

**PRIMAX ELECTRONICS LTD.  
AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS**

**With Independent Auditors' Review Report  
for the Six Months Ended  
June 30, 2024 and 2023**

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The independent auditors' review 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' review report and consolidated financial statements, the Chinese version shall prevail.

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## Independent Auditors' Review Report

To the Board of Directors of PRIMAX ELECTRONICS LTD.:

### Introduction

We have reviewed the accompanying consolidated balance sheets of PRIMAX ELECTRONICS LTD. (“the Company”) and its subsidiaries (“the Group”) as of June 30, 2024 and 2023, the related consolidated statements of comprehensive income for the three and six months ended June 30, 2024 and 2023, as well as the changes in equity and cash flows for the six months ended June 30, 2024 and 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. The 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 Standards (“IASs”) 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

Except as explained in the Basis for Qualified Conclusion paragraph, 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.

### Basis for Qualified Conclusion

As stated in note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect the total assets amounting to NT\$11,931,002 thousand and NT\$10,335,122 thousand, constituting 23.7% and 20.8% of the consolidated total assets; and the total liabilities amounting to NT\$6,963,789 thousand and NT\$6,053,717 thousand, constituting 22.6% and 18.9% of the consolidated total liabilities as of June 30, 2024 and 2023, respectively; as well as the total comprehensive income amounting to NT\$98,644 thousand, NT\$6,104 thousand, NT\$284,895 thousand and NT\$55,791 thousand, constituting 9.8%, 1.6%, 12.9% and 5.4% of the consolidated comprehensive income for the three and six months ended June 30, 2024 and 2023, respectively.

## Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews and the review report of another auditor (please refer to Other Matter paragraph), nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the three and six months ended June 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IASs 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

## Other Matter

We did not review the financial statements of Tymphany Worldwide Enterprises Ltd., a subsidiary of the Group. Those financial statements were reviewed by another auditor, whose review report has been furnished to us, and our conclusion, insofar as it relates to the amounts included for Tymphany Worldwide Enterprises Ltd., is based solely on the review report of another auditor. The financial statements of Tymphany Worldwide Enterprises Ltd. reflect the total assets amounting to NT\$15,869,525 thousand and NT\$17,210,858 thousand, constituting 31.5% and 34.7% of the related consolidated total assets as of June 30, 2024 and 2023, respectively; as well as the operating revenue amounting to NT\$5,170,184 thousand, NT\$6,483,542 thousand, NT\$9,446,285 thousand and NT\$12,346,942 thousand, constituting 33.6%, 40.4%, 32.6% and 40.2% of the related consolidated operating revenue for the three and six months ended June 30, 2024 and 2023, respectively.

The engagement partners on the reviews resulting in this independent auditors’ review report are Horng, Shyh-Gang and Fu, Hung-Wen.

KPMG

Taipei, Taiwan (Republic of China)  
August 8, 2024

## Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and 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’ review 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’ review report and consolidated financial statements, the Chinese version shall prevail.

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

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

June 30, 2024, December 31 and June 30, 2023

(Expressed in Thousands of New Taiwan Dollars)

		June 30, 2024		December 31, 2023		June 30, 2023						June 30, 2024		December 31, 2023		June 30, 2023	
Assets		Amount	%	Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:									
1100	Cash and cash equivalents (note 6(a))	\$ 13,307,861	26	10,904,683	24	10,922,723	22	2100	Short-term borrowings (notes 6(m) and 8)	\$ 1,854,132	4	756,252	2	2,973,909	6		
1110	Current financial assets at fair value through profit or loss							2120	Current financial liabilities at fair value through profit or								
	(note 6(b))	464,030	1	379,608	1	362,492	1		loss (note 6(b))	679,651	1	992,339	2	896,507	2		
1137	Current financial assets at amortized cost (note 6(d))	30,234	-	30,234	-	-	-	2170	Notes and accounts payable	12,257,871	24	12,135,123	26	13,238,467	27		
1170	Accounts receivable, net (notes 6(e) and (v))	12,953,158	26	11,481,787	25	15,010,711	30	2201	Salaries payable	1,313,127	3	1,310,137	3	1,065,291	2		
1180	Accounts receivable from related parties, net (notes 6(e),							2219	Other payables	5,730,253	11	3,976,418	9	5,871,527	12		
	(v) and 7)	91,562	-	70,606	-	195,145	-	2280	Current lease liabilities (note 6(o))	228,496	1	225,189	-	231,015	-		
1200	Other receivables (notes 6(e) and (f))	1,838,708	4	1,556,671	3	504,422	1	2320	Long-term borrowings, current portion (notes 6(n) and 8)	132,667	-	16,667	-	-	-		
1310	Inventories (note 6(g))	7,690,883	15	7,996,397	17	8,106,949	16	2365	Current refund liabilities	2,540,013	5	2,239,016	5	2,019,711	4		
1470	Other current assets	522,908	1	516,388	1	696,673	2	2399	Other current liabilities (note 6(v))	2,393,830	5	1,985,860	4	1,952,306	4		
		36,899,344	73	32,936,374	71	35,799,115	72			27,130,040	54	23,637,001	51	28,248,733	57		
Non-current assets:								Non-Current liabilities:									
1511	Non-current financial assets at fair value through profit or							2540	Long-term borrowings (notes 6(n) and 8)	672,123	1	691,312	2	464,000	1		
	loss, designated as upon initial recognition (note 6(b))	21,190	-	12,048	-	11,520	-	2580	Non-current lease liabilities (note 6(o))	1,476,141	3	1,559,401	3	1,751,161	3		
1517	Non-current financial assets at fair value through other							2630	Long-term deferred revenue (note 6(i))	532,066	1	606,265	1	715,729	1		
	comprehensive income (note 6(c))	300,067	1	290,285	1	354,142	1	2670	Other non-current liabilities	1,054,807	2	962,565	2	772,007	2		
1600	Property, plant and equipment (notes 6(i) and 8)	7,743,936	15	7,740,909	17	8,060,696	16			3,735,137	7	3,819,543	8	3,702,897	7		
1755	Right-of-use assets (note 6(j))	1,811,002	4	1,891,531	4	2,189,749	4	Total liabilities		30,865,177	61	27,456,544	59	31,951,630	64		
1760	Investment property (notes 6(k) and 8)	662,137	1	649,515	1	32,669	-	Equity attributable to owners of parent:									
1780	Intangible assets (note 6(l))	2,018,378	4	2,013,589	4	2,072,812	4	3110	Ordinary shares (note 6(s))	4,629,318	9	4,629,738	10	4,594,343	9		
1840	Deferred tax assets	698,711	1	699,981	1	763,780	2	3200	Capital surplus (note 6(s))	2,353,575	5	2,359,753	5	2,175,899	5		
1990	Other non-current assets (note 8)	283,709	1	318,888	1	320,763	1	3310	Legal reserve (note 6(s))	2,522,701	5	2,274,414	5	2,274,414	5		
		13,539,130	27	13,616,746	29	13,806,131	28	3320	Special reserve (note 6(s))	1,016,955	2	754,918	2	754,918	2		
								3350	Unappropriated retained earnings (note 6(s))	7,257,796	14	8,311,190	18	7,082,445	14		
								3400	Other equity interest	(448,108)	(1)	(1,316,504)	(3)	(1,258,805)	(3)		
										17,332,237	34	17,013,509	37	15,623,214	32		
								36XX	Non-controlling interests (note 6(h))	2,241,060	5	2,083,067	4	2,030,402	4		
									Total equity	19,573,297	39	19,096,576	41	17,653,616	36		
Total assets		\$ 50,438,474	100	46,553,120	100	49,605,246	100	Total liabilities and equity		\$ 50,438,474	100	46,553,120	100	49,605,246	100		

See accompanying notes to consolidated financial statements.

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

**PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES****Consolidated Statement of Comprehensive Income****For the three and six months ended June 30, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)**

