,878	992	45,315
Amortizations	-	146	-	146	-	235	-	235

By function	For the six months ended June 30							
	2023				2022			
	Cost of good sold	Operating expenses	Non-operating expenses	Total	Cost of good sold	Operating expenses	Non-operating expenses	Total
Employee benefits								
Salary	142,634	102,678	-	245,312	211,825	127,841	-	339,666
Labor and health insurance	-	5,035	-	5,035	-	4,998	-	4,998
Pension	-	2,946	-	2,946	-	(2,074)	-	(2,074)
Remuneration of directors	-	4,348	-	4,348	-	8,578	-	8,578
Others	20,515	9,519	-	30,034	26,892	10,563	-	37,455
Depreciation	44,475	12,956	2,124	59,555	67,559	19,613	2,075	89,247
Amortization	-	308	-	308	-	468	-	468

- (b) Seasonality of operations

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

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## TAISOL ELECTRONICS CO., LTD. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

#### (13) Other disclosures:

##### (a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the six months ended June 30, 2023:

##### (i) Loans to other parties:

No.	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Loss allowance	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
0	TaiSol Electronics Co., Ltd.	Suzhou TaiSol Electronics Co., Ltd.	Other receivables - related parties	Yes	155,700	155,700	-	- %	2	-	Operating capital	-		-	346,527	693,053
1	SiYang TaiSol Electronics Co., Ltd.	Suzhou TaiSol Electronics Co., Ltd.	Other receivables - related parties	Yes	44,450	42,820	-	- %	2	-	Operating capital	-		-	346,527	693,053
2	DongGuan TaiSol Electronics Co., Ltd.	Suzhou TaiSol Electronics Co., Ltd.	Other receivables - related parties	Yes	133,350	128,460	68,512	5.00 %	2	-	Operating capital	-		-	346,527	693,053
2	DongGuan TaiSol Electronics Co., Ltd.	SiYang TaiSol Electronics Co., Ltd.	Other receivables - related parties	Yes	129,480	128,460	-	- %	2	-	Operating capital	-		-	346,527	693,053

Note 1: Purpose of fund financing for the borrower:

- (1) Those with business contact please fill in 1
- (2) Those necessary for short-term financing please fill in 2.

Note 2: Pursuant to the Company's procedure of loans to other parties, the maximum amount of lending purposes shall not exceed 40% of the Company's net worth, for the Company loans to those having business transactions, the amount of each fund financing shall not exceed the amount of business transaction. The amount of business transaction referred to is the higher of the amount of goods purchased or sold between the other parties. The total amount lendable to any such subsidiary of the Company shall not exceed 40% of the net worth of the Company, and the individual amount shall not exceed 20% of the net worth of the Company.

Note 3: Pursuant to the subsidiary's procedure of loans to other parties, the maximum amount of lending purposes shall not exceed 40% of each company's net worth, for the subsidiary loans to those having business transactions, the amount of each fund financing shall not exceed the amount of business transaction. The amount of business transaction referred to is the higher of the amount of goods purchased or sold between the other parties. The total amount and individual amount lendable to any such enterprises due to short term financing shall not exceed 40% of the net worth of each company. With a foreign subsidiary of the parent company which directly and indirectly holds 100% of the voting shares or a subsidiary loans funds to parent company are excluded from item 1. The group's combined total loan amount is limited to the lower of less than 2,500% of the net value of the Company or 40% of the net value of the ultimate parent company. The respective loan amount is limited to the lower of 2,500% of the net value of the Company or 20 % of the net value of the ultimate parent company.

Note 4: The above transactions of loans to Suzhou TaiSol have been eliminated when the consolidated financial statements were prepared.

##### (ii) Guarantees and endorsements for other parties:

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	the Company	SiYang TaiSol Electronics Co., Ltd.	2	519,790	46,710	46,710 (Note 3)	-	-	2.70 %	866,316	Y	N	Y
0	the Company	Suzhou TaiSol Electronics Co., Ltd.	2	519,790	93,420	93,420 (Note 3)	-	-	5.39 %	866,316	Y	N	Y

Note 1: Pursuant to the “endorsement guarantee procedure” established by the Company, the total amount of the Company's endorsement and guarantee does not exceed 50% of the net value of current period. Of these, the single corporate guarantee limit shall not exceed 20% of the current net value except for companies in which the Company directly and indirectly holds more than 50% of the voting shares, which shall not exceed 30% of the current net value.

