

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

**Consolidated Financial Statements**

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

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The independent auditors' 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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安侯建業聯合會計師事務所

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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 March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2025 and 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### Scope of Review

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

### Conclusion

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



The engagement partners on the reviews resulting in this independent auditors' review report are Chen, Fu-Jen and Hsiao, Ya-Wen.

KPMG

Taipei, Taiwan (Republic of China)

April 29, 2025

#### **Notes to Readers**

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

The 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

March 31, 2025, December 31, 2024, and March 31, 2024

(Expressed in Thousands of New Taiwan Dollars)

Assets		March 31, 2025		December 31, 2024		March 31, 2024		Liabilities and Equity		March 31, 2025		December 31, 2024		March 31, 2024	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
<b>Current assets:</b>								<b>Current liabilities:</b>							
1100	Cash and cash equivalents (note 6(a))	\$ 703,725	18	927,358	25	1,007,487	26	2170	Accounts payable	\$ 1,124,496	29	1,085,247	29	1,104,236	29
1136	Current financial assets at amortized cost (note 6(b))	351,363	9	244,038	7	239,903	6	2209	Other payables (note 6(m))	279,148	7	322,783	9	361,703	9
1150	Notes receivable, net (notes 6(c) and (r))	163,834	4	151,642	4	304,621	8	2230	Current tax liabilities	43,572	1	39,154	1	53,598	1
1170	Accounts receivable, net (notes 6(c) and (r))	1,347,419	35	1,293,788	34	1,238,933	33	2280	Current lease liabilities (note 6(k))	31,861	1	35,722	1	29,705	1
1200	Other receivables, net (note 6(d))	18,249	-	6,159	-	5,592	-	2399	Other current liabilities (notes 6(m) and (r))	89,938	2	96,329	3	120,263	3
130X	Inventories (note 6(e))	445,609	12	418,380	11	329,752	9		<b>Total current liabilities</b>	<u>1,569,015</u>	<u>40</u>	<u>1,579,235</u>	<u>43</u>	<u>1,669,505</u>	<u>43</u>
1410	Prepayments (note 6(j))	91,999	3	84,046	2	88,083	2		<b>Non-Current liabilities:</b>						
1470	Other current assets (note 8)	2,078	-	1,020	-	792	-	2570	Deferred tax liabilities	135,417	4	129,120	3	145,850	4
	<b>Total current assets</b>	<u>3,124,276</u>	<u>81</u>	<u>3,126,431</u>	<u>83</u>	<u>3,215,163</u>	<u>84</u>	2580	Non-current lease liabilities (note 6(k))	11,005	-	14,847	-	25,034	1
	<b>Non-current assets:</b>							2670	Other non-current liabilities	968	-	868	-	1,953	-
1535	Non-current financial assets at amortized cost (note 6(b))	41,250	1	34,424	1	-	-		<b>Total non-current liabilities</b>	<u>147,390</u>	<u>4</u>	<u>144,835</u>	<u>3</u>	<u>172,837</u>	<u>5</u>
1600	Property, plant and equipment (notes 6(g) and 8)	422,973	11	427,396	11	445,527	11		<b>Total liabilities</b>	<u>1,716,405</u>	<u>44</u>	<u>1,724,070</u>	<u>46</u>	<u>1,842,342</u>	<u>48</u>
1755	Right of use assets (note 6(h))	66,878	2	75,751	2	76,031	2		<b>Equity attributable to owners of parent (note 6(p)):</b>						
1780	Intangible assets (note 6(i))	8,509	-	1,104	-	1,299	-	3110	Ordinary shares	879,081	23	879,081	23	879,081	23
1840	Deferred tax assets	60,637	2	66,420	2	69,565	2	3200	Capital surplus	348,929	9	348,929	9	348,899	9
1990	Other non-current assets (notes 6(j) and 12)	106,851	3	22,379	1	24,771	1		Retained earnings:						
	<b>Total non-current assets</b>	<u>707,098</u>	<u>19</u>	<u>627,474</u>	<u>17</u>	<u>617,193</u>	<u>16</u>	3310	Legal reserve	221,358	6	221,358	6	197,029	5
								3320	Special reserve	85,660	2	85,660	2	61,180	2
								3350	Unappropriated retained earnings	604,743	16	551,807	15	580,554	15
										<u>911,761</u>	<u>24</u>	<u>858,825</u>	<u>23</u>	<u>838,763</u>	<u>22</u>
								3410	Exchange differences on translation of foreign financial statements	(7,549)	-	(39,747)	(1)	(59,476)	(2)
								3500	Treasury shares	(17,253)	-	(17,253)	-	(17,253)	-
									<b>Total equity</b>	<u>2,114,969</u>	<u>56</u>	<u>2,029,835</u>	<u>54</u>	<u>1,990,014</u>	<u>52</u>
<b>Total assets</b>		<u>\$ 3,831,374</u>	<u>100</u>	<u>3,753,905</u>	<u>100</u>	<u>3,832,356</u>	<u>100</u>		<b>Total liabilities and equity</b>	<u>\$ 3,831,374</u>	<u>100</u>	<u>3,753,905</u>	<u>100</u>	<u>3,832,356</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 ended March 31, 2025 and 2024