		For the three months ended June 30				For the six months ended June 30			
		2024		2023		2024		2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	<b>Operating revenue (notes 6(v) and 7)</b>	\$ 15,368,051	100	16,065,380	100	29,016,786	100	30,742,427	100
5000	<b>Operating costs (notes 6(g), (o), (q), (w) and 12)</b>	<u>12,704,679</u>	<u>83</u>	<u>13,503,025</u>	<u>84</u>	<u>24,177,984</u>	<u>83</u>	<u>25,988,962</u>	<u>85</u>
	<b>Gross profit from operation</b>	<u>2,663,372</u>	<u>17</u>	<u>2,562,355</u>	<u>16</u>	<u>4,838,802</u>	<u>17</u>	<u>4,753,465</u>	<u>15</u>
	<b>Operating expenses (notes 6(e), (o), (q), (t), (w) and 12):</b>								
6100	Selling expenses	437,997	3	412,789	2	825,592	3	835,299	3
6200	Administrative expenses	621,971	4	584,217	4	1,109,457	4	1,094,421	3
6300	Research and development expenses	812,696	5	774,011	5	1,531,194	5	1,497,472	5
6450	Expected credit loss (gain on reversal)	<u>(2,830)</u>	<u>-</u>	<u>(9,557)</u>	<u>-</u>	<u>(8,378)</u>	<u>-</u>	<u>(46,343)</u>	<u>-</u>
	<b>Total operating expenses</b>	<u>1,869,834</u>	<u>12</u>	<u>1,761,460</u>	<u>11</u>	<u>3,457,865</u>	<u>12</u>	<u>3,380,849</u>	<u>11</u>
	<b>Net operating income</b>	<u>793,538</u>	<u>5</u>	<u>800,895</u>	<u>5</u>	<u>1,380,937</u>	<u>5</u>	<u>1,372,616</u>	<u>4</u>
	<b>Non-operating income and expenses:</b>								
7100	Interest income	165,243	1	100,551	1	287,309	1	132,840	-
7010	Other income (note 6(x))	23,554	-	8,861	-	49,231	-	11,900	-
7020	Other gains and losses (notes 6(y) and 12)	45,166	-	87,380	-	96,414	-	227,527	1
7050	Finance costs (note 6(o))	<u>(36,036)</u>	<u>-</u>	<u>(41,537)</u>	<u>-</u>	<u>(65,440)</u>	<u>-</u>	<u>(76,448)</u>	<u>-</u>
	<b>Total non-operating income and expenses</b>	<u>197,927</u>	<u>1</u>	<u>155,255</u>	<u>1</u>	<u>367,514</u>	<u>1</u>	<u>295,819</u>	<u>1</u>
	<b>Profit before tax</b>	<u>991,465</u>	<u>6</u>	<u>956,150</u>	<u>6</u>	<u>1,748,451</u>	<u>6</u>	<u>1,668,435</u>	<u>5</u>
7950	<b>Less: Income tax expenses (note 6(r))</b>	<u>198,651</u>	<u>1</u>	<u>186,916</u>	<u>1</u>	<u>350,172</u>	<u>1</u>	<u>325,905</u>	<u>1</u>
	<b>Profit</b>	<u>792,814</u>	<u>5</u>	<u>769,234</u>	<u>5</u>	<u>1,398,279</u>	<u>5</u>	<u>1,342,530</u>	<u>4</u>
8300	<b>Other comprehensive income (loss):</b>								
8310	<b>Items that may not be reclassified subsequently to profit or loss:</b>								
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	4,682	-	(1,649)	-	(8,083)	-	(22,652)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>	<u>4,682</u>	<u>-</u>	<u>(1,649)</u>	<u>-</u>	<u>(8,083)</u>	<u>-</u>	<u>(22,652)</u>	<u>-</u>
8360	<b>Items that may be reclassified subsequently to profit or loss:</b>								
8361	Exchange differences on translation of foreign operation's financial statements	204,522	2	(383,083)	(3)	811,843	3	(285,791)	(1)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>	<u>204,522</u>	<u>2</u>	<u>(383,083)</u>	<u>(3)</u>	<u>811,843</u>	<u>3</u>	<u>(285,791)</u>	<u>(1)</u>
8300	<b>Other comprehensive income after tax</b>	<u>209,204</u>	<u>2</u>	<u>(384,732)</u>	<u>(3)</u>	<u>803,760</u>	<u>3</u>	<u>(308,443)</u>	<u>(1)</u>
	<b>Comprehensive income</b>	<u>\$ 1,002,018</u>	<u>7</u>	<u>384,502</u>	<u>2</u>	<u>2,202,039</u>	<u>8</u>	<u>1,034,087</u>	<u>3</u>
	<b>Profit attributable to:</b>								
8610	Owners of parent	\$ 727,301	5	699,234	5	1,308,657	5	1,254,116	4
8620	Non-controlling interests (note 6(h))	<u>65,513</u>	<u>-</u>	<u>70,000</u>	<u>-</u>	<u>89,622</u>	<u>-</u>	<u>88,414</u>	<u>-</u>
		<u>\$ 792,814</u>	<u>5</u>	<u>769,234</u>	<u>5</u>	<u>1,398,279</u>	<u>5</u>	<u>1,342,530</u>	<u>4</u>
	<b>Comprehensive income attributable to:</b>								
8710	Owners of parent	\$ 916,608	6	335,052	2	2,050,224	7	956,685	3
8720	Non-controlling interests (note 6(h))	<u>85,410</u>	<u>1</u>	<u>49,450</u>	<u>-</u>	<u>151,815</u>	<u>1</u>	<u>77,402</u>	<u>-</u>
		<u>\$ 1,002,018</u>	<u>7</u>	<u>384,502</u>	<u>2</u>	<u>2,202,039</u>	<u>8</u>	<u>1,034,087</u>	<u>3</u>
	<b>Earnings per share (note 6(u))</b>								
9710	<b>Basic earnings per share (NT dollars)</b>	<u>\$ 1.60</u>		<u>1.55</u>		<u>2.88</u>		<u>2.78</u>	
9810	<b>Diluted earnings per share (NT dollars)</b>	<u>\$ 1.58</u>		<u>1.54</u>		<u>2.84</u>		<u>2.75</u>	

See accompanying notes to consolidated financial statements.

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

PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES

Consolidated Statement of Changes in Equity

For the six months ended June 30, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent										
	Retained earnings					Other equity interest					
						Exchange differences on translation of financial statements	Unrealized gains (losses) from financial assets at fair value through other comprehensive income	Unearned employee compensation	Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings						
Balance at January 1, 2023	\$ 4,582,893	2,129,908	1,999,217	1,217,130	7,433,108	(812,523)	57,605	(260,244)	16,347,094	1,946,491	18,293,585
Profit	-	-	-	-	1,254,116	-	-	-	1,254,116	88,414	1,342,530
Other comprehensive income	-	-	-	-	-	(274,779)	(22,652)	-	(297,431)	(11,012)	(308,443)
Comprehensive income	-	-	-	-	1,254,116	(274,779)	(22,652)	-	956,685	77,402	1,034,087
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	275,197	-	(275,197)	-	-	-	-	-	-
Special reserve	-	-	-	(462,212)	462,212	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(1,791,794)	-	-	-	(1,791,794)	-	(1,791,794)
Changes in shares of investment accounted for using equity method	-	(6,509)	-	-	-	-	-	-	(6,509)	6,509	-
Amortization expense of restricted employee stock	-	-	-	-	-	-	-	117,738	117,738	-	117,738
Cancellation of restricted stock	-	(3,032)	-	-	-	-	-	3,032	-	-	-
Issuance of restricted stock	11,450	55,532	-	-	-	-	-	(66,982)	-	-	-
Balance at June 30, 2023	\$ 4,594,343	2,175,899	2,274,414	754,918	7,082,445	(1,087,302)	34,953	(206,456)	15,623,214	2,030,402	17,653,616
Balance at January 1, 2024	\$ 4,629,738	2,359,753	2,274,414	754,918	8,311,190	(1,001,150)	(15,805)	(299,549)	17,013,509	2,083,067	19,096,576
Profit	-	-	-	-	1,308,657	-	-	-	1,308,657	89,622	1,398,279
Other comprehensive income	-	-	-	-	-	749,650	(8,083)	-	741,567	62,193	803,760
Comprehensive income	-	-	-	-	1,308,657	749,650	(8,083)	-	2,050,224	151,815	2,202,039
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	248,287	-	(248,287)	-	-	-	-	-	-
Special reserve	-	-	-	262,037	(262,037)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(1,851,727)	-	-	-	(1,851,727)	-	(1,851,727)
Changes in shares of investment accounted for using equity method	-	(6,178)	-	-	-	-	-	-	(6,178)	6,178	-
Amortization expense of restricted employee stock	-	-	-	-	-	-	-	126,409	126,409	-	126,409
Cancellation of restricted stock	(420)	-	-	-	-	-	-	420	-	-	-
Balance at June 30, 2024	\$ 4,629,318	2,353,575	2,522,701	1,016,955	7,257,796	(251,500)	(23,888)	(172,720)	17,332,237	2,241,060	19,573,297

See accompanying notes to consolidated financial statements.

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

**PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES****Consolidated Statement of Cash Flows****For the six months ended June 30, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars)**

	<b>For the six months ended June 30</b>	
	<b>2024</b>	<b>2023</b>
<b>Cash flows from (used in) operating activities:</b>		
<b>Profit before tax</b>	\$ 1,748,451	1,668,435
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation expense	805,653	857,339
Amortization expense	38,994	104,852
Gain on reversal of expected credit loss	(8,378)	(46,343)
Interest expense	65,440	76,448
Net losses on financial assets and liabilities at fair value through profit or loss	215,171	534,328
Interest income	(287,309)	(132,840)
Compensation cost of share-based payment	126,409	117,738
Gain on disposal of property, plant and equipment	(12,391)	(7,165)
Gain on disposal of right-of-use assets	(709)	(1)
Loss on disposal of unamortized expense	14	289
<b>Total adjustments to reconcile profit</b>	<u>942,894</u>	<u>1,504,645</u>
<b>Changes in operating assets and liabilities:</b>		
Financial assets at fair value through profit or loss	379,826	396,985
Accounts receivable	(1,777,803)	872,520
Accounts receivable from related parties	(20,956)	(140,559)
Other receivables	20,177	(58,145)
Inventories	305,514	1,246,555
Other current assets	(6,520)	61,285
Other operating assets	18,087	22,317
<b>Changes in operating assets</b>	<u>(1,081,675)</u>	<u>2,400,958</u>
Financial liabilities at fair value through profit or loss	(992,339)	(1,016,661)
Notes and accounts payable	122,748	(800,060)
Salaries payable	2,990	(613,366)
Other payables	47,674	(462,519)
Refund liabilities	300,997	107,352
Other current liabilities	422,954	375,681
Other operating liabilities	(16,740)	18,744
<b>Changes in operating liabilities</b>	<u>(111,716)</u>	<u>(2,390,829)</u>
<b>Total changes in operating assets and liabilities</b>	<u>(1,193,391)</u>	<u>10,129</u>
<b>Total adjustments</b>	<u>(250,497)</u>	<u>1,514,774</u>
Cash inflow generated from operations	1,497,954	3,183,209
Interest received	287,309	132,840
Interest paid	(65,440)	(76,408)
Income taxes paid	(360,011)	(244,717)
<b>Net cash flows from operating activities</b>	<u>1,359,812</u>	<u>2,994,924</u>
<b>Cash flows from investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	(17,865)	(27,419)
Decrease in financial assets measured at amortized cost	-	130,023
Acquisition of financial assets designated at fair value through profit or loss	(8,910)	(9,172)
Acquisition of property, plant and equipment	(738,304)	(694,485)
Proceeds from disposal of property, plant and equipment	103,336	29,167
(Increase) decrease in refundable deposits	(5,679)	828
Acquisition of investment properties	(57)	-
Acquisition of unamortized expense	(2,051)	(8,394)
Proceeds from disposal of unamortized expense	1,685	-
<b>Net cash flows used in investing activities</b>	<u>(667,845)</u>	<u>(579,452)</u>
<b>Cash flows from (used in) financing activities:</b>		
Increase in short-term borrowings	1,094,374	2,484,539
Increase in long-term borrowings	96,635	-
Increase in guarantee deposits received	3,735	9,811
Payment of lease liabilities	(121,956)	(112,698)
<b>Net cash flows from financing activities</b>	<u>1,072,788</u>	<u>2,381,652</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<u>638,423</u>	<u>(159,288)</u>
<b>Net increase in cash and cash equivalents</b>	<u>2,403,178</u>	<u>4,637,836</u>
<b>Cash and cash equivalents at beginning of period</b>	<u>10,904,683</u>	<u>6,284,887</u>
<b>Cash and cash equivalents at end of period</b>	<u><u>\$ 13,307,861</u></u>	<u><u>10,922,723</u></u>

See accompanying notes to consolidated financial statements.



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

## **PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES**

### **Notes to the Consolidated Financial Statements**

**June 30, 2024 and 2023**

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

#### **(1) Company history**

PRIMAX ELECTRONICS LTD. (the “Company”), formerly known as Hong Chuan Investments Ltd., was incorporated on March 20, 2006, and registered under the Ministry of Economic Affairs, ROC. The Company changed its name to Hong Chuan Electronics Ltd. and Primax Electronics Ltd. in October 2007 and February 2008, respectively. The address of the Company’s registered office is No. 669, Ruey Kuang Road, Neihu, Taipei.

