

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

**Consolidated Financial Statements**

**With Independent Auditors' Review Report  
For the Six Months Ended June 30, 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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## 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, 2025 and 2024, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2025 and 2024, as well as the changes in equity and cash flows for the six months ended June 30, 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 June 30, 2025 and 2024, and of its consolidated financial performance for the three months and six months ended June 30, 2025 and 2024, as well as its consolidated cash flows for the six months ended June 30, 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)

August 6, 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 Statements of Comprehensive Income

For the three months and six months ended June 30, 2025 and 2024

(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				
	2025		2024		2025		2024		
	Amount	%	Amount	%	Amount	%	Amount	%	
4000	Operating revenue (note (s))	\$ 976,742	100	1,013,314	100	1,914,319	100	1,872,645	100
5000	Operating costs (notes 6(e), (l) and 12)	<u>786,057</u>	<u>80</u>	<u>809,819</u>	<u>80</u>	<u>1,537,340</u>	<u>80</u>	<u>1,496,391</u>	<u>80</u>
5900	Gross profit from operations	<u>190,685</u>	<u>20</u>	<u>203,495</u>	<u>20</u>	<u>376,979</u>	<u>20</u>	<u>376,254</u>	<u>20</u>
6000	Operating expenses (notes 6(c), (l), (o), (t) and 12):								
6100	Selling expenses	55,847	6	52,718	5	101,443	6	99,200	5
6200	Administrative expenses	43,541	5	45,088	5	89,058	5	89,953	5
6300	Research and development expenses	42,290	5	36,517	3	82,354	4	71,291	4
6450	Expected credit (gain) loss	<u>323</u>	<u>-</u>	<u>(219)</u>	<u>-</u>	<u>5</u>	<u>-</u>	<u>(63)</u>	<u>-</u>
		<u>142,001</u>	<u>16</u>	<u>134,104</u>	<u>13</u>	<u>272,860</u>	<u>15</u>	<u>260,381</u>	<u>14</u>
6900	Net operating income	<u>48,684</u>	<u>4</u>	<u>69,391</u>	<u>7</u>	<u>104,119</u>	<u>5</u>	<u>115,873</u>	<u>6</u>
7000	Non-operating income and expenses (notes 6(f), (l), (u) and 12):								
7100	Interest income	6,603	1	8,122	1	11,754	1	15,836	1
7010	Other income	14,397	2	14,881	2	25,730	2	18,251	1
7020	Other gains and losses, net	(22,666)	(2)	4,260	-	(24,974)	(2)	35,589	2
7050	Finance costs, net	<u>(702)</u>	<u>-</u>	<u>(691)</u>	<u>-</u>	<u>(1,185)</u>	<u>-</u>	<u>(1,196)</u>	<u>-</u>
		<u>(2,368)</u>	<u>1</u>	<u>26,572</u>	<u>3</u>	<u>11,325</u>	<u>1</u>	<u>68,480</u>	<u>4</u>
7900	Profit from continuing operations before tax	46,316	5	95,963	10	115,444	6	184,353	10
7950	Less: Income tax expenses (note 6(p))	<u>3,936</u>	<u>1</u>	<u>21,650</u>	<u>2</u>	<u>20,128</u>	<u>1</u>	<u>42,335</u>	<u>2</u>
	Profit	<u>42,380</u>	<u>4</u>	<u>74,313</u>	<u>8</u>	<u>95,316</u>	<u>5</u>	<u>142,018</u>	<u>8</u>
8300	Other comprehensive income (note 6(q)):								
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss								
8361	Exchange differences on translation of foreign financial statements	(163,616)	(16)	12,862	1	(130,756)	(7)	38,057	2
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-	-	-	-	-
8300	Other comprehensive income	<u>(163,616)</u>	<u>(16)</u>	<u>12,862</u>	<u>1</u>	<u>(130,756)</u>	<u>(7)</u>	<u>38,057</u>	<u>2</u>
8500	Total comprehensive income	<u>\$ (121,236)</u>	<u>(12)</u>	<u>87,175</u>	<u>9</u>	<u>(35,440)</u>	<u>(2)</u>	<u>180,075</u>	<u>10</u>
	Profit, attributable to:								
8610	Owners of parent	<u>\$ 42,380</u>	<u>4</u>	<u>74,313</u>	<u>8</u>	<u>95,316</u>	<u>5</u>	<u>142,018</u>	<u>8</u>
	Comprehensive income (loss) attributable to:								
8710	Owners of parent	<u>\$ (121,236)</u>	<u>(12)</u>	<u>87,175</u>	<u>9</u>	<u>(35,440)</u>	<u>(2)</u>	<u>180,075</u>	<u>10</u>
	Earnings per share (note (r))								
9750	Basic earnings per share	<u>\$ 0.49</u>		<u>0.85</u>		<u>1.09</u>		<u>1.62</u>	
9850	Diluted earnings per share	<u>\$ 0.49</u>		<u>0.85</u>		<u>1.09</u>		<u>1.62</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, 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	-	-	-	-	142,018	142,018	-	-	142,018
Other comprehensive income	-	-	-	-	-	-	38,057	-	38,057
Total comprehensive income	-	-	-	-	142,018	142,018	38,057	-	180,075
Legal reserve appropriated	-	-	24,329	-	(24,329)	-	-	-	-
Special reserve appropriated	-	-	-	24,480	(24,480)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(174,916)	(174,916)	-	-	(174,916)
Other changes in capital surplus	-	25	-	-	-	-	-	-	25
Disposal of subsidiaries	-	-	-	-	-	-	989	-	989
<b>Balance at June 30, 2024</b>	<b>\$ 879,081</b>	<b>348,924</b>	<b>221,358</b>	<b>85,660</b>	<b>431,142</b>	<b>738,160</b>	<b>(46,614)</b>	<b>(17,253)</b>	<b>1,902,298</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	-	-	-	-	95,316	95,316	-	-	95,316
Other comprehensive income	-	-	-	-	-	-	(130,756)	-	(130,756)
Total comprehensive income	-	-	-	-	95,316	95,316	(130,756)	-	(35,440)
Legal reserve appropriated	-	-	26,268	-	(26,268)	-	-	-	-
Reversal of special reserve	-	-	-	(45,913)	45,913	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(174,916)	(174,916)	-	-	(174,916)
Purchase of treasury share	-	-	-	-	-	-	-	(33,386)	(33,386)
Disposal of subsidiaries	-	-	-	-	-	-	(662)	-	(662)
<b>Balance at June 30, 2025</b>	<b>\$ 879,081</b>	<b>348,929</b>	<b>247,626</b>	<b>39,747</b>	<b>491,852</b>	<b>779,225</b>	<b>(171,165)</b>	<b>(50,639)</b>	<b>1,785,431</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, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	<b>For the six months ended June 30</b>	
	<b>2025</b>	<b>2024</b>
<b>Cash flows from (used in) operating activities:</b>		
<b>Profit before tax</b>	\$ 115,444	184,353
<b>Adjustments:</b>		
Adjustments to reconcile profit or loss:		
Depreciation expense	50,072	43,820
Amortization expense	1,095	121
Expected credit loss (gain)	5	(63)
Interest expense	1,185	1,196
Interest income	(11,754)	(15,836)
(Gains) loss on disposal of investments	(543)	990
Unrealized foreign exchange loss	33,558	6,104
Gains on modification of leases	(5)	(3)
Total adjustments to reconcile profit	<u>73,613</u>	<u>36,329</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
(Increase) decrease in notes receivable	(48,771)	17,471
(Increase) decrease in accounts receivable	(58,088)	101,935
Increase in other receivables	(6,309)	(7,086)
(Increase) decrease in inventories	(22,280)	127
(Increase) decrease in prepayments	(31,240)	7,743
Increase in other current assets	(4,094)	(64)
Total changes in operating assets	<u>(170,782)</u>	<u>120,126</u>
Changes in operating liabilities:		
Decrease in accounts payable	(29,467)	(140,626)
Decrease in other payables	(32,416)	(22,896)
Decrease in other current liabilities	(30,365)	(8,717)
Increase (decrease) in other operating liabilities	202	(379)
Total changes in operating liabilities	<u>(92,046)</u>	<u>(172,618)</u>
Total changes in operating assets and liabilities	<u>(262,828)</u>	<u>(52,492)</u>
Total adjustments	<u>(189,215)</u>	<u>(16,163)</u>
Cash flows (used in) generated from operations	(73,771)	168,190
Interest received	9,831	18,108
Interest paid	(1,031)	(1,196)
Income taxes paid	(30,941)	(52,799)
<b>Net cash flows (used in) from operating activities</b>	<u>(95,912)</u>	<u>132,303</u>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at amortized cost	-	(167,167)
Proceeds from disposal of financial assets at amortized cost	54,858	-
Proceeds from disposal of subsidiaries	-	404
Acquisition of property, plant and equipment	(110,010)	(27,169)
Acquisition of intangible assets	(8,386)	(319)
(Increase) decrease in other non-current assets	(22,799)	27,950
Interest received	476	-
<b>Net cash flows used in investing activities</b>	<u>(85,861)</u>	<u>(166,301)</u>
<b>Cash flows from (used in) financing activities:</b>		
Increase in short-term loans	120,000	-
Payment of lease liabilities	(18,111)	(16,011)
Payments to acquire treasury shares	(33,386)	-
Other financing activities	-	25
<b>Net cash flows from (used in) financing activities</b>	<u>68,503</u>	<u>(15,986)</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	(74,582)	26,798
<b>Net decrease in cash and cash equivalent</b>	(187,852)	(23,186)
<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>\$ 739,506</u>	<u>977,968</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, 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 six months ended June 30, 2025 and 2024 were authorized for issuance by the Board of Directors on August 6, 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 endorsed by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its consolidated financial statements:

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- 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”

(Continued)

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

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

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

<b>Standards or Interpretations</b>	<b>Content of amendment</b>	<b>Effective date per IASB</b>
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> <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

(Continued)

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

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”

**(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
			June 30, 2025	December 31, 2024	June 30, 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
The Company	TaiSol Electronics (Thailand) Co., Ltd. (hereinafter referred to as "Thailand TaiSol")	Manufacturing and trading	99 %	99 %	- %	Note 2

(Continued)

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

Name of investor	Name of subsidiary	Principle activity	Shareholding			Note
			June 30, 2025	December 31, 2024	June 30, 2024	
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.

(Continued)

**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>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Cash on hand and revolving funds	\$ 763	773	699
Demand deposits	538,743	871,749	712,734
Time deposits	200,000	54,836	264,535
Cash and cash equivalents in the statement of cash flows	<b>\$ 739,506</b>	<b>927,358</b>	<b>977,968</b>

(b) Financial assets at amortized cost

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Time deposits with original maturities exceeding three months	\$ 174,809	244,038	329,696
Financial Bonds	36,360	34,424	-
Total	<b>\$ 211,169</b>	<b>278,462</b>	<b>329,696</b>
Current	\$ 174,809	244,038	329,696
Non-current	36,360	34,424	-
Total	<b>\$ 211,169</b>	<b>278,462</b>	<b>329,696</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.

(Continued)

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

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% to 1.445% on June 30, 2025, December 31, 2024, and June 30, 2024, which matured from July to August 2025, from February to April 2025 and from July to October 2024, respectively.

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

(c) Notes and accounts receivable

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Notes receivable – measured at amortized cost	\$ 183,749	151,642	223,758
Accounts receivable – measured at amortized cost	1,253,540	1,298,082	1,342,207
Less: Loss allowance	3,973	4,294	3,791
	<u>\$ 1,433,316</u>	<u>1,445,430</u>	<u>1,562,174</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>June 30, 2025</u>		
	<u>Book value of accounts and notes receivable</u>	<u>Weighted average expected credit losses rate</u>	<u>Loss allowance provision for lifetime expected credit losses</u>
Current	\$ 1,108,111	-	-
1 to 30 days past due	8,504	1%	85
31 to 120 days past due	175	1%	2
	<u>\$ 1,116,790</u>		<u>87</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><u>\$ 1,086,223</u></b>		<b><u>12</u></b>
	<b>June 30, 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	\$ 1,268,984	-	-
1 to 30 days past due	1,074	1%	11
31 to 120 days past due	58	1%	1
121 to 365 days past due	21	1%	-
	<b><u>\$ 1,270,137</u></b>		<b><u>12</u></b>

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

	<b>June 30, 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	\$ 314,963	1%	3,150
1 to 30 days past due	4,355	5%	218
31 to 120 days past due	825	5%	41
	<b><u>\$ 320,143</u></b>		<b><u>3,409</u></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><u>\$ 363,111</u></b>		<b><u>3,778</u></b>

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

	<b>June 30, 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	\$ 286,337	1%	2,863
1 to 30 days past due	8,884	5%	444
31 to 120 days past due	309	5%	15
	<b>\$ 295,530</b>		<b>3,322</b>

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

	<b>June 30, 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>\$ 356</b>	100%	<b>356</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>June 30, 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>
121 to 365 days past due	\$ 75	100%	75
More than 365 days past	223	100%	223
	<b>\$ 298</b>		<b>298</b>