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

		For the three months ended March 31			
		2025		2024	
		Amount	%	Amount	%
4000	Operating revenue (note 6(r))	937,577	100	859,331	100
5000	Operating costs (notes 6(e), (k) and 12)	<u>751,283</u>	<u>80</u>	<u>686,572</u>	<u>80</u>
5900	Gross profit from operations	<u>186,294</u>	<u>20</u>	<u>172,759</u>	<u>20</u>
6000	Operating expenses (notes 6(c), (k), (n), (s) and 12):				
6100	Selling expenses	45,596	5	46,482	6
6200	Administrative expenses	45,517	5	44,865	5
6300	Research and development expenses	40,064	4	34,774	4
6450	Expected credit (gain) loss	<u>(318)</u>	<u>-</u>	<u>156</u>	<u>-</u>
		<u>130,859</u>	<u>14</u>	<u>126,277</u>	<u>15</u>
6900	Net operating income	<u>55,435</u>	<u>6</u>	<u>46,482</u>	<u>5</u>
7000	Non-operating income and expenses (notes 6(f), (k), (t) and 12):				
7100	Interest income	5,151	-	7,714	1
7010	Other income	11,333	1	3,370	-
7020	Other gains and losses, net	(2,308)	-	31,329	4
7050	Finance costs, net	<u>(483)</u>	<u>-</u>	<u>(505)</u>	<u>-</u>
		<u>13,693</u>	<u>1</u>	<u>41,908</u>	<u>5</u>
7900	Profit from continuing operations before tax	69,128	7	88,390	10
7950	Less: Income tax expenses (note 6(o))	<u>16,192</u>	<u>2</u>	<u>20,685</u>	<u>2</u>
	Profit	<u>52,936</u>	<u>5</u>	<u>67,705</u>	<u>8</u>
8300	Other comprehensive income (note 6(p)):				
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	32,860	4	25,195	3
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8300	Other comprehensive income	<u>32,860</u>	<u>4</u>	<u>25,195</u>	<u>3</u>
8500	Total comprehensive income	<u>85,796</u>	<u>9</u>	<u>92,900</u>	<u>11</u>
	Profit, attributable to:				
8610	Owners of parent	<u>52,936</u>	<u>5</u>	<u>67,705</u>	<u>8</u>
	Comprehensive income attributable to:				
8710	Owners of parent	<u>85,796</u>	<u>9</u>	<u>92,900</u>	<u>11</u>
	Earnings per share (note 6(q))				
9750	Basic earnings per share	<u>0.61</u>		<u>0.77</u>	
9850	Diluted earnings per share	<u>0.60</u>		<u>0.77</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 three months ended March 31, 2025 and 2024****(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, 2024</b>	\$ 879,081	348,899	197,029	61,180	512,849	771,058	(85,660)	(17,253)	1,896,125
Profit	-	-	-	-	67,705	67,705	-	-	67,705
Other comprehensive income	-	-	-	-	-	-	25,195	-	25,195
Total comprehensive income	-	-	-	-	67,705	67,705	25,195	-	92,900
Disposal of subsidiaries	-	-	-	-	-	-	989	-	989
<b>Balance at March 31, 2024</b>	<b>\$ 879,081</b>	<b>348,899</b>	<b>197,029</b>	<b>61,180</b>	<b>580,554</b>	<b>838,763</b>	<b>(59,476)</b>	<b>(17,253)</b>	<b>1,990,014</b>
<b>Balance at January 1, 2025</b>	\$ 879,081	348,929	221,358	85,660	551,807	858,825	(39,747)	(17,253)	2,029,835
Profit	-	-	-	-	52,936	52,936	-	-	52,936
Other comprehensive income	-	-	-	-	-	-	32,860	-	32,860
Total comprehensive income	-	-	-	-	52,936	52,936	32,860	-	85,796
Disposal of subsidiaries	-	-	-	-	-	-	(662)	-	(662)
<b>Balance at March 31, 2025</b>	<b>\$ 879,081</b>	<b>348,929</b>	<b>221,358</b>	<b>85,660</b>	<b>604,743</b>	<b>911,761</b>	<b>(7,549)</b>	<b>(17,253)</b>	<b>2,114,969</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 three months ended March 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	<b>For the three months ended March 31</b>	
	<b>2025</b>	<b>2024</b>
<b>Cash flows from (used in) operating activities:</b>		
<b>Profit before tax</b>	\$ 69,128	88,390
<b>Adjustments:</b>		
Adjustments to reconcile profit or loss:		
Depreciation expense	25,412	21,946
Amortization expense	316	64
Expected credit (gain) loss	(318)	156
Interest expense	483	505
Interest income	(5,151)	(7,714)
(Gains) loss on disposal of investments	(543)	990
Unrealized foreign exchange loss (gain)	1,919	(132)
Gains on modification of leases	(20)	(3)
Total adjustments to reconcile profit	<u>22,098</u>	<u>15,812</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Increase in notes receivable	(8,841)	(64,513)
(Increase) decrease in accounts receivable	(29,727)	198,152
(Increase) decrease in other receivables	(9,764)	573
(Increase) decrease in inventories	(21,921)	16,746
(Increase) decrease in prepayments	(6,205)	4,875
(Increase) decrease in other current assets	(1,058)	17
Total changes in operating assets	<u>(77,516)</u>	<u>155,850</u>
Changes in operating liabilities:		
Increase (decrease) in accounts payable	16,175	(169,030)
Decrease in other payables	(58,181)	(21,670)
Decrease in other current liabilities	(10,573)	(2,203)
Increase in other operating liabilities	101	136
Total changes in operating liabilities	<u>(52,478)</u>	<u>(192,767)</u>
Total changes in operating assets and liabilities	<u>(129,994)</u>	<u>(36,917)</u>
Total adjustments	<u>(107,896)</u>	<u>(21,105)</u>
Cash flows (used in) generated from operations	(38,768)	67,285
Interest received	2,489	10,607
Interest paid	(483)	(505)
Income taxes (received) paid	9	(307)
<b>Net cash flows (used in) from operating activities</b>	<u>(36,753)</u>	<u>77,080</u>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at amortized cost	(112,042)	(78,836)
Proceeds from disposal of subsidiaries	-	404
Acquisition of property, plant and equipment	(3,738)	(22,327)
Acquisition of intangible assets	-	(131)
(Decrease) increase in other non-current assets	(84,334)	19,313
Interest received	476	-
<b>Net cash flows used in investing activities</b>	<u>(199,638)</u>	<u>(81,577)</u>
<b>Cash flows from (used in) financing activities:</b>		
Payment of lease liabilities	(9,205)	(8,166)
<b>Net cash flows used in financing activities</b>	<u>(9,205)</u>	<u>(8,166)</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	21,963	18,996
<b>Net (decrease) increase in cash and cash equivalents</b>	(223,633)	6,333
<b>Cash and cash equivalents at beginning of period</b>	927,358	1,001,154
<b>Cash and cash equivalents at end of period</b>	<u>\$ 703,725</u>	<u>1,007,487</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 three months ended March 31, 2025 and 2024**

**(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, the processing and trading of thermal modules, components of electronic computers, electrical wires, automobiles and motorcycles.

The Company’s common shares have been publicly listed on the Taiwan Stock Exchange since December 13, 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 three months ended March 31, 2025 and 2024 were authorized for issuance by the Board of Directors on April 29, 2025.

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

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

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

- Amendments to IAS21 “Lack of Exchangeability”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Section 4.1 of IFRS 9 and the related disclosure requirements of IFRS 7

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

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

<b>Standards or Interpretations</b>	<b>Content of amendment</b>	<b>Effective date per IASB</b>
IFRS 18 “Presentation and Disclosure in Financial Statements”	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.	January 1, 2027

(Continued)

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

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

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

(Continued)

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Sections 3.1 and 3.3 of IFRS 9 and the related disclosure requirements of IFRS 7
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

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

**(a) Statement of compliance**

These consolidated financial statements have been prepared in accordance with the 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, 2024. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2024.

**(b) Basis of consolidation**

List of the subsidiaries in the consolidated financial statements:

Name of investor	Name of subsidiary	Principle activity	Shareholding			Note
			March 31, 2025	December 31, 2024	March 31, 2024	
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	- %	- %	- %	Note 3

(Continued)

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

Name of investor	Name of subsidiary	Principle activity	Shareholding			Note
			March 31, 2025	December 31, 2024	March 31, 2024	
The Company	TaiSol Electronics (Thailand) Co., Ltd. (hereinafter referred to as "Thailand TaiSol")	Manufacturing and trading	99 %	99 %	-	% Note 2
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 %	Note 1
World Window Electronics	DongGuan TaiSol Electronics Co., Ltd. (hereinafter referred to as "DongGuan TaiSol")	Manufacturing and trading	100 %	100 %	100 %	
World Window Electronics	TaiSol Electronics (Thailand) Co., Ltd. (hereinafter referred to as "Thailand TaiSol")	Manufacturing and trading	1 %	1 %	-	% Note 2
TaiSol HONG KONG	Suzhou TaiSol Electronics Co., Ltd. (hereinafter referred to as "Suzhou TaiSol")	Manufacturing and trading	100 %	100 %	100 %	

Note 1: Vietnam TaiSol was liquidated in February 2025.

Note 2: TaiSol Electronics (Thailand) Co., Ltd. was established in November 2024, and capital injection was made in December 2024.