Note 2: The relationship between the endorser/guarantor and the guaranteed party:

- 1) A company with which it does business.
- 2) A company in which the Company directly and indirectly holds more than 50% of the voting shares.
- 3) A company that directly and indirectly holds more than 50% of the voting shares in the Company.
- 4) Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares.
- 5) A company that fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
- 6) A company that all capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages.
- 7) Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: Suzhou TaiSol and SiYang TaiSol jointly shared the guarantee amount of NTD\$93,420 thousand (USDS\$3million), of which the amount spent by SiYang TaiSol did not exceed NTD\$46,710 thousand (USDS\$1.5million).

##### (iii) Securities held as of June 30, 2023 (excluding investment in subsidiaries, associates and joint ventures):

Unit: Thousand shares

Name of holder	Category and name of security	Relationship with the Company	Account	Ending Balance				Notes
				Shares/Units (thousands)	Carrying amounts	Percentage	Fair value	
The Company	TriGem Computer, Inc.	None.	Financial assets at fair value through profit or loss-non current	0.103	-	- %	-	

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**TAISOL ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

- (iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock:None.
- (v) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock:None.
- (vi) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock:None.
- (vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

Name of company	Related party	Relationship	Transaction details				Transactions with terms different from others		Notes/accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Credit terms	Unit price	Credit terms	Balance	Percentage of total notes / accounts receivable (payable)	
The Company	DongGuan TaiSol Electronics Co., Ltd.	Sub-subsiary of the Company	Purchase	487,177	58.11 %	O/A 75 days	-		(375,893)	60.14%	

Note: The transactions were eliminated when the consolidated financial statements were prepared.

- (viii) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

Name of company	Related party	Relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Loss allowance
					Amount	Actions taken		
DongGuan TaiSol Electronics Co., Ltd.	TaiSol Electronics Co., Ltd.	The ultimate parent company	375,893	2.42	-	-	116,758	-

Note 1: The subsequent information is updated up to August 11, 2023.

Note 2: The transactions were eliminated when the consolidated financial statements were prepared.

- (ix) Trading in derivative instruments:None.
- (x) Business relationships and significant intercompany transactions:

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	the Company	Suzhou TaiSol Electronics Co., Ltd.	1	Purchase	55,204	There are no non-related party purchase price for comparison.	3.28%
0	the Company	SiYang TaiSol Electronics Co., Ltd.	1	Purchase	29,582	There are no non-related party purchase price for comparison.	1.76%
0	the Company	DongGuan TaiSol Electronics Co., Ltd.	1	Purchase	487,177	There are no non-related party purchase price for comparison.	28.92%
0	the Company	DongGuan TaiSol Electronics Co., Ltd.	1	Payables to related parties	375,893	O/A 75 days	11.07%
1	DongGuan TaiSol Electronics Co., Ltd.	Suzhou TaiSol Electronics Co., Ltd.	3	Receivables from related parties	69,896	According to the contract	2.06%

Note 1: The numbers represent the following.

1. 0 represents the parent company.
2. Subsidiaries are numbered from 1.

Note 2: The transactions are categorized as follows:

1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

Note 3: These transactions were disclosed for either the amounts are over 1% of the consolidated assets or 1% of the consolidated revenue.

Note 4: The transactions were eliminated when the consolidated financial statements were prepared.