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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:

	<u>For the six months ended June 30</u>	
	<u>2025</u>	<u>2024</u>
Balance at January 1	\$ 4,294	3,766
Impairment loss recognized (reversed)	5	(63)
Effect of changes in exchange rates	(326)	88
Balance at June 30	<u>\$ 3,973</u>	<u>3,791</u>

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

(d) Other receivables

	<u>June 30,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>June 30,</u> <u>2024</u>
Other receivables	<u>\$ 12,963</u>	<u>6,159</u>	<u>13,959</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:

	<u>June 30, 2025</u>		<u>December 31, 2024</u>		<u>June 30, 2024</u>	
	<u>Life time</u> <u>Expected</u> <u>loss—</u> <u>unimpaired</u>	<u>Life time</u> <u>Expected</u> <u>loss—</u> <u>impaired</u>	<u>Life time</u> <u>Expected</u> <u>loss—</u> <u>unimpaired</u>	<u>Life time</u> <u>Expected</u> <u>loss—</u> <u>impaired</u>	<u>Life time</u> <u>Expected</u> <u>loss—</u> <u>unimpaired</u>	<u>Life time</u> <u>Expected</u> <u>loss—</u> <u>impaired</u>
Current	\$ 12,963	-	6,159	-	13,959	-
Amortized cost (carrying amount)	<u>\$ 12,963</u>	<u>-</u>	<u>6,159</u>	<u>-</u>	<u>13,959</u>	<u>-</u>

(e) Inventories

	<u>June 30,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>	<u>June 30,</u> <u>2024</u>
Finished goods	\$ 216,529	202,860	151,236
Work in progress	9,737	29,807	23,342
Raw materials	75,850	60,480	58,144
Merchandise	117,122	125,233	115,101
Total	<u>\$ 419,238</u>	<u>418,380</u>	<u>347,823</u>

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

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>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Cost of goods sold	\$ 780,825	795,202	1,524,774	1,479,622
Loss (reversal) of provisions for inventory valuation	(1,304)	1,620	1,657	(12,118)
Loss on scrap of inventory	3,470	5,652	4,212	11,861
Gain on physical inventory	(35)	(17)	(35)	(17)
Unallocated production overheads	3,101	7,362	6,732	17,043
	<u>\$ 786,057</u>	<u>809,819</u>	<u>1,537,340</u>	<u>1,496,391</u>

The Group disposed portion of inventory which had been written-off previously, resulting in a reversal of provisions for inventory valuation.

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

(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	<u>\$ 1,469</u>

Vietnam TaiSol was liquidated in February 2025. The liquidation price was remitted to the Company in May 2025.

(Continued)

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

(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	99,719	622	3,530	833	1,742	781	107,227
Disposal	-	-	(17,195)	(3,853)	(191)	(4,208)	(25,447)
Reclassification	-	-	1,879	541	-	-	2,420
Effect of exchange rate changes	(5,358)	(16,282)	(30,850)	(4,545)	(218)	(8,524)	(65,777)
Balance at June 30, 2025	<u>\$ 202,060</u>	<u>230,108</u>	<u>329,602</u>	<u>46,705</u>	<u>5,496</u>	<u>95,610</u>	<u>909,581</u>
Balance at January 1, 2024	\$ 107,699	221,805	374,795	46,868	2,982	99,629	853,778
Additions	-	17,929	995	2,059	543	3,554	25,080
Disposal	-	-	(21,925)	(1,475)	(219)	(29)	(23,648)
Effect of exchange rate changes	-	4,646	9,798	1,274	31	2,581	18,330
Balance at June 30, 2024	<u>\$ 107,699</u>	<u>244,380</u>	<u>363,663</u>	<u>48,726</u>	<u>3,337</u>	<u>105,735</u>	<u>873,540</u>
Depreciation and impairment loss:							
Balance at January 1, 2025	\$ -	49,778	299,749	18,366	1,889	93,980	463,762
Depreciation	-	5,195	13,904	4,298	693	4,598	28,688
Disposal	-	-	(17,195)	(3,853)	(191)	(4,208)	(25,447)
Effect of exchange rate changes	-	(2,767)	(25,388)	(1,605)	(75)	(7,803)	(37,638)
Balance at June 30, 2025	<u>\$ -</u>	<u>52,206</u>	<u>271,070</u>	<u>17,206</u>	<u>2,316</u>	<u>86,567</u>	<u>429,365</u>
Balance at January 1, 2024	\$ -	39,127	282,844	14,233	1,194	81,379	418,777
Depreciation	-	4,631	15,204	2,486	440	4,952	27,713
Disposal	-	-	(21,925)	(1,475)	(219)	(29)	(23,648)
Effect of exchange rate changes	-	551	7,562	397	14	2,222	10,746
Balance at June 30, 2024	<u>\$ -</u>	<u>44,309</u>	<u>283,685</u>	<u>15,641</u>	<u>1,429</u>	<u>88,524</u>	<u>433,588</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 June 30, 2025	<u>\$ 202,060</u>	<u>177,902</u>	<u>58,532</u>	<u>29,499</u>	<u>3,180</u>	<u>9,043</u>	<u>480,216</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 June 30, 2024	<u>\$ 107,699</u>	<u>200,071</u>	<u>79,978</u>	<u>33,085</u>	<u>1,908</u>	<u>17,211</u>	<u>439,952</u>

The Company purchased land in Thailand for the construction of a factory, and completed the land transfer process on April 24, 2025.

Please refer to Note 8 for the property, plant and equipment pledged to secure bank loans as of June 30, 2025 and 2024.