Note 3: In March 2024, the Group signed a Share Purchase Agreement with a non-related party, selling 100% of the shares in TaiSol (Japan) and losing control over it.

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.

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

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

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

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2024. For related information, please refer to Note 5 of the consolidated financial statements for the year ended December 31, 2024.

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

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

(a) Cash and cash equivalents

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Cash on hand and revolving funds	\$ 934	773	644
Demand deposits	490,778	871,749	574,111
Time deposits	212,013	54,836	432,732
Cash and cash equivalents in the statement of cash flows	<b><u>\$ 703,725</u></b>	<b><u>927,358</u></b>	<b><u>1,007,487</u></b>

(b) Financial assets at amortized cost

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Time deposits with original maturities exceeding three months	\$ 351,363	244,038	239,903
Financial Bonds	41,250	34,424	-
Total	<b><u>\$ 392,613</u></b>	<b><u>278,462</u></b>	<b><u>239,903</u></b>
Current	\$ 351,363	244,038	239,903
Non-current	41,250	34,424	-
Total	<b><u>\$ 392,613</u></b>	<b><u>278,462</u></b>	<b><u>239,903</u></b>

The Group has assessed that these financial assets are held-to-maturity to collect contractual cash flows, which consist solely of payments of principal and interest on principal amount outstanding. Therefore, these investments were classified as financial assets measured at amortized cost.

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**TAISOL ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
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Please refer to Note 13 for the Group's investments of foreign financial bonds.

The Group held certificate of deposit with annual interest rates ranging from 1.28% to 4.45% , 1.45% to 1.65% and 1.155% on March 31, 2025, December 31, 2024, and March 31, 2024, which matured from April to August 2025, from February to April 2025 and from May to July 2024, respectively.

The Group's financial assets measured at amortized cost were not pledged as collateral.

(c) Notes and accounts receivable

	<u>March 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>March 31,</u> <u>2024</u>
Notes receivable – measured at amortized cost	\$ 163,834	151,642	304,621
Accounts receivable – measured at amortized cost	1,351,472	1,298,082	1,242,919
Less: Loss allowance	4,053	4,294	3,986
	<u>\$ 1,511,253</u>	<u>1,445,430</u>	<u>1,543,554</u>

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, 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:

	<u>March 31, 2025</u>		
	<u>Book value of</u> <u>accounts and</u> <u>notes receivable</u>	<u>Weighted</u> <u>average</u> <u>expected credit</u> <u>losses rate</u>	<u>Loss allowance</u> <u>provision for</u> <u>lifetime</u> <u>expected credit</u> <u>losses</u>
Current	\$ 1,166,583	-	-
1 to 30 days past due	1,736	1%	17
31 to 120 days past due	73	1%	1
121 to 365 days past due	62	1%	1
	<u>\$ 1,168,454</u>		<u>19</u>

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

	<b>December 31, 2024</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	\$ 1,085,096	-	-
1 to 30 days past due	1,066	1%	11
121 to 365 days past due	61	1%	1
	<b>\$ 1,086,223</b>		<b>12</b>
	<b>March 31, 2024</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	\$ 1,269,022	-	-
1 to 30 days past due	270	1%	3
31 to 120 days past due	449	1%	4
121 to 365 days past due	92	1%	1
	<b>\$ 1,269,833</b>		<b>8</b>

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

	<b>March 31, 2025</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	\$ 342,776	1%	3,428
1 to 30 days past due	3,610	5%	181
31 to 120 days past due	68	5%	3
	<b>\$ 346,454</b>		<b>3,612</b>
	<b>December 31, 2024</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	\$ 359,431	1%	3,594
1 to 30 days past due	3,680	5%	184
	<b>\$ 363,111</b>		<b>3,778</b>

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**TAISOL ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
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	<b>March 31, 2024</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	\$ 258,652	1%	2,587
1 to 30 days past due	17,384	5%	869
31 to 120 days past due	1,362	5%	68
	<b>\$ 277,398</b>		<b>3,524</b>

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

	<b>March 31, 2025</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>
More than 365 days past	<b>\$ 398</b>	100%	<b>398</b>

	<b>December 31, 2024</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>
More than 365 days past	<b>\$ 390</b>	100%	<b>390</b>

	<b>March 31, 2024</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>
More than 365 days past	<b>\$ 309</b>	100%	<b>309</b>

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

	<b>For the three months ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Balance at January 1	\$ 4,294	3,766
Impairment loss (reversed) recognized	(318)	156
Effect of changes in exchange rates	77	64
Balance at March 31	<b>\$ 4,053</b>	<b>3,986</b>

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**TAISOL ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
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The Group's notes and accounts receivable were not pledged as collateral.

(d) Other receivables

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Other receivables	<u>\$ 18,249</u>	<u>6,159</u>	<u>5,592</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>March 31, 2025</b>		<b>December 31, 2024</b>		<b>March 31, 2024</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	\$ 18,249	-	6,159	-	5,592	-
Amortized cost (carrying amount)	<u>\$ 18,249</u>	<u>-</u>	<u>6,159</u>	<u>-</u>	<u>5,592</u>	<u>-</u>

(e) Inventories

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Finished goods	\$ 197,734	202,860	146,830
Work in progress	60,208	29,807	32,336
Raw materials	79,406	60,480	67,883
Merchandise	108,261	125,233	82,703
Total	<u>\$ 445,609</u>	<u>418,380</u>	<u>329,752</u>

The details of the cost of sales were as follows:

	<b>For the three months ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Cost of goods sold	\$ 743,949	684,420
Loss (reversal) of provisions for inventory valuation	2,961	(13,738)
Loss on scrap of inventory	742	6,209
Unallocated production overheads	3,631	9,681
	<u>\$ 751,283</u>	<u>686,572</u>

The Group disposed portion of inventory which had been written-off previously, resulting in a reversal of provisions for inventory valuation for the three months ended March 31, 2024.

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

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**TAISOL ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
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(f) Loss of control over a subsidiary

The Group disposed its entire shares in TaiSol (Japan), at the amount of \$1,468 thousand, on March 1, 2024, resulting in a loss on disposal of \$990 thousand, recognized as other gains and losses under total comprehensive income, and a loss of control over the entity.

The carrying amounts of assets and liabilities of TaiSol (Japan) on the date of disposal were as follows:

Cash and cash equivalents	\$	1,064
Other receivables		463
Prepayments		10
Right of use assets		202
Other non-current assets		203
Other payables		(216)
Current tax liabilities		(50)
Current lease liabilities		(203)
Other current liabilities		(4)
Carrying amount of net assets	<b>\$</b>	<b><u>1,469</u></b>

Vietnam TaiSol was liquidated in February 2025. The liquidation price was approximately \$7,120 thousand, which was not remitted to the Company as of March 31, 2025.