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## TAISOL ELECTRONICS CO., LTD. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

(b) Information on investees:

The following is the information on investees for the six months ended June 30, 2023 (excluding information on investees in Mainland China):

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance at June 30			Net income (losses) of investee	Share of profits/losses of investee	Note
				June 30, 2023	December 31, 2022	Shares	Percentage	Carrying amounts			
TaiSol Electronics Co., Ltd.	World Window Electronics (H.K.) Limited	Hong Kong	Trading of connectors and components of electronics and computers and investment in Mainland China	250,119	250,119	64,210	100 %	837,481	64,329	64,677	Subsidiary
TaiSol Electronics Co., Ltd.	TaiSol Electronics (HONG KONG) Co., Ltd.	Hong Kong	Investment in Mainland China	332,470	332,470	31,056	100 %	(11,482)	(43,345)	(42,523)	Subsidiary
TaiSol Electronics Co., Ltd.	TaiSol Electronics Japan Co., Ltd.	Japan	Trading	2,790	2,790	0.1	100 %	1,698	163	163	Subsidiary
TaiSol Electronics Co., Ltd.	Vietnam TaiSol Electronics Company Limited	Vietnam	Trading	8,307	8,307	-	100 %	7,758	(409)	(409)	Subsidiary

Unit: Thousand shares

Note 1: The transactions were eliminated when the consolidated financial statements were prepared.

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2023	Investment flows during current period		Accumulated outflow of investment from Taiwan as of June 30, 2023	Net income (losses) of investee	Percentage of ownership	Share of profit (losses) of investee	Carrying amount	Accumulated remittance of earnings as of June 30, 2023
					Outflow	Inflow						
Suzhou TaiSol Electronics Co., Ltd.	Processing, manufacturing and trading of components of heat pipe and electronic computers, and trading of magnesium-aluminum components.	188,487 (Note 2)	2	314,514	-	-	314,514	(43,275)	100.00 %	(42,453)	(11,835)	-
DongGuan TaiSol Electronics Co., Ltd.	Processing, manufacturing and trading of connectors, electronic computers and components of automobiles.	244,401	2	244,401	-	-	244,401	64,206	100.00 %	64,554	825,463	394,010
SiYang TaiSol Electronics Co., Ltd.	Manufacturing and trading of thermal modules, thermal conduit modules, fiber optic cable connectors, etc.	653,940	1	653,940	-	-	653,940	(3,175)	100.00 %	(3,982)	397,391	-

Unit: thousand dollars

Note 1: Investment methods are classified into the following three categories.

- (1) Direct investment in Mainland China.
- (2) Through the establishment of third-region companies then investing in Mainland China.
- (3) Others

Note 2: In May 2019, Suzhou TaiSol made a capital reduction of CNY30,220 thousand to cover losses and a capital reduction return of CNY15,332 thousand. Suzhou TaiSol increased its capital by USD2,053, thousand in March 2021, resulting in paid-in capital of USD6,053 thousand.

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of June 30, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment Authorized by Investment Commission, MOEA
1,212,855 (Note 2) (USD 31,100 and HKD61,500)	1,212,855 (Note 2) (USD 31,100 and HKD61,500)	- (Note 1)

Note 1: Since the Company meets the criteria for operational headquarters, the Company is not subject to the limitation as to the amount of investment in Mainland China.

Note 2: Amounts are denominated in New Taiwan Dollars. Foreign currency should be converted at the exchange rates of USD\$: NT\$ = 1:31.140 and HKD\$: NT\$ = 1:3.974 as at the date of the financial report.

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China for the six months ended June 30, 2023, are disclosed in "Information on significant transactions".

(Continued)

**TAISOL ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
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(d) Major shareholders:

Shareholder's Name	Shareholding	Shares	Percentage
Yu, Ching-Sung		14,463,046	16.45 %

Note: 1) The information on major shareholders, which is provided by the Taiwan Depository & Clearing Corporation, summarized the shareholders who held over 5% of total non-physical ordinary shares and preference shares (including treasury shares) on the last business date of each quarter. The actual registered non-physical shares may be different from the capital shares disclosed in the financial statement due to different calculation basis.

2) If shares are entrusted, the above information regarding such shares will be revealed by each trustors of individual trust account. The shareholders holding more than 10% of the total shares of the company should declare insider's equity according to Securities and Exchange Act. The numbers of the shares declared by the insider include the shares of the trust assets which the insider has discretion over use. For details of the insider's equity announcement please refer to the TWSE website.