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

(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	-	-	1,482	-	1,482
Disposal	-	(3,666)	(139)	-	(3,805)
Effect of exchange rate changes	<u>(2,131)</u>	<u>(18,785)</u>	<u>(975)</u>	<u>-</u>	<u>(21,891)</u>
Balance at June 30, 2025	<u>\$ 22,530</u>	<u>204,634</u>	<u>12,651</u>	<u>238</u>	<u>240,053</u>
Balance at January 1, 2024	\$ 23,830	145,662	14,067	238	183,797
Additions	-	56,199	1,476	-	57,675
Disposal	-	(4,381)	(3,576)	-	(7,957)
Effect of exchange rate changes	<u>650</u>	<u>4,189</u>	<u>241</u>	<u>-</u>	<u>5,080</u>
Balance at June 30, 2024	<u>\$ 24,480</u>	<u>201,669</u>	<u>12,208</u>	<u>238</u>	<u>238,595</u>
Depreciation:					
Balance at January 1, 2025	\$ 3,299	174,173	10,850	194	188,516
Depreciation	303	20,039	1,018	24	21,384
Disposal	-	(3,666)	-	-	(3,666)
Effect of exchange rate changes	<u>(307)</u>	<u>(16,122)</u>	<u>(909)</u>	<u>-</u>	<u>(17,338)</u>
Balance at June 30, 2025	<u>\$ 3,295</u>	<u>174,424</u>	<u>10,959</u>	<u>218</u>	<u>188,896</u>
Balance at January 1, 2024	\$ 2,592	142,357	11,602	147	156,698
Depreciation	303	14,341	1,439	24	16,107
Disposal	-	(3,911)	(3,576)	-	(7,487)
Effect of exchange rate changes	<u>73</u>	<u>3,759</u>	<u>223</u>	<u>-</u>	<u>4,055</u>
Balance at June 30, 2024	<u>\$ 2,968</u>	<u>156,546</u>	<u>9,688</u>	<u>171</u>	<u>169,373</u>
Carrying amounts:					
Balance at January 1, 2025	<u>\$ 21,362</u>	<u>52,912</u>	<u>1,433</u>	<u>44</u>	<u>75,751</u>
Balance at June 30, 2025	<u>\$ 19,235</u>	<u>30,210</u>	<u>1,692</u>	<u>20</u>	<u>51,157</u>
Balance at January 1, 2024	<u>\$ 21,238</u>	<u>3,305</u>	<u>2,465</u>	<u>91</u>	<u>27,099</u>
Balance at June 30, 2024	<u>\$ 21,512</u>	<u>45,123</u>	<u>2,520</u>	<u>67</u>	<u>69,222</u>

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

## (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	8,386	-	8,386
Disposal	-	(48)	(48)
Effect of exchange rate changes	(292)	-	(292)
Balance at June 30, 2025	<u>\$ 12,432</u>	<u>261</u>	<u>12,693</u>
Balance at January 1, 2024	\$ 3,505	1,239	4,744
Acquisition	100	219	319
Disposal	-	(219)	(219)
Effect of exchange rate changes	89	-	89
Balance at June 30, 2024	<u>\$ 3,694</u>	<u>1,239</u>	<u>4,933</u>
Amortization:			
Balance at January 1, 2025	\$ 3,460	83	3,543
Amortization	1,065	30	1,095
Disposal	-	(48)	(48)
Effect of exchange rate changes	(290)	-	(290)
Balance at June 30, 2025	<u>\$ 4,235</u>	<u>65</u>	<u>4,300</u>
Balance at January 1, 2024	\$ 3,169	344	3,513
Amortization	81	40	121
Disposal	-	(219)	(219)
Effect of exchange rate changes	87	-	87
Balance at June 30, 2024	<u>\$ 3,337</u>	<u>165</u>	<u>3,502</u>
Carrying amounts:			
Balance at January 1, 2025	<u>\$ 878</u>	<u>226</u>	<u>1,104</u>
Balance at June 30, 2025	<u>\$ 8,197</u>	<u>196</u>	<u>8,393</u>
Balance at January 1, 2024	<u>\$ 336</u>	<u>895</u>	<u>1,231</u>
Balance at June 30, 2024	<u>\$ 357</u>	<u>1,074</u>	<u>1,431</u>

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

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

(j) Prepayments and Other non-current assets

The Group's prepayments were as follows:

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Prepaid sales tax	\$ 77,069	61,343	59,514
Other prepayments	27,480	22,508	25,598
Prepayments for purchases	1,683	195	895
	<b>\$ 106,232</b>	<b>84,046</b>	<b>86,007</b>

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

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Construction in progress	\$ 14,096	2,359	2,598
Guarantee deposits paid	7,565	8,275	6,547
Prepayment for equipment	18,479	11,745	7,322
Total	<b>\$ 40,140</b>	<b>22,379</b>	<b>16,467</b>

(k) Short-term borrowings

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Unsecured bank loans	\$ 120,000	-	-
Unused credit lines	383,700	535,065	564,500
Interest rate	1.95%	-	-

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

(l) Lease liabilities

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

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Current	\$ 22,544	35,722	30,178
Non-current	8,645	14,847	17,896

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

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

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>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Interest on lease liabilities	\$ <u>387</u>	<u>454</u>	<u>870</u>	<u>810</u>
Income from sub-leasing right-of-use assets	\$ <u>1,624</u>	<u>1,675</u>	<u>3,394</u>	<u>3,315</u>
Expenses relating to short-term leases	\$ <u>376</u>	<u>1,525</u>	<u>703</u>	<u>2,881</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ <u>17</u>	<u>18</u>	<u>36</u>	<u>35</u>

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>2025</b>	<b>2024</b>
Total cash outflow for leases	\$ <u>19,720</u>	<u>19,737</u>

(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.

(m) Operating lease

There were no significant changes in operating lease for the six months ended June 30, 2025 and 2024. Please refer to Note 6(1) of the consolidated financial statements for the year ended December 31, 2024 for other related information.

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

(n) Other payables and other current liabilities

The other payables were as follows:

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Accrued expenses	\$ 86,895	91,648	108,891
Commission payable	50,254	61,995	89,931
Salary and bonus payable	58,379	82,495	75,000
Remuneration payable to employees and directors	36,624	32,122	28,344
Payable for equipment	12,760	16,722	19,996
Other payables	27,108	37,801	39,741
	<b><u>\$ 272,020</u></b>	<b><u>322,783</u></b>	<b><u>361,903</u></b>

The other current liabilities were as follows:

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Refund liabilities	\$ 53,386	90,199	105,112
Temporary credits	3,848	4,576	7,061
Receipts under custody	1,503	1,554	1,941
Unearned receipts	3,205	-	-
	<b><u>\$ 61,942</u></b>	<b><u>96,329</u></b>	<b><u>114,114</u></b>

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

(o) Employee benefits—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, 2025 and 2024 amounted to \$1,228 thousand, \$1,192 thousand, \$2,378 thousand and \$2,338 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, \$(514) thousand, \$202 thousand and \$(379) thousand for the three months and six months ended June 30, 2025 and 2024, respectively.

(Continued)

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

(p) Income taxes

(i) Income tax expenses

The components of income tax for the three months and six months ended June 30, 2025 and 2024 were as follows:

	<b>For the three months ended June 30</b>		<b>For the six months ended June 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Current tax expense				
Current period	\$ 6,239	48,207	10,351	56,601
Adjustment for prior years	<u>(12,312)</u>	<u>(14)</u>	<u>(12,312)</u>	<u>(14)</u>
	<u>(6,073)</u>	<u>48,193</u>	<u>(1,961)</u>	<u>56,587</u>
Deferred tax expense				
Origination and reversal of temporary differences	<u>10,009</u>	<u>(26,543)</u>	<u>22,089</u>	<u>(14,252)</u>
Income tax expense	<u>\$ 3,936</u>	<u>21,650</u>	<u>20,128</u>	<u>42,335</u>

There were no income tax expense recognized in equity and other comprehensive income for the six months ended June 30, 2025 and 2024.