(g) Property, plant and equipment

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

	Land	Buildings	Machinery and equipment	Molding equipment	Office equipment	Other equipment	Total
Cost or deemed cost:							
Balance at January 1, 2025	\$ 107,699	245,768	372,238	53,729	4,163	107,561	891,158
Additions	-	622	802	738	527	516	3,205
Disposal	-	-	(2,152)	-	-	-	(2,152)
Reclassification	-	-	1,144	47	-	-	1,191
Effect of exchange rate changes	-	3,997	7,706	1,143	44	2,151	15,041
Balance at March 31, 2025	<b>\$ 107,699</b>	<b>250,387</b>	<b>379,738</b>	<b>55,657</b>	<b>4,734</b>	<b>110,228</b>	<b>908,443</b>
Balance at January 1, 2024	\$ 107,699	221,805	374,795	46,868	2,982	99,629	853,778
Additions	-	17,737	109	969	418	18	19,251
Disposal	-	-	(21,692)	(1,459)	(219)	(29)	(23,399)
Effect of exchange rate changes	-	3,281	6,609	865	20	1,749	12,524
Balance at March 31, 2024	<b>\$ 107,699</b>	<b>242,823</b>	<b>359,821</b>	<b>47,243</b>	<b>3,201</b>	<b>101,367</b>	<b>862,154</b>

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**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>
Depreciation and impairment loss:							
Balance at January 1, 2025	\$ -	49,778	299,749	18,366	1,889	93,980	463,762
Depreciation	-	2,703	7,114	2,018	310	2,361	14,506
Disposal	-	-	(2,152)	-	-	-	(2,152)
Effect of exchange rate changes	-	634	6,341	417	19	1,943	9,354
Balance at March 31, 2025	<u>\$ -</u>	<u>53,115</u>	<u>311,052</u>	<u>20,801</u>	<u>2,218</u>	<u>98,284</u>	<u>485,470</u>
Balance at January 1, 2024	\$ -	39,127	282,844	14,233	1,194	81,379	418,777
Depreciation	-	2,003	7,602	1,731	213	2,454	14,003
Disposal	-	-	(21,692)	(1,459)	(219)	(29)	(23,399)
Effect of exchange rate changes	-	372	5,073	269	9	1,523	7,246
Balance at March 31, 2024	<u>\$ -</u>	<u>41,502</u>	<u>273,827</u>	<u>14,774</u>	<u>1,197</u>	<u>85,327</u>	<u>416,627</u>
Carrying amounts:							
Balance at January 1, 2025	<u>\$ 107,699</u>	<u>195,990</u>	<u>72,489</u>	<u>35,363</u>	<u>2,274</u>	<u>13,581</u>	<u>427,396</u>
Balance at March 31, 2025	<u>\$ 107,699</u>	<u>197,272</u>	<u>68,686</u>	<u>34,856</u>	<u>2,516</u>	<u>11,944</u>	<u>422,973</u>
Balance at January 1, 2024	<u>\$ 107,699</u>	<u>182,678</u>	<u>91,951</u>	<u>32,635</u>	<u>1,788</u>	<u>18,250</u>	<u>435,001</u>
Balance at March 31, 2024	<u>\$ 107,699</u>	<u>201,321</u>	<u>85,994</u>	<u>32,469</u>	<u>2,004</u>	<u>16,040</u>	<u>445,527</u>

Please refer to Note 8 for the property, plant and equipment pledged to secure bank loans as of March 31, 2025 and 2024.

(h) 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, 2025	\$ 24,661	227,085	12,283	238	264,267
Additions	-	-	779	-	779
Disposal	-	-	(214)	-	(214)
Effect of exchange rate changes	523	4,776	224	-	5,523
Balance at March 31, 2025	<u>\$ 25,184</u>	<u>231,861</u>	<u>13,072</u>	<u>238</u>	<u>270,355</u>
Balance at January 1, 2024	\$ 23,830	145,662	14,067	238	183,797
Additions	-	55,595	752	-	56,347
Disposal	-	(4,381)	(2,151)	-	(6,532)
Effect of exchange rate changes	446	3,143	165	-	3,754
Balance at March 31, 2024	<u>\$ 24,276</u>	<u>200,019</u>	<u>12,833</u>	<u>238</u>	<u>237,366</u>
Depreciation:					
Balance at January 1, 2025	\$ 3,299	174,173	10,850	194	188,516
Depreciation	155	10,227	512	12	10,906
Effect of exchange rate changes	72	3,767	216	-	4,055
Balance at March 31, 2025	<u>\$ 3,526</u>	<u>188,167</u>	<u>11,578</u>	<u>206</u>	<u>203,477</u>
Balance at January 1, 2024	\$ 2,592	142,357	11,602	147	156,698
Depreciation	150	7,007	774	12	7,943
Disposal	-	(3,911)	(2,151)	-	(6,062)
Effect of exchange rate changes	50	2,553	153	-	2,756
Balance at March 31, 2024	<u>\$ 2,792</u>	<u>148,006</u>	<u>10,378</u>	<u>159</u>	<u>161,335</u>

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	<u>Land</u>	<u>Buildings</u>	<u>Vehicles</u>	<u>Office equipment</u>	<u>Total</u>
Carrying amounts:					
Balance at January 1, 2025	\$ 21,362	52,912	1,433	44	75,751
Balance at March 31, 2025	\$ 21,658	43,694	1,494	32	66,878
Balance at January 1, 2024	\$ 21,238	3,305	2,465	91	27,099
Balance at March 31, 2024	\$ 21,484	52,013	2,455	79	76,031

## (i) Intangible assets

	<u>Computer software</u>	<u>Patents</u>	<u>Total</u>
Cost:			
Balance at January 1, 2025	\$ 4,338	309	4,647
Acquisition	7,720	-	7,720
Disposal	-	(48)	(48)
Effect of exchange rate changes	72	-	72
Balance at March 31, 2025	\$ 12,130	261	12,391
Balance at January 1, 2024	\$ 3,505	1,239	4,744
Acquisition	-	131	131
Disposal	-	(163)	(163)
Effect of exchange rate changes	61	-	61
Balance at March 31, 2024	\$ 3,566	1,207	4,773
Amortization:			
Balance at January 1, 2025	\$ 3,460	83	3,543
Amortization	300	16	316
Disposal	-	(48)	(48)
Effect of exchange rate changes	71	-	71
Balance at March 31, 2025	\$ 3,831	51	3,882
Balance at January 1, 2024	\$ 3,169	344	3,513
Amortization	39	25	64
Disposal	-	(163)	(163)
Effect of exchange rate changes	60	-	60
Balance at March 31, 2024	\$ 3,268	206	3,474
Carrying amounts:			
Balance at January 1, 2025	\$ 878	226	1,104
Balance at March 31, 2025	\$ 8,299	210	8,509
Balance at January 1, 2024	\$ 336	895	1,231
Balance at March 31, 2024	\$ 298	1,001	1,299

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

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**TAISOL ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
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(j) Prepayments and Other non-current assets

The Group's prepayments were as follows:

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Prepaid sales tax	\$ 69,010	61,343	54,791
Other prepayments	22,412	22,508	27,816
Prepayments for purchases	577	195	5,476
	<b>\$ 91,999</b>	<b>84,046</b>	<b>88,083</b>

The Group's other non-current assets were as follows:

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Construction in progress	\$ 11,346	2,359	2,266
Guarantee deposits paid	8,537	8,275	12,836
Prepayment for equipment	15,700	11,745	4,229
Prepayment for land	71,268	-	-
Restricted assets	-	-	5,440
Total	<b>\$ 106,851</b>	<b>22,379</b>	<b>24,771</b>

Prepayment for land represents the amount paid by the Group for the acquisition of land in Thailand, to be used for the construction of a factory. The land transfer process was completed on April 24, 2025.