The consolidated financial statements of the Company as of and for the six months ended June 30, 2024, comprised the Company and subsidiaries (together referred to as “the Group”). The major business activities of the Group were the manufacture and sale of multi-function printers, scanners, digital camera modules, computer mice, keyboards, track pads, mobile phone accessories, consumer electronics products, shredders, amplifiers, speakers, audio systems and related parts, as well as other electronic components. Please refer to note 14 for further information.

The Company’s common shares were registered with the Financial Supervisory Commission, ROC (“FSC”) on June 22, 2012, and listed on the Taiwan Stock Exchange (“TWSE”) on October 5, 2012.

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

The consolidated financial statements were authorized for issuance by the board of directors on August 8, 2024.

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

- (a) The impact of the International Financial Reporting Standards (“IFRS”) Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. (“FSC”) 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, 2024:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

(Continued)

**PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

- (b) The impact of IFRS issued 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, 2025, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS21 “Lack of Exchangeability”

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

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

<b>Standards or Interpretations</b>	<b>Content of amendment</b>	<b>Effective date per IASB</b>
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> </ul>	January 1, 2027

(Continued)

**PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

<b>Standards or Interpretations</b>	<b>Content of amendment</b>	<b>Effective date per IASB</b>
IFRS 18 “Presentation and Disclosure in Financial Statements”	<ul style="list-style-type: none"> <li>Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.</li> </ul>	January 1, 2027

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards

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

**(a) Statement of compliance**

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Report by Securities Issuers (“the Regulation”) 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 Accounting Standards 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, 2023. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2023.

(Continued)

**PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(b) Basis of consolidation

(i) List of subsidiaries in the consolidated financial statements

The details of the subsidiaries included in the consolidated financial statements are as follows:

Name of investor	Name of subsidiary	Principal activities	Percentage of shareholding			Description
			June 30, 2024	December 31, 2023	June 30, 2023	
The Company	Primax Industries (Cayman Holding) Ltd. (Primax Cayman)	Holding company	100.00 %	100.00 %	100.00 %	
The Company	Primax Technology (Cayman Holding) Ltd. (Primax Tech.)	Holding company	100.00 %	100.00 %	100.00 %	(note 1)
The Company	Destiny Technology Holding Co., Ltd. (Destiny BVI.)	Holding company	100.00 %	100.00 %	100.00 %	(note 1)
The Company	Primax Destiny Co., Ltd. (Destiny Japan)	Market development of and customer service for computer peripherals, mobile device components, and business devices	100.00 %	100.00 %	100.00 %	(note 1)
The Company	Diamond (Cayman) Holdings Ltd. (Diamond)	Holding company	100.00 %	100.00 %	100.00 %	
The Company	Gratus Technology Corp. (Gratus Tech.)	Market development of and customer service for computer peripherals, mobile device components, and business devices	100.00 %	100.00 %	100.00 %	(note 1)
The Company	Primax AE (Cayman) Holdings Ltd. (Primax AE)	Holding company	100.00 %	100.00 %	100.00 %	(note 1)
The Company	Primax Electronics (Singapore) Pte. Ltd. (Primax Singapore)	Sale of computer peripherals and mobile device components	100.00 %	100.00 %	100.00 %	(note 1)
The Company	Primax Security Technology Inc. (Primax Security)	Sale of computer peripherals and mobile device components	100.00 %	- %	- %	(note 1) (note 4)
Primax Cayman	Primax Industries (Hong Kong) Ltd. (Primax HK)	Holding company and customer service	100.00 %	100.00 %	100.00 %	
Primax HK and Primax Tech.	Dongguan Primax Electronic & Telecommunication Products Ltd. (PCH2)	Manufacturing and sale of computer peripherals, mobile device components, and business devices	100.00 %	100.00 %	100.00 %	
Primax HK	Primax Electronics (Kun Shan) Corp., Ltd. (PKS1)	Production of computer peripheral products	100.00 %	100.00 %	100.00 %	(note 1)
Primax HK	Primax Electronics (Chongqing) Corp., Ltd. (PCQ1)	Production of computer peripheral products	100.00 %	100.00 %	100.00 %	(note 1)
Primax Tech.	Polaris Electronics Inc. (Polaris)	Sale and purchase of computer peripherals, mobile device components, and business devices	100.00 %	100.00 %	100.00 %	(note 1)
Destiny BVI.	Destiny Electronic Corp. (Destiny Beijing)	R&D of computer peripherals and business devices	100.00 %	100.00 %	100.00 %	(note 1)
Primax Singapore	Primax Electronics (Thailand) Co., Ltd. (Primax Thailand)	Manufacturing and sale of computer peripherals, mobile device components, and business devices	99.99 %	99.99 %	99.99 %	(note 1)
Diamond	Tymphany Worldwide Enterprises Ltd. (TWEL)	Holding company	100.00 %	100.00 %	100.00 %	

(Continued)

## PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

Name of investor	Name of subsidiary	Principal activities	Percentage of shareholding			Description
			June 30, 2024	December 31, 2023	June 30, 2023	
TWEL	Tymphany Acoustic Technology (Huizhou) Co., Ltd (Tymphany Huizhou)	Manufacturing, R&D, design, and sales of various speaker accessories, speakers, and their components	77.01 %	77.01 %	77.01 %	
TWEL	Tymphany Acoustic Technology (Singapore) Pte. Ltd. (TYM Singapore)	R&D, design, and sale of various speaker accessories, speakers, and their components, as well as holding business	100.00 %	100.00 %	100.00 %	(note 2)
Tymphany Huizhou	Tymphany Acoustic Technology HK Ltd. (TYM Acoustic HK)	R&D, design, and sale of various speaker accessories, speakers, and their components, as well as holding business	100.00 %	100.00 %	100.00 %	
Tymphany Huizhou	Dongguan Tymphany Acoustic Technology Co., Ltd. (Tymphany Dongguan)	Manufacturing, R&D, design and sale of various speaker accessories, speakers, and their components	100.00 %	100.00 %	100.00 %	
TYM Acoustic HK	TYMPHANY ACOUSTIC TECHNOLOGY (UK) LIMITED (TYM UK)	R&D and design of various speaker accessories as well as speakers and their components	100.00 %	100.00 %	100.00 %	
TYM Acoustic HK	Tymphany Acoustic Technology Europe, s.r.o (TYM Acoustic Europe)	Manufacturing, installation, and maintenance of various speaker accessories and their components	100.00 %	100.00 %	100.00 %	(note 1)
TYM Acoustic HK	TYP Enterprise, inc. (TYP)	Market development of and customer service for speakers and their components	100.00 %	100.00 %	100.00 %	
TYM Acoustic HK	Tymphany HK Ltd. (TYM HK)	Holding company; sale of, market development of and customer service for various speaker accessories, speakers and their components	100.00 %	100.00 %	100.00 %	
TYM Acoustic HK	Tymphany Acoustic Technology Limited (TYM Acoustic)	R&D and design of various speaker accessories as well as speakers and their components	100.00 %	100.00 %	100.00 %	
TYM Acoustic HK	Tymphany Acoustic Technology (Thailand) Co., Ltd (TYTH)	Manufacturing and sale of various speaker accessories, speakers, and their components	99.99 %	99.99 %	99.99 %	(note 1)
TYM HK	TYMPHANY LOGISTICS, INC (TYML)	Sale of various speaker accessories, speakers, and their components	100.00 %	100.00 %	100.00 %	
Tymphany Dongguan	Dong Guan Dong Cheng Tymphany Acoustic Technology Co., Ltd. (TYDC)	Manufacturing, R&D, design, and sale of various speaker accessories, speakers, and their components	- %	100.00 %	100.00 %	(note 3)

Note 1: The Company is a non-significant subsidiary, and its financial statement have not been reviewed.

Note 2: As of June 30, 2024, there is no capital injection from the Company.

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## PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

Note 3: TYDC was merged into Tymphany Dongguan in June 2024.

Note 4: Primax Security was established on March 31, 2024, with the approval of the regulatory agency.

(c) Classification of current and non-current assets and liabilities

The Group classifies the asset as current under one of the following criteria, and all other assets are classified as non current.

- (i) It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- (ii) It holds the asset primarily for the purpose of trading;
- (iii) It expects to realize the asset within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies the liability as current under one of the following criteria, and all other liabilities are classified as non current.

- (i) It expects to settle the liability in its normal operating cycle;
- (ii) It holds the liability primarily for the purpose of trading;
- (iii) The liability is due to be settled within twelve months after the reporting period; or
- (iv) It does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(d) Employee benefits

The pension cost in the consolidated financial statements was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

(e) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of IAS 34 “Interim Financial Reporting”.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period by the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period.

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)

**PRIMAX ELECTRONICS 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 IFRS Accounting Standards (in accordance with IAS 34 “Interim Financial Reporting” and endorsed by the FSC) requires management to make judgments, estimates and assumptions 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 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, 2023. For the related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2023.

The accounting policies involved significant judgments and the information that have significant effect on the amounts recognized in the consolidated financial statements is as follow:

**(a) Judgment of whether the Group has substantive control over its investees**

The Group holds 37% of the outstanding voting shares of ALT International Co., Ltd. (AIC), but the chairman of AIC controls 45% of voting shares, and the Group did not obtain any director seats of AIC. Therefore, the Group does not have power of control over relevant activities of AIC, but remains significant influence.

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

Except for the following disclosures, there is no significant difference as compared with those disclosed in the consolidated financial statements for the year ended December 31, 2023. Please refer to note 6 of the 2023 annual consolidated financial statements.

**(a) Cash and cash equivalents**

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Cash on hand	\$ 2,511	2,987	3,068
Demand accounts and checking deposits	7,781,899	7,511,456	5,494,634
Time deposits	4,698,951	3,390,240	5,425,021
Repurchase agreement	824,500	-	-
	<b><u>\$ 13,307,861</u></b>	<b><u>10,904,683</u></b>	<b><u>10,922,723</u></b>

(Continued)

**PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(b) Current financial assets and liabilities at fair value through profit or loss

(i) Details of financial instruments were as follows:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<b>Mandatorily measured at FVTPL:</b>			
Derivative instruments not used for hedging			
Forward exchange contracts	\$ 464,030	102,225	362,492
Foreign exchange swap contracts	-	277,383	-
Non-derivative financial assets			
Equities unlisted in foreign markets — Storm Venture Fund VII, L.P.	6,166	5,040	3,736
Equities unlisted in foreign markets — Thin Line Capital Fund II, L.P.	15,024	7,008	7,784
	<u>\$ 485,220</u>	<u>391,656</u>	<u>374,012</u>
Current	\$ 464,030	379,608	362,492
Non-current	21,190	12,048	11,520
	<u>\$ 485,220</u>	<u>391,656</u>	<u>374,012</u>
	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<b>Financial liabilities held-for-trading:</b>			
Derivative instrument not used for hedging			
Forward exchange contracts	\$ (278,647)	(985,204)	(200,171)
Foreign exchange swap contracts	(401,004)	(7,135)	(696,336)
	<u>\$ (679,651)</u>	<u>(992,339)</u>	<u>(896,507)</u>

(ii) Storm Venture Fund VII, L.P increased its capital, wherein the Group participated and invested the amount of \$1,260 and \$1,522 for the six months ended June 30, 2024 and 2023, respectively.