(ii) Assessment of tax

The Company's income tax returns for the years through 2023 have been examined and approved by the R.O.C. tax authorities.

(q) Capital and other equity

There was no significant change in capital and other equity for the periods for the six months ended June 30, 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 May 22, 2025, the shareholders' meeting of the Company approved the proposal by the Board of Directors 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' resolution, with a total number of shares not exceeding 6,000 thousand.

(Continued)

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

(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 2024 and 2023 was decided by the resolution adopted, at the general meeting of shareholders held on May 22, 2025 and 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	\$ 2.0	174,916	2.0	174,916

(iii) Treasury shares

In accordance with the requirements under section 28(2) of the Securities and Exchange Act, on April 10, 2025, the Board of Directors of the Company resolved to repurchase 1,000 thousand shares of its common stock during the period from April 11 to June 9, 2025, at a price range of \$28.0 to \$58.0 per share, to motivate employees and to enhance their sense of belonging. During the repurchase period, the Company repurchased a total of 632 thousand shares of treasury stock for a total consideration of \$33,386 thousand. As of June 30, 2025, the number of shares held by the Company was 1,082 thousand shares.

In accordance with the requirements of the Securities and Exchange Act, treasury shares held by the Company shall not be pledged and do not carry any shareholder rights prior to their transfer. In addition, the number of shares repurchased shall not exceed 10% of the total number of issued shares, and the total repurchase amount shall not exceed the sum of retained earnings, additional paid-in capital-premiums, and realized capital surplus. The Company complied with the relevant laws and regulations in calculating the repurchase limits, and there were no instances of exceeding the prescribed thresholds.

(Continued)

**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, 2025	\$ (39,747)
Exchange differences on foreign operations	(130,756)
Reclassified to profit or loss on disposal of foreign operations	<u>(662)</u>
Balance as of June 30, 2025	<b><u>\$ (171,165)</u></b>
Balance as of January 1, 2024	\$ (85,660)
Exchange differences on foreign operations	38,057
Reclassified to profit or loss on disposal of foreign operations	<u>989</u>
Balance as of June 30, 2024	<b><u>\$ (46,614)</u></b>

(r) 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>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Basic earnings per share:				
Profit attributable to the Company	<b><u>\$ 42,380</u></b>	<b><u>74,313</u></b>	<b><u>95,316</u></b>	<b><u>142,018</u></b>
Weighted average number of ordinary shares outstanding (in thousands of shares)	<b><u>87,197</u></b>	<b><u>87,458</u></b>	<b><u>87,327</u></b>	<b><u>87,458</u></b>
Basic earnings per share (in New Taiwan dollars)	<b><u>\$ 0.49</u></b>	<b><u>0.85</u></b>	<b><u>1.09</u></b>	<b><u>1.62</u></b>

(Continued)

**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>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Diluted earnings per share:				
Profit attributable to ordinary equity holders of the Company (after adjusting the effect of dilutive potential ordinary share)	\$ <u>42,380</u>	<u>74,313</u>	<u>95,316</u>	<u>142,018</u>
Weighted average number of ordinary shares outstanding (in thousands of shares)	87,197	87,458	87,327	87,458
Effect of issuance of share options (in thousands of shares)	149	127	300	181
Weighted average number of common shares outstanding (Diluted)(in thousands of shares)	<u>87,346</u>	<u>87,585</u>	<u>87,627</u>	<u>87,639</u>
Diluted earnings per share (in New Taiwan dollars)	\$ <u>0.49</u>	<u>0.85</u>	<u>1.09</u>	<u>1.62</u>

## (s) Revenue from contracts with customers

## (i) Details of revenue

	<b>For the three months ended June 30, 2025</b>				
	<b>The Company</b>	<b>DongGuan TaiSol</b>	<b>SiYang TaiSol</b>	<b>Others</b>	<b>Total</b>
Primary geographical markets:					
Asia	\$ 531,737	336,864	81,599	4,384	954,584
America	19,118	-	-	-	19,118
Europe	3,040	-	-	-	3,040
	<u>\$ 553,895</u>	<u>336,864</u>	<u>81,599</u>	<u>4,384</u>	<u>976,742</u>
Merchandise:					
Thermal modules	\$ 430,059	318,312	81,599	4,384	834,354
Other electronic components	123,836	18,552	-	-	142,388
	<u>\$ 553,895</u>	<u>336,864</u>	<u>81,599</u>	<u>4,384</u>	<u>976,742</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, 2024</b>					
	<b>The Company</b>	<b>DongGuan TaiSol</b>	<b>SiYang TaiSol</b>	<b>Others</b>	<b>Total</b>
Primary geographical markets:					
Asia	\$ 535,344	337,205	91,688	3,358	967,595
America	33,736	-	-	-	33,736
Europe	11,983	-	-	-	11,983
	<b>\$ 581,063</b>	<b>337,205</b>	<b>91,688</b>	<b>3,358</b>	<b>1,013,314</b>
Merchandise:					
Thermal modules	\$ 439,119	332,713	91,688	3,358	866,878
Other electronic components	141,944	4,492	-	-	146,436
	<b>\$ 581,063</b>	<b>337,205</b>	<b>91,688</b>	<b>3,358</b>	<b>1,013,314</b>
<b>For the six months ended June 30, 2025</b>					
	<b>The Company</b>	<b>DongGuan TaiSol</b>	<b>SiYang TaiSol</b>	<b>Others</b>	<b>Total</b>
Primary geographical markets:					
Asia	\$ 1,036,565	669,949	156,724	9,757	1,872,995
America	32,673	-	-	-	32,673
Europe	8,651	-	-	-	8,651
	<b>\$ 1,077,889</b>	<b>669,949</b>	<b>156,724</b>	<b>9,757</b>	<b>1,914,319</b>
Merchandise:					
Thermal modules	\$ 826,153	645,045	156,724	9,757	1,637,679
Other electronic components	251,736	24,904	-	-	276,640
	<b>\$ 1,077,889</b>	<b>669,949</b>	<b>156,724</b>	<b>9,757</b>	<b>1,914,319</b>
<b>For the six months ended June 30, 2024</b>					
	<b>The Company</b>	<b>DongGuan TaiSol</b>	<b>SiYang TaiSol</b>	<b>Others</b>	<b>Total</b>
Primary geographical markets:					
Asia	\$ 980,259	638,720	160,687	5,880	1,785,546
America	65,841	-	-	-	65,841
Europe	21,258	-	-	-	21,258
	<b>\$ 1,067,358</b>	<b>638,720</b>	<b>160,687</b>	<b>5,880</b>	<b>1,872,645</b>
Merchandise:					
Thermal modules	\$ 788,986	608,085	160,687	5,880	1,563,638
Other electronic components	278,372	30,635	-	-	309,007
	<b>\$ 1,067,358</b>	<b>638,720</b>	<b>160,687</b>	<b>5,880</b>	<b>1,872,645</b>