(k) Lease liabilities

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

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Current	\$ 31,861	35,722	29,705
Non-current	11,005	14,847	25,034

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 March 31</b>	
	<b>2025</b>	<b>2024</b>
Interest on lease liabilities	\$ 483	356
Income from sub-leasing right-of-use assets	1,770	1,640
Expenses relating to short-term leases	327	1,356
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	19	17

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**TAISOL ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
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The leases amounts recognized in the statement of cash flows for the Group were as follows:

	<b>For the three months ended</b>	
	<b>March 31</b>	
	<b>2025</b>	<b>2024</b>
Total cash outflow for leases	<b>\$ 10,034</b>	<b>9,895</b>

(i) Real estate leases

The Group leases land and buildings for its office space, staff dormitories, research and development centers and factories. The leases of office space and factories 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 three months ended March 31, 2025 and 2024. Please refer to Note 6(l) of the consolidated financial statements for the year ended December 31, 2024 for other related information.

(m) Other payables and other current liabilities

The other payables were as follows:

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Accrued expenses	\$ 72,904	91,648	115,987
Commission payable	53,373	61,995	91,751
Salary and bonus payable	59,030	82,495	66,215
Remuneration payable to employees and directors	38,582	32,122	28,905
Payable for equipment	24,641	16,722	18,807
Other payables	30,618	37,801	40,038
	<b>\$ 279,148</b>	<b>322,783</b>	<b>361,703</b>

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

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Refund liabilities	\$ 79,502	90,199	113,056
Temporary credits	5,304	4,576	5,053
Receipts under custody	1,755	1,554	1,394
Unearned receipts	3,377	-	760
	<u>\$ 89,938</u>	<u>96,329</u>	<u>120,263</u>

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

(n) Employee benefits – Defined contribution plans

The cost of the pension contributions to the Bureau of Labor Insurance for the three months ended March 31, 2025 and 2024 amounted to \$1,150 thousand and \$1,146 thousand, respectively.

Under the retirement scheme for senior managers of the Group, if the actual salary range of the month is higher than the maximum salary range of the Contribution Classification of Labor Pension (The New Fund), the pension contribution will be calculated at 6% of the monthly salary shortfall. In addition to the previous pension benefit, managers retiring may be granted a separate pension based on their level of contribution, with the approval of the remuneration committee and the chairman of the Company in the year of retirement. Under the contribution pension plan, the Group's pension costs amounted to \$101 thousand and \$135 thousand for the three months ended March 31, 2025 and 2024, respectively.

(o) Income taxes

(i) Income tax expenses

The components of income tax for the three months ended March 31, 2025 and 2024 were as follows:

	<b>For the three months ended March 31</b>	
	<u>2025</u>	<u>2024</u>
Current tax expense		
Current period	\$ 4,112	8,394
Deferred tax expense		
Origination and reversal of temporary differences	12,080	12,291
Income tax expense	<u>\$ 16,192</u>	<u>20,685</u>

There were no income tax expense recognized in equity and other comprehensive income for the three months ended March 31, 2025 and 2024.

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

(ii) Assessment of tax

The Company's income tax returns for the years through 2022 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 three months ended March 31, 2025 and 2024. For the related information, please refer to Note 6(p) of the consolidated financial statements for the year ended December 31, 2024.

(i) Ordinary shares

On March 27, 2025, the Board of Directors of the Company resolved to conduct a private placement of common shares to strengthen working capital. The capital increase will be carried out in one or two tranches within one year from the date of the shareholders' meeting, with a total number of shares not exceeding 6,000 thousand. The proposal is pending approval at the shareholders' meeting scheduled for May 22, 2025.

(ii) Capital surplus

The components of capital surplus were as follows:

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Additional paid in capital	\$ 325,371	325,371	325,371
Others	23,558	23,558	23,528
	<b><u>\$ 348,929</u></b>	<b><u>348,929</u></b>	<b><u>348,899</u></b>

(iii) 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.

(Continued)

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

On March 5, 2024, the Company's Board of Directors resolved to appropriate the 2024 earnings, and earnings distribution for 2023 was decided by the resolution adopted, at the general meeting of shareholders held on May 24, 2024, respectively, the relevant dividend distributions to shareholders were as follows:

	2024		2023	
	Amount per share (NT dollars)	Amount	Amount per share (NT dollars)	Amount
Dividends distributed to ordinary shareholders				
Cash	\$ <u>2.0</u>	<u>174,916</u>	<u>2.0</u>	<u>174,916</u>

(iv) Other equity amounts (net of tax)

	Exchange differences on translation of foreign financial statements
Balance as of January 1, 2025	\$ (39,747)
Exchange differences on foreign operations	32,860
Reclassified to profit or loss on disposal of foreign operations	<u>(662)</u>
Balance as of March 31, 2025	<u>\$ (7,549)</u>
Balance as of January 1, 2024	\$ (85,660)
Exchange differences on foreign operations	25,195
Reclassified to profit or loss on disposal of foreign operations	<u>989</u>
Balance as of March 31, 2024	<u>\$ (59,476)</u>

(q) Earnings per share

The basic earnings per share were calculated as follows:

	For the three months ended March 31	
	2025	2024
Basic earnings per share:		
Profit attributable to the Company	\$ <u>52,936</u>	<u>67,705</u>
Weighted average number of ordinary shares outstanding (in thousands of shares)	<u>87,458</u>	<u>87,458</u>
Basic earnings per share (in New Taiwan dollars)	<u>\$ 0.61</u>	<u>0.77</u>

(Continued)

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

	For the three months ended March 31	
	2025	2024
Diluted earnings per share:		
Profit attributable to ordinary equity holders of the Company (after adjusting the effect of dilutive potential ordinary share)	\$ <b>52,936</b>	<b>67,705</b>
Weighted average number of ordinary shares outstanding (in thousands of shares)	87,458	87,458
Effect of dilutive potential ordinary shares		
Effect of issuance of share options (in thousands of shares)	386	196
Weighted average number of common shares outstanding (Diluted)(in thousands of shares)	<b>87,844</b>	<b>87,654</b>
Diluted earnings per share (in New Taiwan dollars)	\$ <b>0.60</b>	<b>0.77</b>

(r) Revenue from contracts with customers

(i) Details of revenue

	For the three months ended March 31, 2025				
	The Company	DongGuan TaiSol	SiYang TaiSol	Others	Total
Primary geographical markets:					
Asia	\$ 504,828	333,085	75,125	5,373	918,411
America	13,555	-	-	-	13,555
Europe	5,611	-	-	-	5,611
	\$ <b>523,994</b>	<b>333,085</b>	<b>75,125</b>	<b>5,373</b>	<b>937,577</b>
Merchandise:					
Thermal modules	\$ 396,094	326,733	75,125	5,373	803,325
Other electronic components	127,900	6,352	-	-	134,252
	\$ <b>523,994</b>	<b>333,085</b>	<b>75,125</b>	<b>5,373</b>	<b>937,577</b>
	For the three months ended March 31, 2024				
	The Company	DongGuan TaiSol	SiYang TaiSol	Others	Total
Primary geographical markets:					
Asia	\$ 444,915	301,515	68,999	2,522	817,951
America	32,105	-	-	-	32,105
Europe	9,275	-	-	-	9,275
	\$ <b>486,295</b>	<b>301,515</b>	<b>68,999</b>	<b>2,522</b>	<b>859,331</b>
Merchandise:					
Thermal modules	\$ 349,867	275,372	68,999	2,522	696,760
Other electronic components	136,428	26,143	-	-	162,571
	\$ <b>486,295</b>	<b>301,515</b>	<b>68,999</b>	<b>2,522</b>	<b>859,331</b>

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

(ii) Contract Balance

	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>March 31, 2024</b>
Notes receivable	\$ 163,834	151,642	304,621
Accounts receivable	1,351,472	1,298,082	1,242,919
Less: Loss allowance	<u>4,053</u>	<u>4,294</u>	<u>3,986</u>
Total	<u><u>\$ 1,511,253</u></u>	<u><u>1,445,430</u></u>	<u><u>1,543,554</u></u>
Contract liabilities (recognized as other current liabilities)	<u><u>\$ 3,377</u></u>	<u><u>-</u></u>	<u><u>760</u></u>

For details on notes and accounts receivable and allowance for impairment, please refer to Note 6(c).