(Continued)



**PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

- (iii) The Group invested the amount of \$7,650 thousand in an unlisted company, Thin Line Capital Fund II, L.P. in June 2023. Thin Line Capital Fund II, L.P. executed capital increase, where the Group had participated and invested the amount of \$7,650 in the six months ended June, 2024.
- (iv) The Group held the following derivative instruments as mandatorily measured at fair value through profit or loss and held-for-trading financial liabilities, without the application of edge accounting, as of June 30, 2024, December 31 and June 30, 2023:

<b>June 30, 2024</b>				
<b>Derivative financial instruments</b>	<b>Nominal amount (in thousands)</b>		<b>Maturity date</b>	<b>Predetermined rate</b>
Forward exchange contracts — buy HKD / sell USD	USD	8,000	July 30, 2024	7.7995
Forward exchange contracts — buy EUR/ sell CZK	EUR	1,500	July 30, 2024	24.990
Forward exchange contracts — buy CZK/ sell USD	USD	17,000	July 30, 2024	22.880~23.110
Forward exchange contracts — buy CZK/ sell EUR	EUR	1,500	July 30, 2024	24.780
Forward exchange contracts — buy USD / sell TWD	USD	624,000	July 5, 2024~ December 27, 2024	30.288~32.490
Forward exchange contracts — buy TWD / sell USD	USD	81,500	July 11, 2024~ July 31, 2024	32.323~32.440
Forward exchange contracts — buy CNY/ sell USD	USD	317,000	July 3, 2024~ July 30, 2024	7.2297~7.2645
Forward exchange contracts — buy USD/ sell THB	USD	24,500	July 24, 2024~ August 23, 2024	36.150~36.605
Forward exchange contracts — buy HKD/ sell EUR	EUR	2,000	July 30, 2024	8.388
Forward exchange swap contracts — swap in TWD/ swap out USD	USD	402,000	July 11, 2024~ November 26, 2024	30.514~32.291

(Continued)

**PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

<b>December 31, 2023</b>				
<b>Derivative financial instruments</b>	<b>Nominal amount (in thousands)</b>		<b>Maturity date</b>	<b>Predetermined rate</b>
Forward exchange contracts — buy HKD / sell USD	USD	8,000	January 30, 2024	7.8105
Forward exchange contracts — buy CZK/ sell EUR	EUR	1,000	January 30, 2024	24.620
Forward exchange contracts — buy CZK/ sell USD	USD	9,000	January 30, 2024	22.278
Forward exchange contracts — buy USD / sell TWD	USD	643,000	January 16, 2024~ June 27, 2024	30.418~31.990
Forward exchange contracts — buy TWD / sell USD	USD	31,800	January 16, 2024~ June 20, 2024	30.739~31.315
Forward exchange contracts — buy CNY/ sell USD	USD	303,000	January 4, 2024~ March 28, 2024	7.0943~7.1756
Forward exchange contracts — buy USD/ sell THB	USD	19,000	January 22, 2024~ January 30, 2024	34.400~34.980
Forward exchange contracts — buy HKD/ sell EUR	EUR	3,500	January 30, 2024	8.627
Foreign exchange swap contracts — swap in TWD/ swap out USD	USD	462,000	January 16, 2024~ June 24, 2024	30.457~31.761
<b>June 30, 2023</b>				
<b>Derivative financial instruments</b>	<b>Nominal amount (in thousands)</b>		<b>Maturity date</b>	<b>Predetermined rate</b>
Forward exchange contracts — buy USD / sell TWD	USD	683,000	July 11, 2023~ December 22, 2023	29.230~30.968
Forward exchange contracts — buy TWD / sell USD	USD	6,500	July 5, 2023	30.686
Forward exchange contracts — buy CNY/ sell USD	USD	225,000	July 3, 2023~ August 4, 2023	6.7104~7.2142
Forward exchange contracts — buy USD/ sell THB	USD	24,500	July 10, 2023~ July 31, 2023	34.850~35.220
Forward exchange contracts — buy HKD/ sell EUR	EUR	5,000	July 28, 2023	8.473
Foreign exchange swap contracts — swap in TWD/ swap out USD	USD	585,000	July 11, 2023~ December 20, 2023	29.388~30.914

(Continued)

**PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(c) Financial assets at FVOCI

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
<b>Equity investments at FVOCI</b>			
Stocks unlisted in domestic markets— Changing Information Technology Inc.	\$ 14,008	11,093	11,394
Stocks unlisted in domestic markets— Syntronix Corp.	250	250	250
Equities unlisted in foreign markets—Grove Ventures L.P.	156,149	158,070	160,532
Equities unlisted in foreign markets—Grove Ventures II, L.P.	95,523	97,145	95,015
Equities unlisted in foreign markets— Grove Ventures III, L.P.	34,137	23,727	26,247
Stocks unlisted in foreign markets— Shenzhen Mees Hi-Tech Co., Ltd.	-	-	60,704
<b>Total</b>	<b>\$ 300,067</b>	<b>290,285</b>	<b>354,142</b>

- (i) The Group designated the investments above as equity securities as at FVOCI because these equity securities represent those investments that the Group intends to hold for long-term for strategic purposes and not for sale.
- (ii) Grove Venture, L.P executed capital increases, where the Group had participated and invested the amounts of \$6,259 and \$1,377 in the six months ended June 30, 2024 and 2023, respectively.
- (iii) Grove Ventures II, L.P. executed capital increases, where the Group had participated and invested the amounts of \$2,702 and \$10,773 in the six months ended June 30, 2024 and 2023, respectively.
- (iv) Grove Venture III, L.P. executed capital increases, where the Group had participated and invested the amounts of \$8,904 and \$15,269 in the six months ended June 30, 2024 and 2023, respectively.
- (v) The Group's investments in Grove Ventures, L.P., Grove Ventures II, L.P., and Grove Ventures III, L.P. are investments with duration. The Group's investments in the above limited partnership was designated as a financial asset at fair value through other comprehensive income at the time of the initial recognition.

Although, in accordance with the IFRS Q&A released by the Accounting Research and Development Foundation on June 15, 2023, wherein the financial asset cannot be designated at fair value through other comprehensive income, the accounting treatment need not be applied retroactively to investments in limited partnership companies prior to June 30, 2023, according to the Q&A of the FSC. Therefore, the Group continues to measure its investment in these limited partnership companies at fair value through other comprehensive income.

(Continued)

**PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(vi) The Group did not provide any of the aforementioned financial assets as collateral.

(d) Financial assets at amortized cost

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Time deposits	\$ <b>30,234</b>	<b>30,234</b>	-
Annual interest rates	<b>0.54%~1.53%</b>	<b>0.54%~1.53%</b>	-
Maturity date	<b>2024.07.10</b>	<b>2024.07.10</b>	

(i) 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.

(ii) The Group did not provide any of the aforementioned financial assets as collateral.

(e) Accounts receivable (including related parties)

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Accounts receivable	\$ 13,015,830	11,549,203	15,068,692
Accounts receivable – related parties	91,562	70,606	195,145
Less: allowance for doubtful accounts	(62,672)	(67,416)	(57,981)
Total	<b>\$ 13,044,720</b>	<b>11,552,393</b>	<b>15,205,856</b>

(i) The Group did not provide any of the aforementioned accounts receivable (including related parties) as collateral.

(ii) The Group applies the simplified approach to provide for its ECL, the use of lifetime ECL provision for all notes and accounts receivables. To measure the ECL, notes and accounts receivable have been grouped based on shared credit risk characteristics and customer's ability to pay all the amounts due based on the terms of the contract as well as incorporated forward looking information, including macroeconomic and relevant industry information. The ECL allowance provision analysis was as follows:

(Continued)

**PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

<b>June 30, 2024</b>			
	<b>Carrying amounts of accounts receivable (including related parties)</b>	<b>Lifetime ECL rate</b>	<b>Loss allowance provision of lifetime ECL</b>
Current	\$ 12,069,050	0%~0.08%	10,035
0 to 30 days past due	958,085	0%~3%	13,852
31 to 60 days past due	36,514	0%~5%	821
61 to 90 days past due	4,532	0%~10%	4
91 to 180 days past due	1,350	0%~25%	108
181 to 360 days past due	19	0%~80%	10
More than 361 days past due	37,842	0%~100%	37,842
	<b>\$ 13,107,392</b>		<b>62,672</b>
<b>December 31, 2023</b>			
	<b>Carrying amounts of accounts receivable (including related parties)</b>	<b>Lifetime ECL rate</b>	<b>Loss allowance provision of lifetime ECL</b>
Current	\$ 10,450,695	0%~0.21%	22,061
0 to 30 days past due	1,047,527	0%~3%	17,568
31 to 60 days past due	77,561	0%~5%	3,713
61 to 90 days past due	2,631	0%~10%	213
91 to 180 days past due	5,577	0%~25%	595
181 to 360 days past due	19,330	0%~80%	6,778
More than 361 days past due	16,488	0%~100%	16,488
	<b>\$ 11,619,809</b>		<b>67,416</b>

(Continued)

**PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	<b>June 30, 2023</b>		
	<b>Carrying amounts of accounts receivable (including related parties)</b>	<b>Lifetime ECL rate</b>	<b>Loss allowance provision of lifetime ECL</b>
Current	\$ 14,489,957	0%~0.02%	52
0 to 30 days past due	626,220	0%~3%	15,857
31 to 60 days past due	46,149	0%~5%	2,308
61 to 90 days past due	5,025	0%~10%	318
91 to 180 days past due	6,071	0%~25%	811
181 to 360 days past due	90,132	0%~80%	38,352
More than 361 days past due	283	0%~100%	283
	<b>\$ 15,263,837</b>		<b>57,981</b>

- (iii) The movement in the allowance for accounts receivable (including related parties) was as follows:

	<b>For the six months ended June 30</b>	
	<b>2024</b>	<b>2023</b>
Balance on January 1	\$ 67,416	104,638
Impairment losses reversed	(8,378)	(46,343)
Effect of exchange rate changes	3,634	(314)
Balance on March 31	<b>\$ 62,672</b>	<b>57,981</b>