(Continued)

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

(ii) Contract Balance

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Notes receivable	\$ 183,749	151,642	223,758
Accounts receivable	1,253,540	1,298,082	1,342,207
Less: Loss allowance	<u>3,973</u>	<u>4,294</u>	<u>3,791</u>
Total	<u><b>\$ 1,433,316</b></u>	<u><b>1,445,430</b></u>	<u><b>1,562,174</b></u>
Contract liabilities (recognized as other current liabilities)	<u><b>\$ 3,205</b></u>	<u>-</u>	<u>-</u>

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

(t) Employee compensation and directors' remuneration

On May 22, 2025, the shareholders' meeting of the Company resolved to amend the Articles of Incorporation. According to the amended Articles, if there is profit for the year, a minimum of 3% but not exceeding 15% shall be allocated as employee compensation (of which no less than 10% shall be allocated to base-level employees), and a maximum of 5% shall be allocated as compensation to directors. However, if the Company has accumulated deficits, the profit shall be reserved to offset the deficit. The recipients of employee compensation in the form of shares or cash may include employees of subsidiaries who meet certain criteria.

Prior to the amendment, the Articles stipulated that if there was profit for the year, a minimum of 3% but not exceeding 15% shall be allocated as employee compensation, and a maximum of 5% as compensation to directors. If the Company had accumulated deficits, the profit was to be reserved to offset the deficit. The recipients of employee compensation in the form of shares or cash also included employees of subsidiaries who met certain criteria.

For the three months ended June 30, 2025 and 2024 and the six months ended June 30, 2025 and 2024, the Company estimated its employee remuneration amounting to \$3,560 thousand, \$6,057 thousand, \$7,867 thousand and \$11,717 thousand, and directors' remuneration amounting to \$1,780 thousand, \$3,029 thousand, \$3,933 thousand and \$5,859 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.

(Continued)

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

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.

(u) 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>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Interest income from bank deposits	\$ 6,137	8,122	10,820	15,836
Interest on financial bonds	466	-	934	-
Total interest income	<u>\$ 6,603</u>	<u>8,122</u>	<u>11,754</u>	<u>15,836</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>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Rental income	\$ 1,624	1,675	3,394	3,315
Others	12,773	13,206	22,336	14,936
Total other income	<u>\$ 14,397</u>	<u>14,881</u>	<u>25,730</u>	<u>18,251</u>

The unconditional government grants were recognized amounting to \$2,191 thousand, \$402 thousand, \$4,129 thousand and \$634 thousand for the three months and six months ended June 30, 2025 and 2024, respectively.

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

(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>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Gains (losses) on disposals of investments	\$ -	-	543	(990)
(Losses) Gains on modification of leases	(15)	-	5	3
Foreign exchange (losses) gains	(21,047)	12,977	(19,569)	45,185
Others	(1,604)	(8,717)	(5,953)	(8,609)
Other gains and losses, net	<u>\$ (22,666)</u>	<u>4,260</u>	<u>(24,974)</u>	<u>35,589</u>

(iv) Finance costs

The Group's finance costs were as follows:

	<b>For the three months ended June 30</b>		<b>For the six months ended June 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Interest expense	<u>\$ 702</u>	<u>691</u>	<u>1,185</u>	<u>1,196</u>

(v) 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.

	<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, 2025						
Non-derivative financial liabilities						
Unsecured bank loans	\$ 120,000	120,385	120,385	-	-	-
Accounts payable	970,136	970,136	970,136	-	-	-
Other payables	272,020	272,020	272,020	-	-	-
Dividends payable	174,916	174,916	174,916	-	-	-
Lease liabilities	31,189	32,343	23,397	6,645	2,301	-
	<u>\$ 1,568,261</u>	<u>1,569,800</u>	<u>1,560,854</u>	<u>6,645</u>	<u>2,301</u>	<u>-</u>

(Continued)

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

	<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, 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>
June 30, 2024						
Non-derivative financial liabilities						
Accounts payable	\$ 1,143,693	1,143,693	1,143,693	-	-	-
Other payables	361,903	361,903	361,903	-	-	-
Dividends payable	174,916	174,916	174,916	-	-	-
Lease liabilities	48,074	49,462	31,341	17,578	543	-
	<u>\$ 1,728,586</u>	<u>1,729,974</u>	<u>1,711,853</u>	<u>17,578</u>	<u>543</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, 2025</u>			<u>December 31, 2024</u>			<u>June 30, 2024</u>		
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD</u>
<u>Financial assets</u>									
<u>Monetary items</u>									
CNY	\$ 5,648	4.091	23,105	552	4.478	2,472	9,079	4.445	40,355
USD	51,233	29.300	1,501,122	47,099	32.785	1,544,153	50,498	32.450	1,638,651
JPY	31,243	0.203	6,355	28,103	0.210	5,899	24,917	0.202	5,026
HKD	77	3.732	286	134	4.222	567	241	4.155	1,000
THB	4	0.907	4	84	0.962	81	-	-	-
<u>Financial liabilities</u>									
<u>Monetary items</u>									
CNY	3,285	4.091	13,440	2,556	4.478	11,444	2,466	4.445	10,962
USD	25,026	29.300	733,251	28,420	32.785	931,735	27,988	32.450	908,206
JPY	3,216	0.203	654	3,216	0.210	675	3,216	0.202	649
HKD	33	3.732	124	46	4.222	195	54	4.155	223

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, 2025 and 2024, the foreign exchange gains (losses) (including realized and unrealized portions) amounted to losses of \$19,569 thousand and gains of \$45,185 thousand, respectively.