(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.

For the three months ended March 31, 2025 and 2024, the Company estimated its employee remuneration amounting to \$4,307 thousand and \$5,660 thousand, and directors' remuneration amounting to \$2,153 thousand and \$2,830 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 2024 and 2023 was \$24,823 thousand and \$10,768 thousand respectively, and directors' remuneration was \$7,298 thousand and \$9,647 thousand respectively. There was no difference between the actual and the estimated amounts in 2024. The difference of \$750 thousand between the actual amount of remuneration for employees and directors in 2023, and the estimated amount of the 2023 consolidated financial report, was mainly due to the difference in the calculation of directors' remuneration based on the performance indicators. The Company has treated this difference as changes according to accounting estimates and recognized it as gains and losses in 2024. The aforementioned information is available at the Market Observation Post System website.

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

(t) Non-operating income and expenses

(i) Interest income

The Group's interest income was as follows:

	<b>For the three months ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Interest income from bank deposits	\$ 4,683	7,714
Interest on financial bonds	468	-
Total interest income	<b>\$ 5,151</b>	<b>7,714</b>

(ii) Other income

The Group's other income was as follows:

	<b>For the three months ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Rental income	\$ 1,770	1,640
Others	9,563	1,730
Total other income	<b>\$ 11,333</b>	<b>3,370</b>

The unconditional government grants were recognized amounting to \$1,938 thousand and \$232 thousand for the three months ended March 31, 2025 and 2024, respectively.

(iii) Other gains and losses

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

	<b>For the three months ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Gains (losses) on disposals of investments	543	(990)
Gains on modification of leases	20	3
Foreign exchange gains	1,478	32,208
Other gains and losses	(4,349)	108
Other gains and losses, net	<b>\$ (2,308)</b>	<b>31,329</b>

(iv) Finance costs

The Group's finance costs were as follows:

	<b>For the three months ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Interest expense	<b>\$ 483</b>	<b>505</b>

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

(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(u) of the consolidated financial statements for the year ended December 31, 2024.

(i) Liquidity risk

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

	Carrying amounts	Cash flows	Less than one year	1-2 years	2-5 years	Over 5 years
March 31, 2025						
Non-derivative financial liabilities						
Accounts payable	\$ 1,124,496	1,124,496	1,124,496	-	-	-
Other payables	279,148	279,148	279,148	-	-	-
Lease liabilities	42,866	44,436	32,978	7,183	4,275	-
	<u>\$ 1,446,510</u>	<u>1,448,080</u>	<u>1,436,622</u>	<u>7,183</u>	<u>4,275</u>	<u>-</u>
December 31, 2024						
Non-derivative financial liabilities						
Accounts payable	\$ 1,085,247	1,085,247	1,085,247	-	-	-
Other payables	322,783	322,783	322,783	-	-	-
Lease liabilities	50,569	52,566	37,125	9,497	5,944	-
	<u>\$ 1,458,599</u>	<u>1,460,596</u>	<u>1,445,155</u>	<u>9,497</u>	<u>5,944</u>	<u>-</u>
March 31, 2024						
Non-derivative financial liabilities						
Accounts payable	\$ 1,104,236	1,104,236	1,104,236	-	-	-
Other payables	361,703	361,703	361,703	-	-	-
Lease liabilities	54,739	56,553	31,104	24,821	628	-
	<u>\$ 1,520,678</u>	<u>1,522,492</u>	<u>1,497,043</u>	<u>24,821</u>	<u>628</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:

	March 31, 2025			December 31, 2024			March 31, 2024			
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD	
<u>Financial assets</u>										
<u>Monetary items</u>										
CNY	\$	5,648	4.573	25,827	552	4.478	2,472	35,487	4.408	156,426
USD		50,868	33.205	1,689,072	47,099	32.785	1,544,153	52,427	32.000	1,677,677
JPY		31,243	0.223	6,958	28,103	0.210	5,899	23,942	0.212	5,064
HKD		77	4.268	327	134	4.222	567	272	4.089	1,111
THB		4	0.984	4	84	0.962	81	-	-	-

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

	March 31, 2025			December 31, 2024			March 31, 2024		
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
<i>Financial liabilities</i>									
<i>Monetary items</i>									
CNY	3,285	4.573	15,024	2,556	4.478	11,444	2,117	4.408	9,333
USD	24,844	33.205	824,958	28,420	32.785	931,735	25,919	32.000	829,416
JPY	3,216	0.223	716	3,216	0.210	675	3,216	0.212	680
HKD	29	4.268	122	46	4.222	195	41	4.089	168

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 three months ended March 31, 2025 and 2024, the foreign exchange gains (losses) (including realized and unrealized portions) amounted to gains of \$1,478 thousand and gains of \$32,208 thousand, respectively.

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 March 31, 2025 and 2024 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 2024.

	<b>Effect of appreciation on net profit after tax</b>	<b>Effect of depreciation on net profit after tax</b>
<b>March 31, 2025</b>		
CNY (0.25% of appreciation or depreciation)	\$ 22	(22)
USD (0.25% of appreciation or depreciation)	1,728	(1,728)
JPY (0.25% of appreciation or depreciation)	12	(12)
	<b>\$ 1,762</b>	<b>(1,762)</b>
<b>March 31, 2024</b>		
CNY (0.25% of appreciation or depreciation)	\$ 294	(294)
USD (0.25% of appreciation or depreciation)	1,697	(1,697)
HKD (0.25% of appreciation or depreciation)	2	(2)
JPY (0.25% of appreciation or depreciation)	9	(9)
	<b>\$ 2,002</b>	<b>(2,002)</b>

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**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 fair value of financial assets and liabilities is measured on a recurring basis. 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:

	Carrying amounts	March 31, 2025			
		Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 703,725	-	-	-	-
Notes and accounts receivable	1,511,253	-	-	-	-
Other receivables	18,249	-	-	-	-
Restricted time deposits (recognized as other current assets)	600	-	-	-	-
Time deposits with original maturities exceeding three months (recognized as current financial assets at amortized cost)	351,363	-	-	-	-
Financial bonds(recognized as non-current financial assets at amortized cost)	41,250	-	-	-	-
Guarantee deposits paid (recognized as other non-current assets)	8,537	-	-	-	-
Total	<u>\$ 2,634,977</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities measured at amortized cost					
Accounts payable	\$ 1,124,496	-	-	-	-
Other payables	279,148	-	-	-	-
Lease liabilities	42,866	-	-	-	-
Total	<u>\$ 1,446,510</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