- (iv) The Group entered into agreements with banks to sell its accounts receivable without recourse. According to the agreements, within the limit of its credit facilities, the Group does not need to guarantee the capability of its customers to pay for reasons other than commercial disputes when transferring its accounts receivable. The Group receives partial advances upon sales of accounts receivable and pays interest calculated based on the interest rates agreed for the period through the collection of the accounts receivable. The remaining amounts are received upon the collection of the accounts receivable, and are recorded as other receivables. In addition, the Group shall pay handling charges based on a fixed rate. The Group derecognized the above trade receivables because it has transferred substantially all of the risks and rewards of their ownership and it does not have any continuing involvement in them. As of June 30, 2024, December 31 and June 30, 2023, the details of transferred accounts receivable which conformed to the criteria for derecognition were as follows:

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**PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

June 30, 2024						
Purchaser	Amount Derecognized	Amount Advanced		Amount Recognized in Other Receivables	Range of Interest Rate	Guarantee (Promissory note)
		Unpaid	Paid			
DBS Bank	\$ 1,253,905	1,128,514	-	1,253,905	-	-
Bank of Taiwan	-	-	-	-	-	NT\$ 297,000
Mega International Commercial Bank	-	-	-	-	-	US\$ 2,500
	<u>\$ 1,253,905</u>	<u>1,128,514</u>	<u>-</u>	<u>1,253,905</u>		
December 31, 2023						
Purchaser	Amount Derecognized	Amount Advanced		Amount Recognized in Other Receivables	Range of Interest Rate	Guarantee (Promissory note)
		Unpaid	Paid			
DBS Bank	\$ 942,729	848,456	-	942,729	-	-
Mega International Commercial Bank	-	-	-	-	-	US\$ 2,500
	<u>\$ 942,729</u>	<u>848,456</u>	<u>-</u>	<u>942,729</u>		
June 30, 2023						
Purchaser	Amount Derecognized	Amount Advanced		Amount Recognized in Other Receivables	Range of Interest Rate	Guarantee (Promissory note)
		Unpaid	Paid			
HSBC Bank	\$ -	-	-	-	-	US\$ 18,000
Bank of Taiwan	-	-	-	-	-	NT\$ 297,000
Mega International Commercial Bank	-	-	-	-	-	US\$ 3,750
	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>		

(v) Please refer to note 9 for guarantee notes provided by the Group to sell its accounts receivable.

(f) Other receivables

	June 30, 2024	December 31, 2023	June 30, 2023
Other receivables - factoring of accounts receivable	\$ 1,253,905	942,729	-
Other receivables - tax refund receivable	453,400	446,860	414,018
Other receivables - others	148,483	183,360	106,568
Less: allowance for doubtful accounts	(17,080)	(16,278)	(16,164)
	<u>\$ 1,838,708</u>	<u>1,556,671</u>	<u>504,422</u>

The movement in the allowance for other receivables was as follows:

	For the six months ended June 30	
	2024	2023
Balance on January 1, 2024 and 2023	\$ 16,278	16,540
Effect of exchange rate changes	802	(376)
Balance on June 30, 2024 and 2023	<u>\$ 17,080</u>	<u>16,164</u>

(Continued)

**PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(g) Inventories

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Raw materials	\$ 3,070,688	2,941,221	3,056,501
Semi-finished goods and work in process	1,865,165	1,853,451	1,868,330
Finished goods and merchandise	<u>2,755,030</u>	<u>3,201,725</u>	<u>3,182,118</u>
	<u><b>\$ 7,690,883</b></u>	<u><b>7,996,397</b></u>	<u><b>8,106,949</b></u>

The Group did not provide any of the aforementioned inventories as collateral. Except for cost of inventories sold, the Group recognized the following items as cost of goods sold:

	<b>For the three months ended June 30</b>		<b>For the six months ended June 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Gains (losses) on inventory valuation and disposal of inventories	\$ 63,984	(23,953)	71,755	(15,142)
Unallocated manufacturing overhead resulting from the actual production being lower than the normal capacity	(17,269)	(13,929)	(32,851)	(20,495)
Gains (losses) on physical inventories	<u>(365)</u>	<u>546</u>	<u>(496)</u>	<u>179</u>
	<u><b>\$ 46,350</b></u>	<u><b>(37,336)</b></u>	<u><b>38,408</b></u>	<u><b>(35,458)</b></u>

(h) Material non-controlling interests of subsidiaries

The material non-controlling interests of subsidiaries were as follows:

Name of subsidiaries	Main operation place Business/Registered Country	Proportion of Ownership and Voting Rights Held by Non-controlling Interests		
		June 30, 2024	December 31, 2023	June 30, 2023
Tymphany Huizhou and its subsidiaries	Hong Kong and China/Cayman Is.	22.99 %	22.99 %	22.99 %

The following information on the aforementioned subsidiaries have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Included in these information are the fair value adjustments made during the acquisition and relevant difference in accounting principles between the Group as at the acquisition date. Intra-group transactions were not eliminated in this information.

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**PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(i) Tymphany Huizhou and its subsidiaries's collective financial information:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Current assets	\$ 12,465,679	10,972,844	13,096,768
Non-current assets	5,353,914	5,566,788	6,103,989
Current liabilities	(7,627,946)	(7,013,879)	(9,693,142)
Non-current liabilities	(443,671)	(465,002)	(675,940)
Net assets	<u>\$ 9,747,976</u>	<u>9,060,751</u>	<u>8,831,675</u>
Non-controlling interests	<u>\$ 2,241,060</u>	<u>2,083,067</u>	<u>2,030,402</u>

  

	<b>For the three months ended June 30</b>		<b>For the six months ended June 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Operating revenue	<u>\$ 5,220,578</u>	<u>6,490,706</u>	<u>9,518,499</u>	<u>12,362,487</u>
Profit	\$ 284,963	304,475	389,829	384,572
Other comprehensive income (losses)	86,546	(89,380)	270,523	(47,895)
Comprehensive income	<u>\$ 371,509</u>	<u>215,095</u>	<u>660,352</u>	<u>336,677</u>
Profit attributable to non-controlling interests	<u>\$ 65,513</u>	<u>70,000</u>	<u>89,622</u>	<u>88,414</u>
Comprehensive income attributable to non-controlling interests	<u>\$ 85,410</u>	<u>49,450</u>	<u>151,815</u>	<u>77,402</u>

  

	<b>For the six months ended June 30</b>	
	<b>2024</b>	<b>2023</b>
Cash flows used in operating activities	\$ 518,441	1,053,421
Cash flows used in investing activities	44,027	78,108
Cash flows from (used) in financing activities	(49,316)	594,951
Effect of exchange rate changes	107,814	(84,731)
Net increase in cash and cash equivalents	<u>\$ 620,966</u>	<u>1,641,749</u>
Dividends paid to non-controlling interests	<u>\$ -</u>	<u>-</u>

(Continued)

**PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(i) Property, plant and equipment

The cost, depreciation, and impairment loss of the property, plant and equipment of the Group for the six months ended June 30, 2024 and 2023, were as follows:

	Land	Buildings, leasehold improvement, and additional equipment	Machinery and equipment	Office and other equipment	Construction in progress and testing equipment	Total
<b>Cost or deemed cost:</b>						
Balance on January 1, 2024	\$ 1,080,192	6,213,055	7,443,940	1,151,325	994,455	16,882,967
Additions	120,127	5,904	81,319	9,880	409,616	626,846
Disposals	-	(68,338)	(597,068)	(108,468)	-	(773,874)
Reclassifications	-	21,334	135,196	(12,583)	(177,074)	(33,127)
Effect of changes in exchange rate	(4,233)	198,567	286,854	40,517	11,748	533,453
Balance on June 30, 2024	<u>\$ 1,196,086</u>	<u>6,370,522</u>	<u>7,350,241</u>	<u>1,080,671</u>	<u>1,238,745</u>	<u>17,236,265</u>
Balance on January 1, 2023	\$ 1,077,437	6,714,735	7,407,901	1,176,279	459,164	16,835,516
Additions	-	31,168	77,011	20,873	583,330	712,382
Disposals	-	(29,405)	(128,635)	(18,799)	-	(176,839)
Reclassifications	-	103,346	159,455	15,872	(311,421)	(32,748)
Effect of changes in exchange rate	(2,384)	(131,972)	(142,204)	(23,275)	(6,954)	(306,789)
Balance on June 30, 2023	<u>\$ 1,075,053</u>	<u>6,687,872</u>	<u>7,373,528</u>	<u>1,170,950</u>	<u>724,119</u>	<u>17,031,522</u>
<b>Depreciation and impairments loss:</b>						
Balance on January 1, 2024	\$ -	2,481,245	5,834,955	825,858	-	9,142,058
Depreciation	-	155,363	426,749	72,859	-	654,971
Disposals	-	(62,083)	(518,528)	(93,215)	-	(673,826)
Reclassifications	-	(19)	(15,827)	(9,161)	-	(25,007)
Effect of changes in exchange rate	-	106,513	253,014	34,606	-	394,133
Balance on June 30, 2024	<u>\$ -</u>	<u>2,681,019</u>	<u>5,980,363</u>	<u>830,947</u>	<u>-</u>	<u>9,492,329</u>
Balance on January 1, 2023	\$ -	2,345,364	5,496,266	747,063	-	8,588,693
Depreciation	-	150,020	490,135	84,401	-	724,556
Disposals	-	(28,312)	(107,825)	(17,597)	-	(153,734)
Reclassifications	-	66	(7,858)	(66)	-	(7,858)
Effect of changes in exchange rate	-	(50,034)	(114,214)	(16,583)	-	(180,831)
Balance on June 30, 2023	<u>\$ -</u>	<u>2,417,104</u>	<u>5,756,504</u>	<u>797,218</u>	<u>-</u>	<u>8,970,826</u>
<b>Carrying amounts:</b>						
Balance on January 1, 2024	<u>\$ 1,080,192</u>	<u>3,731,810</u>	<u>1,608,985</u>	<u>325,467</u>	<u>994,455</u>	<u>7,740,909</u>
Balance on June 30, 2024	<u>\$ 1,196,086</u>	<u>3,689,503</u>	<u>1,369,878</u>	<u>249,724</u>	<u>1,238,745</u>	<u>7,743,936</u>
Balance on January 1, 2023	<u>\$ 1,077,437</u>	<u>4,369,371</u>	<u>1,911,635</u>	<u>429,216</u>	<u>459,164</u>	<u>8,246,823</u>
Balance on June 30, 2023	<u>\$ 1,075,053</u>	<u>4,270,768</u>	<u>1,617,024</u>	<u>373,732</u>	<u>724,119</u>	<u>8,060,696</u>

- (i) The unamortized deferred revenue of equipment subsidy amounted to \$452,004, \$529,007 and \$638,065 were classified as long-term deferred revenue, as of June 30, 2024, December 31 and June 30, 2023, respectively.