(Continued)

**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, 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>
	<u>                    </u>	<u>                    </u>
<b>June 30, 2025</b>		
CNY (0.25% of appreciation or depreciation)	\$ 19	(19)
USD (0.25% of appreciation or depreciation)	1,536	(1,536)
JPY (0.25% of appreciation or depreciation)	<u>11</u>	<u>(11)</u>
	<b><u>\$ 1,566</u></b>	<b><u>(1,566)</u></b>
<b>June 30, 2024</b>		
CNY (0.25% of appreciation or depreciation)	\$ 59	(59)
USD (0.25% of appreciation or depreciation)	1,461	(1,461)
HKD (0.25% of appreciation or depreciation)	2	(2)
JPY (0.25% of appreciation or depreciation)	<u>9</u>	<u>(9)</u>
	<b><u>\$ 1,531</u></b>	<b><u>(1,531)</u></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:

		June 30, 2025				
		Carrying amounts	Fair value			
			Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost						
Cash and cash equivalents	\$	739,506	-	-	-	-
Notes and accounts receivable		1,433,316	-	-	-	-
Other receivables		12,963	-	-	-	-
Restricted time deposits (recognized as other current assets)		3,000	-	-	-	-
Time deposits with original maturities exceeding three months (recognized as current financial assets at amortized cost)		174,809	-	-	-	-
Financial bonds (recognized as non-current financial assets at amortized cost)		36,360	-	-	-	-
Guarantee deposits paid (recognized as other non-current assets)		7,565	-	-	-	-
<b>Total</b>	<b>\$</b>	<b>2,407,519</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Financial liabilities measured at amortized cost						
Short-term borrowings	\$	120,000	-	-	-	-
Accounts payable		970,136	-	-	-	-
Other payables		272,020	-	-	-	-
Dividends payable		174,916	-	-	-	-
Lease liabilities		31,189	-	-	-	-
<b>Total</b>	<b>\$</b>	<b>1,568,261</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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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>

(Continued)

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

	June 30, 2024				
	Carrying amounts	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 977,968	-	-	-	-
Notes and accounts receivable	1,562,174	-	-	-	-
Other receivables	13,959	-	-	-	-
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)	329,696	-	-	-	-
Guarantee deposits paid (recognized as other non-current assets)	6,547	-	-	-	-
Total	<u>\$ 2,890,944</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities measured at amortized cost					
Accounts payable	\$ 1,143,693	-	-	-	-
Other payables	361,903	-	-	-	-
Dividends payable	174,916	-	-	-	-
Lease liabilities	48,074	-	-	-	-
Total	<u>\$ 1,728,586</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 six months ended June 30, 2025 and 2024.

(w) 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.

(x) 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.

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

(y) 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>2025</b>	<b>2024</b>
Increase in property, plant and equipment	\$ 107,227	25,080
Add: Payable for equipment as of January 1	16,722	21,516
Less: Payable for equipment as of June 30	(12,760)	(19,996)
Effect of exchange rate changes	(1,179)	569
Cash paid	<b>\$ 110,010</b>	<b>27,169</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>2025</b>	<b>2024</b>
Increase in right of use assets	\$ 1,482	57,675
Less: Increase in lease liabilities	(1,482)	(57,675)
Cash paid	<b>\$ -</b>	<b>-</b>

(iii) 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>June 30, 2025</b>
			<b>Effect of exchange rate changes</b>	<b>Right-of-use assets increases</b>	<b>Others</b>	
Short-term borrowings	\$ -	120,000	-	-	-	120,000
Lease liabilities	50,569	(18,111)	(2,607)	1,482	(144)	31,189
Total liabilities from financing activities	<b>\$ 50,569</b>	<b>101,889</b>	<b>(2,607)</b>	<b>1,482</b>	<b>(144)</b>	<b>151,189</b>

	<b>January 1, 2024</b>	<b>Cash flows</b>	<b>Non-Cash changes</b>			<b>June 30, 2024</b>
			<b>Effect of exchange rate changes</b>	<b>Right-of-use assets increases</b>	<b>Others</b>	
Lease liabilities	\$ 6,424	(16,011)	459	57,675	(473)	48,074

(Continued)

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

**(7) Related-party transactions**

Key management personnel compensation includes:

	<b>For the three months ended June 30</b>		<b>For the six months ended June 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Short-term employee benefits	\$ 5,858	8,589	12,216	17,914
Post-employment benefits	155	(388)	310	(118)
	<b>\$ 6,013</b>	<b>8,201</b>	<b>12,526</b>	<b>17,796</b>

**(8) Pledged assets:**

The carrying values of pledged assets were as follows:

<b>Pledged assets</b>	<b>Object</b>	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Restricted time deposits (recognized as other current asset)	Custom deposits	\$ 3,000	600	600
Land and buildings (recognized as property, plant and equipment)	Long-term and short-term loans	143,440	143,554	144,199
		<b>\$ 146,440</b>	<b>144,154</b>	<b>144,799</b>

**(9) Commitments and contingencies:**

- (a) As of June 30, 2025, December 31 and June 30, 2024, the Group had outstanding notes for guarantee of bank loans, credit limit amounting to \$632,900 thousand, \$678,205 thousand and \$608,950 thousand, respectively.
- (b) In 2020, the Group 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, the Group 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, the Group notified the plaintiff's supplier to suspend production and cease delivery of goods. The plaintiff's supplier claimed that the production scheduling has already been arranged for the previous orders and asserted that the Group should bear the payment obligations for all undelivered products. On March 12, 2025, the plaintiff's supplier 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 the Group's bank deposits. In April 2025, the relevant bank notified the Group that its bank account has been frozen in accordance with the Court's ruling. On June 20, 2025, both parties reached a settlement agreement for CNY 976 thousand. The plaintiff's supplier subsequently filed a request to withdraw the lawsuit, which was approved by the Court on July 2, 2025, and the Group's bank deposits was unfrozen.

(Continued)

**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							
	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	60,110	64,124	-	124,234	67,424	63,345	-	130,769
Labor and health insurance	-	2,266	-	2,266	-	2,190	-	2,190
Pension	-	1,329	-	1,329	-	678	-	678
Remuneration of directors	-	1,980	-	1,980	-	2,589	-	2,589
Others	11,318	6,051	-	17,369	11,203	5,289	-	16,492
Depreciation	14,764	8,404	1,492	24,660	13,967	6,368	1,539	21,874
Amortizations	-	779	-	779	-	57	-	57

By function	For the six months ended June 30							
	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	120,590	127,506	-	248,096	127,340	124,248	-	251,588
Labor and health insurance	-	4,686	-	4,686	-	4,529	-	4,529
Pension	-	2,580	-	2,580	-	1,959	-	1,959
Remuneration of directors	-	4,433	-	4,433	-	5,639	-	5,639
Others	22,585	12,125	-	34,710	20,880	10,438	-	31,318
Depreciation	29,761	17,219	3,092	50,072	28,530	12,284	3,006	43,820
Amortization	-	1,095	-	1,095	-	121	-	121

- (b) Seasonality of operations

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

(Continued)

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

- (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.