	December 31, 2024				
	Carrying amounts	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 927,358	-	-	-	-
Notes and accounts receivable	1,445,430	-	-	-	-
Other receivables	6,159	-	-	-	-
Restricted time deposits (recognized as other current assets)	600	-	-	-	-
Time deposits with original maturities exceeding three months (recognized as current financial assets at amortized cost)	244,038	-	-	-	-
Financial bonds(recognized as non-current financial assets at amortized cost)	34,424	-	-	-	-
Guarantee deposits paid (recognized as other non-current assets)	8,275	-	-	-	-
Total	<u>\$ 2,666,284</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities measured at amortized cost					
Accounts payable	\$ 1,085,247	-	-	-	-
Other payables	322,783	-	-	-	-
Lease liabilities	50,569	-	-	-	-
Total	<u>\$ 1,458,599</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

	March 31, 2024				
	Carrying amounts	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 1,007,487	-	-	-	-
Notes and accounts receivable	1,543,554	-	-	-	-
Other receivables	5,592	-	-	-	-
Restricted time deposits (recognized as other current assets)	600	-	-	-	-
Time deposits with original maturities exceeding three months (recognized as current financial assets at amortized cost)	239,903	-	-	-	-
Guarantee deposits paid (recognized as other non-current assets)	12,836	-	-	-	-
Restricted deposits (recognized as other non-current assets)	5,440	-	-	-	-
Total	<u>\$ 2,815,412</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities measured at amortized cost					
Accounts payable	\$ 1,104,236	-	-	-	-
Other payables	361,703	-	-	-	-
Lease liabilities	54,739	-	-	-	-
Total	<u>\$ 1,520,678</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.

3) There was no transfer between the fair value hierarchy levels for the three months ended March 31, 2025 and 2024.

(v) Financial risk management

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

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

(w) Capital management

There were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2024. Please refer to Note 6(w) of the consolidated financial statements for the year ended December 31, 2024 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 three months ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Increase in property, plant and equipment	\$ 3,205	19,251
Add: Payable for equipment as of January 1	16,722	21,516
Less: Payable for equipment as of March 31	(16,921)	(18,807)
Effect of exchange rate changes	732	367
Cash paid	<u>\$ 3,738</u>	<u>22,327</u>

- (ii) The cash paid by the Group for the purchase of intangible assets is supplemented by the following information:

	<b>For the three months ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Increase in intangible assets	\$ 7,720	131
Less: Payable for intangible assets as of March 31	(7,720)	-
Total liabilities arising from financing activities	<u>\$ -</u>	<u>131</u>

- (iii) 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 three months ended March 31</b>	
	<b>2025</b>	<b>2024</b>
Increase in right of use assets	\$ 779	56,347
Less: Increase in lease liabilities	(779)	(56,347)
Cash paid	<u>\$ -</u>	<u>-</u>

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

	<b>January 1, 2025</b>	<b>Cash flows</b>	<b>Non-Cash changes</b>			<b>March 31, 2025</b>
			<b>Effect of exchange rate changes</b>	<b>Right-of-use assets increases</b>	<b>Others</b>	
Lease liabilities	\$ <u>50,569</u>	<u>(9,205)</u>	<u>957</u>	<u>779</u>	<u>(234)</u>	<u>42,866</u>

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

	January 1, 2024	Cash flows	Non-Cash changes			March 31, 2024
			Effect of exchange rate changes	Right-of-use assets increases	Others	
Lease liabilities	\$ <u>6,424</u>	<u>(8,166)</u>	<u>607</u>	<u>56,347</u>	<u>(473)</u>	<u>54,739</u>

**(7) Related-party transactions**

(a) Key management personnel transactions

Key management personnel compensation includes:

	For the three months ended March 31	
	2025	2024
Short-term employee benefits	\$ 6,358	9,325
Post-employment benefits	155	270
	<u>\$ 6,513</u>	<u>9,595</u>

**(8) Pledged assets:**

The carrying values of pledged assets were as follows:

Pledged assets	Object	March 31, 2025	December 31, 2024	March 31, 2024
Restricted time deposits (recognized as other current asset)	Custom deposits	\$ 600	600	600
Land and buildings (recognized as property, plant and equipment)	Long-term and short-term loans	143,814	143,554	144,521
		<u>\$ 144,414</u>	<u>144,154</u>	<u>145,121</u>

**(9) Commitments and contingencies:**

As of March 31, 2025, December 31 and March 31, 2024, the Group had outstanding notes for guarantee of bank loans, credit limit amounting to \$683,665 thousand, 678,205 thousand and \$604,000 thousand, respectively.

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**Notes to the Consolidated Financial Statements**

- (b) In 2020, the subsidiary, Siyang TaiSol, entered into a procurement agreement with the plaintiff's supplier to establish a long-term cooperation for the development and production of "5G inflation boards." According to the agreement, Siyang TaiSol would issue purchase orders specifying the product models and quantities, and the plaintiff's supplier would confirm the orders in writing before commencing the production. In July 2020, Siyang TaiSol notified the plaintiff's supplier to suspend production and cease delivery of goods. The plaintiff's supplier claimed that production scheduling has already been arranged for the previous orders and asserted that Siyang TaiSol should bear the payment obligations for all undelivered products. On March 12, 2025, the plaintiff's filed a claim for compensation totaling CNY 3,949 thousand, including payment for goods, interest, and storage fees, and applied for property preservation. The Court granted the request and ordered the freezing of Siyang TaiSol's bank deposits. In April 2025, the relevant bank notified Siyang TaiSol that its bank account has been frozen in accordance with the Court's ruling. The case is currently under the judicial review, and as arbitration proceedings have just commenced, the outcome remains uncertain.

**(10) Losses due to major disasters: None.**

**(11) Subsequent Events:**

In accordance with Article 28-2 of the Securities and Exchange Act, and for the purpose of motivating employees and enhancing their cohesion, the Board of Directors of the Company resolved on April 10, 2025, to repurchase the Company's shares from the securities exchange market and transfer them to employees. The repurchase is scheduled to take place between April 11 and June 10, 2025, at a price range of \$28 to \$58 per share. The Company plans to repurchase up to 1,000 thousand shares of its common stock, subject to the resolution of the Board of Directors.

**(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 March 31							
	2025				2024			
	Cost of good sold	Operating expenses	Non-operating expenses	Total	Cost of good sold	Operating expenses	Non-operating expenses	Total
Employee benefits								
Salary	60,480	63,382	-	123,862	59,916	60,903	-	120,819
Labor and health insurance	-	2,420	-	2,420	-	2,339	-	2,339
Pension	-	1,251	-	1,251	-	1,281	-	1,281
Remuneration of directors	-	2,453	-	2,453	-	3,050	-	3,050
Others	11,267	6,074	-	17,341	9,677	5,149	-	14,826
Depreciation	14,997	8,815	1,600	25,412	14,563	5,916	1,467	21,946
Amortization	-	316	-	316	-	64	-	64

- (b) Seasonality of operations

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

(Continued)

**TAISOL ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
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- (c) In 2024, one of the Company's shareholders made a public announcement involving the Company's business operations. On April 3, 2025, the shareholder also sent an email to the Company titled "Further Statement Regarding the Memory Card Socket Business of the Investee Company, Taisol Electronics Co., Ltd.", along with information regarding the fulfillment status of a related letter of commitment disclosed in the 2024 annual report of its affiliated enterprise. The statement mentioned that, as a preventive measure, the shareholder would actively consider one of the following options: (i) promoting the transfer of the non-core business (i.e., the memory card socket business), or (ii) ceasing the sale of standalone memory card socket products and instead transforming the business into a "comprehensive memory card module solution." The shareholder expressed the hope that the Company would prudently evaluate the matter without compromising the interests of its shareholders.