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# PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements

(ii) As of June 30, 2024, December 31 and June 30, 2023, the Group has started the construction of Jhubei Factory in 2022, with the total costs of \$864,927, \$662,663 and \$337,024, respectively. The Group started project loan from July 26, 2023. For the three and six months ended June 30, 2024, the capitalized borrowing costs \$737 and \$1,408, related to the construction of the said factory, had been calculated using a capitalization rate of 1.1% to 1.225%.

(iii) The Group provided the aforementioned property, plant and equipment as collateral; please refer to note 8.

### (j) Right-of-use assets

The Group leases many assets including land, buildings and vehicles. Information about leases for which the Group as a lessee is presented below:

	<u>Land</u>	<u>Buildings</u>	<u>Vehicles</u>	<u>Other equipment</u>	<u>Total</u>
<b>Cost:</b>					
Balance on January 1, 2024	\$ 245,823	2,549,113	56,507	-	2,851,443
Additions	-	45,909	10,220	1,585	57,714
Disposals	-	(110,866)	(4,381)	-	(115,247)
Lease modification	-	26,536	-	-	26,536
Effect of changes in exchange rates	12,112	22,555	643	36	35,346
Balance on June 30, 2024	<u>\$ 257,935</u>	<u>2,533,247</u>	<u>62,989</u>	<u>1,621</u>	<u>2,855,792</u>
Balance on January 1, 2023	\$ 371,616	2,523,498	40,756	2,106	2,937,976
Additions	-	145,699	5,046	-	150,745
Disposals	-	(37,979)	(368)	-	(38,347)
Lease modification	-	34,776	-	-	34,776
Effect of changes in exchange rates	(8,453)	15,670	787	-	8,004
Balance on June 30, 2023	<u>\$ 363,163</u>	<u>2,681,664</u>	<u>46,221</u>	<u>2,106</u>	<u>3,093,154</u>
<b>Depreciation:</b>					
Balance on January 1, 2024	\$ 24,571	908,268	27,073	-	959,912
Depreciation	3,067	122,770	7,200	199	133,236
Disposals	-	(58,631)	(3,144)	-	(61,775)
Effect of changes in exchange rates	1,281	11,819	312	5	13,417
Balance on June 30, 2024	<u>\$ 28,919</u>	<u>984,226</u>	<u>31,441</u>	<u>204</u>	<u>1,044,790</u>
Balance on January 1, 2023	\$ 34,845	745,246	21,462	2,106	803,659
Depreciation	4,246	122,923	5,383	-	132,552
Disposals	-	(37,979)	(153)	-	(38,132)
Effect of changes in exchange rates	(881)	5,893	314	-	5,326
Balance on June 30, 2023	<u>\$ 38,210</u>	<u>836,083</u>	<u>27,006</u>	<u>2,106</u>	<u>903,405</u>
<b>Carrying amounts:</b>					
Balance on January 1, 2024	<u>\$ 221,252</u>	<u>1,640,845</u>	<u>29,434</u>	<u>-</u>	<u>1,891,531</u>
Balance on June 30, 2024	<u>\$ 229,016</u>	<u>1,549,021</u>	<u>31,548</u>	<u>1,417</u>	<u>1,811,002</u>
Balance on January 1, 2023	<u>\$ 336,771</u>	<u>1,778,252</u>	<u>19,294</u>	<u>-</u>	<u>2,134,317</u>
Balance on June 30, 2023	<u>\$ 324,953</u>	<u>1,845,581</u>	<u>19,215</u>	<u>-</u>	<u>2,189,749</u>

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**PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(k) Investment property

	<u>Land</u>	<u>Buildings and other equipment</u>	<u>Right-of-use assets — Land</u>	<u>Total</u>
<b>Carrying amounts:</b>				
Balance on January 1, 2024	\$ <u>16,249</u>	<u>611,600</u>	<u>21,666</u>	<u>649,515</u>
Balance on June 30, 2024	\$ <u>16,249</u>	<u>623,472</u>	<u>22,416</u>	<u>662,137</u>
Balance on January 1, 2023	\$ <u>16,249</u>	<u>16,651</u>	<u>-</u>	<u>32,900</u>
Balance on June 30, 2023	\$ <u>16,249</u>	<u>16,420</u>	<u>-</u>	<u>32,669</u>

- (i) There were no significant additions, disposal, or recognition and reversal of impairment losses of intangible assets for the six months ended June 30, 2024 and 2023. Please refer to 6(l) of the consolidated financial statements for the year ended December 31, 2023 for other related information.
- (ii) The fair value of the investment property was not significantly different from those disclosed in note 6(l) of the consolidated financial statements for the year ended December 31, 2023.
- (iii) The Group provided the aforementioned investment property as collateral; please refer to note 8.

(l) Intangible assets

	<u>Goodwill</u>	<u>Customer Relationships</u>	<u>Technology</u>	<u>Trademarks, Patents and Copyrights</u>	<u>Total</u>
<b>Carrying amounts:</b>					
Balance on January 1, 2024	\$ <u>2,007,891</u>	<u>1,740</u>	<u>1,013</u>	<u>2,945</u>	<u>2,013,589</u>
Balance on June 30, 2024	\$ <u>2,016,826</u>	<u>-</u>	<u>-</u>	<u>1,552</u>	<u>2,018,378</u>
Balance on January 1, 2023	\$ <u>2,008,135</u>	<u>73,620</u>	<u>42,943</u>	<u>5,561</u>	<u>2,130,259</u>
Balance on June 30, 2023	\$ <u>2,009,500</u>	<u>37,680</u>	<u>21,979</u>	<u>3,653</u>	<u>2,072,812</u>

- (i) There were no significant additions, disposal, or recognition and reversal of impairment losses of intangible assets for the six months ended June 30, 2024 and 2023. Please refer to note 6(m) of the consolidated financial statements for the year ended December 31, 2023 for other related information.
- (ii) The Group did not provide any of the aforementioned intangible assets as collateral.

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**PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(m) Short-term borrowings

The details of short-term borrowings were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Unsecured bank loans	\$ 1,367,386	756,252	2,351,204
Secured bank loans	486,746	-	622,705
	<u>\$ 1,854,132</u>	<u>756,252</u>	<u>2,973,909</u>
Unused credit lines	<u>\$ 27,527,295</u>	<u>26,822,784</u>	<u>27,037,293</u>
Annual interest rates	<u>3.08%~6.29%</u>	<u>3.04%~3.64%</u>	<u>1.64%~5.74%</u>

For the collateral for short-term borrowings, please refer to note 8.

(n) Long-term borrowings

<b>June 30, 2024</b>				
	<b>Currency</b>	<b>Annual interest rate</b>	<b>Maturity year</b>	<b>Amount</b>
Secured bank loans	USD	1.23%~1.77%	2026~2028	\$ 707,979
	THB	4.21%	2027	96,811
Less: current portion				(132,667)
				<u>\$ 672,123</u>
Unused credit lines				<u>\$ 1,903,265</u>
<b>December 31, 2023</b>				
	<b>Currency</b>	<b>Annual interest rate</b>	<b>Maturity year</b>	<b>Amount</b>
Secured bank loans	TWD	1.1%~1.65%	2026~2028	\$ 707,979
Less: current portion				(16,667)
				<u>\$ 691,312</u>
Unused credit lines				<u>\$ 2,321,407</u>
<b>June 30, 2023</b>				
	<b>Currency</b>	<b>Annual interest rate</b>	<b>Maturity year</b>	<b>Amount</b>
Secured bank loans	TWD	1.15%~1.65%	2026	\$ 464,000
Less: current portion				-
				<u>\$ 464,000</u>
Unused credit lines				<u>\$ 1,958,705</u>

(i) For the collateral for long-term borrowings, please refer to note 8.

(Continued)

**PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(ii) Please refer to note 9 for the details of the outstanding guarantee notes.

(o) Lease liabilities

The carrying amounts of lease liabilities of the Group were as follow:

	June 30, 2024	December 31, 2023	June 30, 2023
Current	\$ <u>228,496</u>	<u>225,189</u>	<u>231,015</u>
Non-current	\$ <u>1,476,141</u>	<u>1,559,401</u>	<u>1,751,161</u>

For the maturity analysis, please refer to note 6(z).

The amounts recognized in profit or loss were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Interest on lease liabilities	\$ <u>12,714</u>	<u>15,019</u>	<u>25,631</u>	<u>29,576</u>
Expenses relating to short-term leases and leases of low-value assets	\$ <u>18,796</u>	<u>24,947</u>	<u>37,160</u>	<u>49,740</u>

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

	For the six months ended June 30	
	2024	2023
Rental paid in operating activities	\$ (37,160)	(49,740)
Interest on lease liabilities paid in operating activities	(25,631)	(29,576)
Payment made on lease liabilities in financing activities	(121,956)	(112,698)
Total cash outflow for leases	\$ <u>(184,747)</u>	<u>(192,014)</u>

(i) Real estate leases

The Group leases lands and buildings for its office, staff dormitory, factory facilities and warehouses. The leases typically run for a period of one to fifty years. Some leases require additional rental payments depending on the changes in fair value of the lease assets.

(ii) Other leases

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

The Group also leases machineries and some of other equipment with lease terms of one to five years. These leases are short-term or leases of low-value items. The Group decided to apply recognition exemptions, and had elected not to recognize its right-of-use assets and lease liabilities for these leases.

(Continued)

**PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(p) Operating lease

There were no significant changes in operating lease for the six months ended June 30, 2024 and 2023. Please refer to note 6(q) of the consolidated financial statements for the year ended December 31, 2023 for other related information.

(q) Employee benefits

(i) Defined benefit plans

There was no material volatility of the market, no material reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2023 and 2022.

(ii) Defined contribution plans

The Company contribute the pension cost on the defined contribution plans to the labor pension account at the Bureau of Labor Insurance. Subsidiaries other than the Company set up their defined contribution plans in accordance with the regulations of their respective countries.

(iii) The Group recognized its pension costs and recorded them as operating costs and operating expenses.

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Defined benefit plans	\$ 177	189	354	378
Defined contribution plans	101,072	98,769	196,052	204,236
Total	<u>\$ 101,249</u>	<u>98,958</u>	<u>196,406</u>	<u>204,614</u>

(r) Income taxes

(i) Income tax expense for the period is best estimated by multiplying the profit before tax of the reporting period by the effective annual tax rate as forecasted by the management.