**(14) Segment information:**

In the second half of the year 2022, the transfer of part of the production line from Suzhou TaiSol to SiYang TaiSol resulted in the different reportable operating segment in the year 2023 from that disclosed in the consolidated financial statements for the year ended December 31, 2022. The adjusted information about reportable operating segment is as follows:

- (a) The Company mainly sells connectors and thermal solutions.
- (b) DongGuan TaiSol mainly manufactures and sells connectors and thermal solutions.
- (c) SiYang TaiSol mainly manufactures and sells thermal modules.

The Group's operating segment information and reconciliation are as follows:

	For the three months ended June 30, 2023					Reconciliation and elimination	
	The Company	Suzhou TaiSol	DongGuan TaiSol	SiYang TaiSol	Others	Reconciliation and elimination	Total
Revenue:							
Revenue from external customers	\$ 536,076	4,230	214,525	99,738	-	-	854,569
Intersegment revenues	-	36,586	255,490	35,760	488	(328,324)	-
Total revenue	<u>\$ 536,076</u>	<u>40,816</u>	<u>470,015</u>	<u>135,498</u>	<u>488</u>	<u>(328,324)</u>	<u>854,569</u>
Reportable segment profit or loss	<u>\$ 36,575</u>	<u>(16,555)</u>	<u>39,301</u>	<u>5,437</u>	<u>(137)</u>	<u>-</u>	<u>64,621</u>
	For the three months ended June 30, 2022					Reconciliation and elimination	
	The Company	Suzhou TaiSol	DongGuan TaiSol	SiYang TaiSol	Others	Reconciliation and elimination	Total
Revenue:							
Revenue from external customers	\$ 821,280	120,412	264,040	976	-	-	1,206,708
Intersegment revenues	-	146,198	335,052	86,636	482	(568,368)	-
Total revenue	<u>\$ 821,280</u>	<u>266,610</u>	<u>599,092</u>	<u>87,612</u>	<u>482</u>	<u>(568,368)</u>	<u>1,206,708</u>
Reportable segment profit or loss	<u>\$ 70,545</u>	<u>(5,204)</u>	<u>29,806</u>	<u>(16,485)</u>	<u>(173)</u>	<u>-</u>	<u>78,489</u>

(Continued)

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For the six months ended June 30, 2023							
	The Company	Suzhou TaiSol	DongGuan TaiSol	SiYang TaiSol	Others	Reconciliation and elimination	Total
Revenue:							
Revenue from external customers	\$ 1,032,742	6,860	457,937	187,261	-	-	1,684,800
Intersegment revenues	-	71,821	488,421	55,749	985	(616,976)	-
Total revenue	<u>\$ 1,032,742</u>	<u>78,681</u>	<u>946,358</u>	<u>243,010</u>	<u>985</u>	<u>(616,976)</u>	<u>1,684,800</u>
Reportable segment profit or loss	<u>\$ 73,155</u>	<u>(42,453)</u>	<u>64,554</u>	<u>(3,982)</u>	<u>(193)</u>	<u>-</u>	<u>91,081</u>
For the six months ended June 30, 2022							
	The Company	Suzhou TaiSol	DongGuan TaiSol	SiYang TaiSol	Others	Reconciliation and elimination	Total
Revenue:							
Revenue from external customers	\$ 1,618,508	240,027	566,849	2,794	-	-	2,428,178
Intersegment revenues	-	274,678	638,393	165,097	1,005	(1,079,173)	-
Total revenue	<u>\$ 1,618,508</u>	<u>514,705</u>	<u>1,205,242</u>	<u>167,891</u>	<u>1,005</u>	<u>(1,079,173)</u>	<u>2,428,178</u>
Reportable segment profit or loss	<u>\$ 134,709</u>	<u>(12,097)</u>	<u>47,353</u>	<u>(28,643)</u>	<u>(605)</u>	<u>-</u>	<u>140,717</u>

The information of segment assets and liabilities is not disclosed, because the Group's chief operating decision maker does not rely on it.