The Company's products include thermal modules and other electronic components, with thermal modules as the core product and other components as supplementary products. As for the future development of the memory card socket business, the Company will act in accordance with its business and product strategies, the Company Act, and other applicable regulations, and will proceed through the resolutions of the Board of Directors and the shareholders' meeting to safeguard the interests of all shareholders.

- (d) On October 23, 2017, the second-tier subsidiary Suzhou TaiSol entered into a lease contract with the plaintiff lessor, with the lease period from April 1, 2018, to March 31, 2023. Upon the expiration of the lease, the plaintiff lessor claimed that the leased factory returned by Suzhou TaiSol was not in a condition suitable for normal use. On July 24, 2023, the plaintiff lessor requested compensation for repair costs, overdue rent, and liquidated damages totaling CNY 4 million and applied to the court for property preservation. The court ruled to freeze Suzhou TaiSol's bank deposits, with balances of CNY 1,234 thousand as of March 31, 2023 (recorded as other non-current assets - others). The case was adjudicated by the Wujiang District People's Court of Suzhou City on March 11, 2024, requiring Suzhou TaiSol to pay the plaintiff lessor a total of CNY 1,112 thousand for occupancy fees, repair costs, litigation fees, and preservation fees. Both parties agreed not to appeal. Suzhou TaiSol paid the relevant fees to the plaintiff lessor in accordance with the final judgment on April 1, 2024, and applied to the court to unfreeze Suzhou TaiSol's bank deposits, which were unfrozen on April 8, 2024.

(Continued)

**TAISOL ELECTRONICS CO., LTD. AND SUBSIDIARIES**  
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**(13) Other disclosures:**

(a) Information on significant transactions:

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

(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.	TaiSol Electronics (HONG KONG) Co., Ltd.	Other receivables - related parties	Yes	-	6,641	-	- %	2	-	Operating capital	-		-	422,994	845,987
1	SiYang TaiSol Electronics Co., Ltd.	Suzhou TaiSol Electronics Co., Ltd.	Other receivables - related parties	Yes	134,340	-	-	- %	2	-	Operating capital	-		-	422,994	845,987
2	DongGuan TaiSol Electronics Co., Ltd.	Suzhou TaiSol Electronics Co., Ltd.	Other receivables - related parties	Yes	137,190	137,190	15,091	4.00 %	2	-	Operating capital	-		-	422,994	845,987
2	DongGuan TaiSol Electronics Co., Ltd.	SiYang TaiSol Electronics Co., Ltd.	Other receivables - related parties	Yes	137,190	137,190	-	- %	2	-	Operating capital	-		-	422,994	845,987

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: None

(iii) Securities held as of March 31, 2025 (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	SHINCA_1.375_062326	-	Financial assets measured at amortized cost - non current	-	6,463	- %	6,463	
The Company	JPM_6.087_102329	-	Financial assets measured at amortized cost - non current	-	17,489	- %	17,489	
The Company	BAC_5.819_091529	-	Financial assets measured at amortized cost - non current	-	17,298	- %	17,298	

(iv) 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-subsidiary of the Company	Purchase	208,967	50.23 %	O/A 75 days	-	-	(382,744)	52.01%	

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

(Continued)

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

(v) 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	382,744	2.04	-	-	46,899	-

Note 1: The subsequent information is updated up to April 29, 2025.

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

(vi) 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	55,472	There are no non-related party purchase price for comparison.	5.92%
0	the Company	SiYang TaiSol Electronics Co., Ltd.	1	Purchase	20,217	There are no non-related party purchase price for comparison.	2.16%
0	the Company	DongGuan TaiSol Electronics Co., Ltd.	1	Purchase	208,967	There are no non-related party purchase price for comparison.	22.29%
0	the Company	DongGuan TaiSol Electronics Co., Ltd.	1	Payables to related parties	382,744	O/A 75 days	9.99%

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.

(b) Information on investees:

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

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance at March 31			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2025	December 31, 2024	Shares	Percentage	Carrying amounts			
TaiSol Electronics Co., Ltd.	World Window Electronics (H.K.) Limited	Hong Kong	Trading of thermal modules and components of electronics and computers and investment in Mainland China	250,119	250,119	64,210	100 %	961,485	33,208	31,486	Note 1
TaiSol Electronics Co., Ltd.	TaiSol Electronics (HONG KONG) Co., Ltd.	Hong Kong	Investment in Mainland China	332,470	332,470	31,056	100 %	(16,766)	6,321	5,311	Note 1
TaiSol Electronics Co., Ltd.	Vietnam TaiSol Electronics Company Limited	Vietnam	Trading	-	8,307	-	- %	-	-	-	Note 2
TaiSol Electronics Co., Ltd.	TaiSol Electronics (Thailand) Co., Ltd	Thailand	Manufacturing & Trading	192,753	192,753	1,980	99 %	192,116	(2,102)	(2,081)	Notes 1, 3
World Window Electronics (H.K.) Limited	TaiSol Electronics (Thailand) Co., Ltd	Thailand	Manufacturing & Trading	1,947	1,947	20	1 %	1,941	(2,102)	(21)	Notes 1, 3

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

Note 2: Vietnam TaiSol was liquidated in February 2025.

Note 3: The Company holds a 1% equity interest through World Window Electronics (H.K.) Limited, combined with the Company's 99% equity interest, resulting in a total ownership of 100%.

(Continued)

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

(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, 2025	Investment flows during current period		Accumulated outflow of investment from Taiwan as of March 31, 2025	Net income (losses) of investee	Percentage of ownership	Share of profit (losses) of investee	Carrying amount	Accumulated remittance of earnings as of March 31, 2025
					Outflow	Inflow						
Suzhou TaiSol Electronics Co., Ltd.	Processing, manufacturing and trading of thermal solutions, modules of heat pipe and components of electronic computers, and trading of magnesium-aluminum components.	200,986 (Note 2)	2	335,370	-	-	335,370	6,361	100.00 %	5,351	(16,786)	-
DongGuan TaiSol Electronics Co., Ltd.	Processing, manufacturing and trading of thermal modules, components of electronic computers and automobiles.	262,482	2	262,482	-	-	262,482	33,173	100.00 %	31,451	948,335	537,451
SiYang TaiSol Electronics Co., Ltd.	Processing, manufacturing and trading of components of electronic computers.	697,305	1	697,305	-	-	697,305	1,148	100.00 %	1,034	429,650	-

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 March 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment Authorized by Investment Commission, MOEA
1,295,157 (Note 2) (USD 31,100 and HKD61,500)	1,295,157 (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\$ = 1:33.205 and HKD\$: NT\$ = 1:4.268 as at the date of the financial report.

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China for the three month ended March 31, 2025, are disclosed in "Information on significant transactions".

(Continued)