(ii) The details of the Group's income tax expenses were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Income tax expense	<u>\$ 198,651</u>	<u>186,916</u>	<u>350,172</u>	<u>325,905</u>

(iii) There were no income tax recognized in equity or other comprehensive income.

(iv) The Company's income tax returns have been examined by the tax authority through the years to 2020.

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**PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(v) Global minimum top-up tax

The Group is subject to the global minimum top-up tax under Pillar Two tax legislation from January 1, 2024 and is liable for additional current taxes in relation to the group's operations in United Kingdom, The Czech Republic and Japan. The top-up tax relates to the subsidiaries' operations in Cayman Islands, where the statutory tax rate is 0 percent. This impact has been considered in determining the weighted-average annual income tax rate for the full financial year.

The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred. Please refer to note 4(s) of the consolidated financial statements for the year ended December 31, 2023 for other related information.

(s) Capital and other equity

Except for the following disclosure, there was no significant change for capital and other equity for the six months ended June 30, 2024 and 2023. For the related information, please refer to note 6(t) of the consolidated financial statements for the year ended December 31, 2023.

(i) Ordinary shares

As of June 30, 2024, December 31 and June 30, 2023, the nominal ordinary shares both amounted to \$5,500,000. Par value of each share is \$10 (dollars), which means in total there were 550,000 thousand authorized common shares, of which 462,932 thousand shares, 462,974 thousand shares and 459,434 thousand shares, respectively, were issued. All issued shares were paid up upon issuance.

Reconciliation of shares outstanding were as follows:

	<b>Ordinary shares</b>	
	<b>(in thousands of shares)</b>	
	<b>For the six months ended June 30</b>	
	<b>2024</b>	<b>2023</b>
Balance on January 1	462,974	458,289
Issuance of restricted stock	-	1,145
Cancellation of restricted stock	(42)	-
Balance on June 30	<u><b>462,932</b></u>	<u><b>459,434</b></u>

(Continued)



**PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(ii) Capital surplus

The balances of capital surplus were as follows:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Additional paid-in capital	\$ 1,107,461	1,076,639	958,145
Employee stock options	259,401	259,401	259,401
Restricted employee stock options	432,185	463,007	391,321
Long-term investments	554,528	560,706	567,032
	<b><u>\$ 2,353,575</u></b>	<b><u>2,359,753</u></b>	<b><u>2,175,899</u></b>

(iii) Retained earnings

According to the articles of the Company, when allocating the earnings for each year, the Company shall first offset its losses in previous year and set aside a legal capital reserve at 10% of the earnings left over, until the accumulated legal capital reserve has equaled the total capital of the Company; then set aside a special capital reserve in accordance with relevant laws, the balance of the earnings shall combined into an aggregate amount of undistributed earnings, which shall become the aggregate distributable earnings to be distributed by the directors' distribution proposals according to the resolution adopted at the shareholders' meeting.

The Company is at the growth stage and considers its future cash demand, long-term financial plans, benefits to shareholders, and balanced dividends. Earnings distribution is made by stock dividend and cash dividend. The cash dividend shall not be less than 10 percent of the total dividends and could be adjusted depending on the Company's operating condition.

On May 24, 2024 and May 25, 2023, the shareholders' meeting resolved to distribute the 2023 and 2022 earnings, respectively. The distributions for 2023 and 2022 were NT\$ 4(dollars) and NT\$3.9(dollars) per share, which amounted to \$1,851,727 and \$1,791,794, respectively.

(t) Share-based payment

Except for the following disclosure, there were no significant changes on share-based payment for the six months ended June 30, 2024 and 2023. Please refer to note 6(u) of the consolidated financial statements for the year ended December 31, 2023 for further information.

After the shareholders' meeting on May 26, 2022, the Company decided to issue 4,500 thousand shares of restricted stock to those full-time employees who meet the Company's requirements. The restricted stock has been registered with and approved by the Securities and Futures Bureau of the FSC. The Board of Directors' meeting resolved to issue 3,355 and 1,145 thousand shares on August, 2022 and January, 2023, respectively.

(Continued)

**PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

- (i) Expenses attributable to share-based payment were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Restricted stock	\$ <u>61,023</u>	<u>58,952</u>	<u>126,409</u>	<u>117,738</u>

- (u) Earnings per share

The calculation of basic earnings and diluted earnings per share was as follows:

- (i) Basic earnings per share

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Profit attributable to owners of parent	\$ <u>727,301</u>	<u>699,234</u>	<u>1,308,657</u>	<u>1,254,116</u>
Weighted-average number of ordinary shares (thousand shares)	<u>454,577</u>	<u>451,422</u>	<u>454,470</u>	<u>451,371</u>
Basic earnings per share (NT dollars)	\$ <u>1.60</u>	<u>1.55</u>	<u>2.88</u>	<u>2.78</u>

- (ii) Diluted earnings per share

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Profit attributable to owners of parent	\$ <u>727,301</u>	<u>699,234</u>	<u>1,308,657</u>	<u>1,254,116</u>
Weighted-average number of ordinary shares (diluted) (thousand shares)	<u>460,803</u>	<u>455,481</u>	<u>460,866</u>	<u>455,913</u>
Diluted earnings per share (NT dollars)	\$ <u>1.58</u>	<u>1.54</u>	<u>2.84</u>	<u>2.75</u>

Weighted-average number of ordinary shares (diluted) (thousand shares)

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Weighted-average number of ordinary shares on June 30 (basic)	454,577	451,422	454,470	451,371
Estimated effect of employee stock bonuses	505	676	916	1,248
Effect of restricted stock	<u>5,721</u>	<u>3,383</u>	<u>5,480</u>	<u>3,294</u>
Weighted-average number of ordinary shares on June 30 (diluted)	<u>460,803</u>	<u>455,481</u>	<u>460,866</u>	<u>455,913</u>

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**PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(v) Revenue from contracts with customers

(i) Disaggregation of revenue

<b>For the three months ended June 30, 2024</b>			
	<b>Computer Peripherals</b>	<b>Non-computer Peripherals</b>	<b>Total</b>
Goods sold	\$ 5,994,048	8,925,152	14,919,200
Service rendered	111,035	337,816	448,851
	<b>\$ 6,105,083</b>	<b>9,262,968</b>	<b>15,368,051</b>

<b>For the three months ended June 30, 2023</b>			
	<b>Computer Peripherals</b>	<b>Non-computer Peripherals</b>	<b>Total</b>
Goods sold	\$ 5,600,799	10,142,854	15,743,653
Service rendered	20,403	301,324	321,727
	<b>\$ 5,621,202</b>	<b>10,444,178</b>	<b>16,065,380</b>

<b>For the six months ended June 30, 2024</b>			
	<b>Computer Peripherals</b>	<b>Non-computer Peripherals</b>	<b>Total</b>
Goods sold	\$ 11,753,660	16,489,612	28,243,272
Service rendered	173,442	600,072	773,514
	<b>\$ 11,927,102</b>	<b>17,089,684</b>	<b>29,016,786</b>

<b>For the six months ended June 30, 2023</b>			
	<b>Computer Peripherals</b>	<b>Non-computer Peripherals</b>	<b>Total</b>
Goods sold	\$ 10,815,387	19,286,957	30,102,344
Service rendered	70,611	569,472	640,083
	<b>\$ 10,885,998</b>	<b>19,856,429</b>	<b>30,742,427</b>

	<b>For the three months ended June 30</b>		<b>For the six months ended June 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Mainland China	\$ 6,590,636	6,080,411	12,573,987	11,248,373
Europe	2,753,350	4,332,639	5,484,379	8,162,377
America	5,224,655	4,402,710	9,383,903	8,810,908
Other	799,410	1,249,620	1,574,517	2,520,769
	<b>\$ 15,368,051</b>	<b>16,065,380</b>	<b>29,016,786</b>	<b>30,742,427</b>

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**PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(ii) Contract balances

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Accounts receivable (including related parties)	\$ 13,107,392	11,619,809	15,263,837
Less: allowance for impairment	<u>(62,672)</u>	<u>(67,416)</u>	<u>(57,981)</u>
	<b><u>\$ 13,044,720</u></b>	<b><u>11,552,393</u></b>	<b><u>15,205,856</u></b>
Contract liabilities (classified as other current liabilities)	<b><u>\$ 617,555</u></b>	<b><u>488,099</u></b>	<b><u>1,053,501</u></b>

For details on accounts receivable (including related parties) and allowance for impairment, please refer to note 6(e).

The amount of revenue recognized for the six months ended June 30, 2024 and 2023 that were included in the contract liability balance at the beginning of the period were \$262,786 and \$535,523, respectively.

The contract liabilities primarily relate to the advance consideration received from contracts with goods sold, for which revenue is recognized when products are delivered to customers.

(w) Employee's and directors' remuneration

In accordance with the Articles of incorporation, the Company should contribute 2 to 10 percent of the profit as employee remuneration and less than 2 percent as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

Details of remuneration to employees and directors were as follows:

	<b>For the three months ended June 30</b>		<b>For the six months ended June 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Employee remuneration	\$ 26,754	23,487	47,511	44,485
Directors' remuneration	<u>13,377</u>	<u>11,744</u>	<u>23,755</u>	<u>22,243</u>
	<b><u>\$ 40,131</u></b>	<b><u>35,231</u></b>	<b><u>71,266</u></b>	<b><u>66,728</u></b>

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 articles. These remunerations were expensed under operating costs or operating expenses during each period. The differences between the amounts distributed and those accrued in the financial statements, if any, are accounted for as changes in accounting estimate and recognized as profit or loss in the distribution year.

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**PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

The differences between the amounts approved in the directors' meeting and those recognized in the financial statements for the distributions of earnings for 2023 and 2022 were as follows:

	<b>2023</b>		
	<b>Actual earnings distributed</b>	<b>Accrued in the financial statement</b>	<b>Difference</b>
Employee remuneration–Cash	\$ 89,330	89,330	-
Director's remuneration	44,665	44,665	-

  

	<b>2022</b>		
	<b>Actual earnings distributed</b>	<b>Accrued in the financial statement</b>	<b>Difference</b>
Employee remuneration–Cash	\$ 99,830	99,830	-
Director's remuneration	49,915	49,915	-

Information on the remuneration to employees and directors, approved in the Board of Directors' meetings, can be accessed in the Market Observation Post System website.