**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, 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	5,860	-	- %	2	-	Operating capital	-		-	357,086	714,173
1	SiYang TaiSol Electronics Co., Ltd.	Suzhou TaiSol Electronics Co., Ltd.	Other receivables - related parties	Yes	134,340	-	-	- %	2	-	Operating capital	-		-	357,086	714,173
2	DongGuan TaiSol Electronics Co., Ltd.	Suzhou TaiSol Electronics Co., Ltd.	Other receivables - related parties	Yes	137,190	122,730	13,500	4.00 %	2	-	Operating capital	-		-	357,086	714,173
2	DongGuan TaiSol Electronics Co., Ltd.	SiYang TaiSol Electronics Co., Ltd.	Other receivables - related parties	Yes	137,190	122,730	-	- %	2	-	Operating capital	-		-	357,086	714,173

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 June 30, 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	-	5,735	- %	5,735	
The Company	JPM_6.087_102329	-	Financial assets measured at amortized cost - non current	-	15,393	- %	15,393	
The Company	BAC_5.819_091529	-	Financial assets measured at amortized cost - non current	-	15,232	- %	15,232	

(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	427,762	48.85 %	O/A 75 days	-	-	(330,950)	54.30%	
The Company	Suzhou TaiSol Electronics Co., Ltd.	Sub-subsidiary of the Company	Purchase	121,246	13.85 %	O/A 45 days	-	-	(40,220)	6.60%	

Note: 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

(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	330,950	2.23	-	-	51,984	-

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	121,246	There are no non-related party purchase price for comparison.	6.33%
0	the Company	Suzhou TaiSol Electronics Co., Ltd.	1	Payables to related parties	40,220	O/A 45 days	1.13%
0	the Company	SiYang TaiSol Electronics Co., Ltd.	1	Purchase	32,486	There are no non-related party purchase price for comparison.	1.70%
0	the Company	DongGuan TaiSol Electronics Co., Ltd.	1	Purchase	427,762	There are no non-related party purchase price for comparison.	22.35%
0	the Company	DongGuan TaiSol Electronics Co., Ltd.	1	Payables to related parties	330,950	O/A 75 days	9.28%

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 six months ended June 30, 2025 (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, 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 %	896,661	75,239	71,552	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 %	(6,178)	15,089	14,488	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 %	172,983	(6,386)	(6,323)	Notes 1, 3
World Window Electronics (H.K.) Limited	TaiSol Electronics (Thailand) Co., Ltd	Thailand	Manufacturing & Trading	1,947	1,947	20	1 %	1,747	(6,386)	(63)	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%.

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**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 June 30, 2025	Net income (losses) of investee	Percentage of ownership	Share of profit (losses) of investee	Carrying amount	Accumulated remittance of earnings as of June 30, 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.	177,349 (Note 2)	2	295,930	-	-	295,930	15,167	100.00 %	14,565	(6,160)	-
DongGuan TaiSol Electronics Co., Ltd.	Processing, manufacturing and trading of thermal modules, components of electronic computers and automobiles.	229,518	2	229,518	-	-	229,518	75,124	100.00 %	71,438	884,999	537,451
SiYang TaiSol Electronics Co. Ltd.	Processing, manufacturing and trading of components of electronic computers.	615,300	1	615,300	-	-	615,300	642	100.00 %	532	383,902	-

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

Note2: 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, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment Authorized by Investment Commission, MOEA
1,140,748 (Note 2) (USD 31,100 and HKD61,500)	1,140,748 (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\$ = 1:29.300 and HKD\$: NT\$ = 1:3.732 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, 2025, are disclosed in "Information on significant transactions".

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

**(14) Segment information:**

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

For the three months ended June 30, 2025						
	The Company	DongGuan TaiSol	SiYang TaiSol	Others	Reconciliation and elimination	Total
Revenue:						
Revenue from external customers	\$ 553,895	336,864	81,599	4,384	-	976,742
Intersegment revenues	-	218,385	16,997	71,495	(306,877)	-
Total revenue	<u>\$ 553,895</u>	<u>555,249</u>	<u>98,596</u>	<u>75,879</u>	<u>(306,877)</u>	<u>976,742</u>
Reportable segment profit or loss	<u>\$ (2,118)</u>	<u>39,987</u>	<u>(502)</u>	<u>5,013</u>	<u>-</u>	<u>42,380</u>
For the three months ended June 30, 2024						
	The Company	DongGuan TaiSol	SiYang TaiSol	Others	Reconciliation and elimination	Total
Revenue:						
Revenue from external customers	\$ 581,063	337,205	91,688	3,358	-	1,013,314
Intersegment revenues	-	243,467	19,031	64,707	(327,205)	-
Total revenue	<u>\$ 581,063</u>	<u>580,672</u>	<u>110,719</u>	<u>68,065</u>	<u>(327,205)</u>	<u>1,013,314</u>
Reportable segment profit or loss	<u>\$ 40,849</u>	<u>30,714</u>	<u>(44)</u>	<u>2,794</u>	<u>-</u>	<u>74,313</u>
For the six months ended June 30, 2025						
	The Company	DongGuan TaiSol	SiYang TaiSol	Others	Reconciliation and elimination	Total
Revenue:						
Revenue from external customers	\$ 1,077,889	669,949	156,724	9,757	-	1,914,319
Intersegment revenues	9	432,120	41,755	132,489	(606,373)	-
Total revenue	<u>\$ 1,077,898</u>	<u>1,102,069</u>	<u>198,479</u>	<u>142,246</u>	<u>(606,373)</u>	<u>1,914,319</u>
Reportable segment profit or loss	<u>\$ 15,067</u>	<u>71,438</u>	<u>532</u>	<u>8,279</u>	<u>-</u>	<u>95,316</u>
For the six months ended June 30, 2024						
	The Company	DongGuan TaiSol	SiYang TaiSol	Others	Reconciliation and elimination	Total
Revenue:						
Revenue from external customers	\$ 1,067,358	638,720	160,687	5,880	-	1,872,645
Intersegment revenues	-	436,269	35,996	111,656	(583,921)	-
Total revenue	<u>\$ 1,067,358</u>	<u>1,074,989</u>	<u>196,683</u>	<u>117,536</u>	<u>(583,921)</u>	<u>1,872,645</u>
Reportable segment profit or loss	<u>\$ 73,579</u>	<u>73,552</u>	<u>(9,010)</u>	<u>3,897</u>	<u>-</u>	<u>142,018</u>

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