(x) Other income

The details of other income were as follows:

	<b>For the three months ended June 30</b>		<b>For the six months ended June 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Government grants	\$ 8,044	8,166	18,576	10,504
Rent income	15,386	523	30,262	1,045
Other	124	172	393	351
	<u>\$ 23,554</u>	<u>8,861</u>	<u>49,231</u>	<u>11,900</u>

(y) Other gains and losses

The details of 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>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Net income (losses) on financial assets/liabilities measured at FVTPL	\$ 79,286	(38,873)	(215,171)	(534,328)
Foreign currency exchange gains (losses), net	(15,701)	130,557	358,121	766,623
Net income (losses) on disposal of property, plant and equipment	(12,208)	5,794	12,391	7,165
Net gains on disposal of right-of-use assets	688	1	709	1
Other	(6,899)	(10,099)	(59,636)	(11,934)
	<u>\$ 45,166</u>	<u>87,380</u>	<u>96,414</u>	<u>227,527</u>

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**PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(z) Financial instruments

Except for the following paragraph, there were no significant changes in the fair value of the Group's financial instruments and the degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. Please refer to note 6(aa) of the consolidated financial statements for the year ended December 31, 2023 for further information.

(i) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments:

	Carrying amount	Contractual cash flows	Within 1 year	1~2 years	2~5 years	Over 5 years
<b>June 30, 2024</b>						
Non-derivative financial liabilities:						
Short-term borrowings	\$ 1,854,132	1,871,626	1,871,626	-	-	-
Notes and accounts payable	12,257,871	12,257,871	12,257,871	-	-	-
Other payables	4,762,393	4,762,393	4,762,393	-	-	-
Salaries payable	1,313,127	1,313,127	1,313,127	-	-	-
Lease liabilities	1,704,637	1,918,203	274,175	248,226	599,120	796,682
Refund liabilities	2,540,013	2,540,013	2,540,013	-	-	-
Long-term borrowings	804,790	833,800	147,121	290,223	396,456	-
Guarantee deposits	37,240	37,240	-	-	-	37,240
Derivative financial liabilities:	679,651	-	-	-	-	-
Outflow	-	14,683,968	14,683,968	-	-	-
Inflow	-	(14,004,317)	(14,004,317)	-	-	-
	<u>\$ 25,953,854</u>	<u>26,213,924</u>	<u>23,845,977</u>	<u>538,449</u>	<u>995,576</u>	<u>833,922</u>
<b>December 31, 2023</b>						
Non-derivative financial liabilities:						
Short-term borrowings	\$ 756,252	759,171	759,171	-	-	-
Notes and accounts payable	12,135,123	12,135,123	12,135,123	-	-	-
Other payables	2,999,687	2,999,687	2,999,687	-	-	-
Salaries payable	1,310,137	1,310,137	1,310,137	-	-	-
Lease liabilities	1,784,590	2,017,258	272,412	248,423	631,932	864,491
Refund liabilities	2,239,016	2,239,016	2,239,016	-	-	-
Long-term borrowings	707,979	732,135	26,686	240,064	465,385	-
Guarantee deposits	33,505	33,505	-	-	-	33,505
Derivative financial liabilities:	992,339	-	-	-	-	-
Outflow	-	2,134,469	2,134,469	-	-	-
Inflow	-	(1,142,130)	(1,142,130)	-	-	-
	<u>\$ 22,958,628</u>	<u>23,218,371</u>	<u>20,734,571</u>	<u>488,487</u>	<u>1,097,317</u>	<u>897,996</u>

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**PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	Carrying amount	Contractual cash flows	Within 1 year	1~2 years	2~5 years	Over 5 years
<b>June 30, 2023</b>						
Non-derivative financial liabilities:						
Short-term borrowings	\$ 2,973,909	2,988,503	2,988,503	-	-	-
Notes and accounts payable	13,238,467	13,238,467	13,238,467	-	-	-
Other payables	4,782,641	4,782,641	4,782,641	-	-	-
Salaries payable	1,065,291	1,065,291	1,065,291	-	-	-
Lease liabilities	1,982,176	2,284,111	286,774	259,897	670,055	1,067,385
Refund liabilities	2,019,711	2,019,711	2,019,711	-	-	-
Long-term borrowings	464,000	482,096	7,336	139,483	335,277	-
Guarantee deposits	21,937	21,937	-	-	-	21,937
Derivative financial liabilities:						
Outflow	-	25,666,895	25,666,895	-	-	-
Inflow	-	(24,770,388)	(24,770,388)	-	-	-
	<u>\$ 27,444,639</u>	<u>27,779,264</u>	<u>25,285,230</u>	<u>399,380</u>	<u>1,005,332</u>	<u>1,089,322</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 to foreign currency risk

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

June 30, 2024					December 31, 2023			June 30, 2023		
	Foreign currency	Exchange rate	TWD		Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
<b><u>Financial assets</u></b>										
<b><u>Monetary items</u></b>										
USD:CNY	\$	569,056	7.1268	18,465,876	546,979	7.0827	16,811,402	588,453	7.2258	18,321,474
USD:HKD		253,419	7.8087	8,223,461	264,835	7.8157	8,139,702	306,677	7.8373	9,548,374
USD:TWD		391,920	32.4500	12,717,790	413,715	30.7350	12,715,538	358,799	31.1350	11,171,194
EUR:CZK		5,540	25.0445	193,274	6,326	24.6773	215,742	4,272	23.6186	144,992
USD:CZK		23,581	23.2990	765,203	17,471	22.2390	536,971	11,180	21.6690	348,089
USD:THB		39,999	36.8700	1,297,978	35,502	34.1400	1,091,140	28,769	35.6230	895,727
EUR:HKD		6,152	8.3952	214,625	7,719	8.6723	263,249	9,380	8.5433	318,357
CZK:HKD		88,679	0.3352	123,530	94,345	0.3514	130,385	61,059	0.3617	87,742
<b><u>Financial liabilities</u></b>										
<b><u>Monetary items</u></b>										
USD:CNY	\$	234,473	7.1268	7,608,640	259,769	7.0827	7,984,009	353,773	7.2258	11,014,723
USD:HKD		228,304	7.8087	7,408,452	191,851	7.8157	5,896,555	226,197	7.8373	7,042,658
USD:TWD		439,546	32.4500	14,263,273	495,314	30.7350	15,223,471	372,730	31.1350	11,604,937
EUR:CZK		5,570	25.0445	194,321	4,786	24.6773	163,222	3,455	23.6186	117,263
USD:THB		59,320	36.8700	1,924,924	52,348	34.1400	1,608,905	49,930	35.6230	1,554,558
EUR:HKD		4,433	8.3952	154,654	3,341	8.6723	113,941	2,380	8.5433	80,777
USD:CZK		2,434	23.2990	78,983	3,278	22.2390	100,749	3,588	21.6690	111,712

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**PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES**  
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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, loans and borrowings, notes and accounts payable, and other payables that are denominated in foreign currency. A weakening (strengthening) of 5% of the TWD, CNY, HKD, CZK and THB against the USD; the HKD against CZK; as well as HKD and CZK against the EUR, as of June 30, 2024 and 2023, would have increased or decreased the net profit before tax by \$518,425 and \$465,466, respectively. The analysis is performed on the same basis for both periods.

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the three and six months ended June 30, 2024 and 2023, foreign exchange gain (including realized and unrealized portions) amounted to \$(15,701), \$130,557, \$358,121 and \$766,623, respectively.

(iii) Interest rate analysis

Please refer to the note on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of non-derivative financial instruments on the reporting date. Regarding assets and liabilities with variable interest rates, the analysis is based on the assumption that the amounts of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 0.25% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

If the interest rate had increased or decreased by 0.25%, and assumed all other variables remain constant, the profit before tax would have increased or decreased by \$6,422 and \$2,573 for the six months ended June 30, 2024 and 2023, respectively. This is mainly due to borrowings and demand deposits with variable interest rates.

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**PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES**  
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(iv) Other price risk

If the market price of the equity securities had changed on the reporting date, the influence on other comprehensive income is as follows (The analysis is performed on the same basis for both periods, and assumes all other variable remain constant):

	For the six months ended June 30 2024		For the six months ended June 30 2023	
	Other comprehensive income before tax	Income before tax	Other comprehensive income before tax	Income before tax
Price of securities at the reporting date				
Increasing 10%	\$ 30,007	2,119	35,414	1,152
Decreasing 10%	\$ (30,007)	(2,119)	(35,414)	(1,152)

(v) Fair value

1) Kinds of financial instruments and fair value

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, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	June 30, 2024				
	Carrying amounts	Fair Value			
		Level 1	Level 2	Level 3	Total
<b>Financial assets at FVTPL</b>	<u>\$ 485,220</u>	-	-	485,220	485,220
<b>Financial assets at FVOCI – non-current</b>	<u>\$ 300,067</u>	-	-	300,067	300,067
<b>Financial assets measured at amortized cost:</b>					
Cash and cash equivalents	\$ 13,307,861				
Financial assets at amortized cost – current	30,234				
Accounts receivable (including related parties)	13,044,720				
Other receivables	1,838,708				
Refundable deposits	128,084				
Total	<u>\$ 28,349,607</u>				
<b>Financial liabilities at FVTPL – current</b>	<u>\$ 679,651</u>	-	-	679,651	679,651

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**PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES**  
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		June 30, 2024				
		Carrying amounts	Fair Value			
			Level 1	Level 2	Level 3	Total
<b>Financial liabilities measured at amortized cost:</b>						
Borrowings	\$	2,658,922				
Notes and accounts payable		12,257,871				
Other payables		4,762,393				
Salaries payable		1,313,127				
Lease liabilities		1,704,637				
Refund liabilities		2,540,013				
Guarantee deposits		37,240				
Total	\$	<u>25,274,203</u>				
		December 31, 2023				
		Carrying amounts	Fair Value			
			Level 1	Level 2	Level 3	Total
<b>Financial assets at FVTPL</b>		\$ <u>391,656</u>	-	-	391,656	391,656
<b>Financial assets at FVOCI – non-current</b>		\$ <u>290,285</u>	-	-	290,285	290,285
<b>Financial assets measured at amortized cost:</b>						
Cash and cash equivalents	\$	10,904,683				
Financial assets at amortized cost – current		30,234				
Accounts receivable (including related parties)		11,552,393				
Other receivables		1,556,671				
Refundable deposits		122,405				
Total	\$	<u>24,166,386</u>				
<b>Financial liabilities at FVTPL – current</b>		\$ <u>992,339</u>	-	-	992,339	992,339
<b>Financial liabilities measured at amortized cost:</b>						
Borrowings	\$	1,464,231				
Notes and accounts payable		12,135,123				
Other payables		2,999,687				
Salaries payable		1,310,137				
Lease liabilities		1,784,590				
Refund liabilities		2,239,016				
Guarantee deposits		33,505				
Total	\$	<u>21,966,289</u>				

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**PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES**  
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		June 30, 2023			
		Fair Value			
	Carrying amounts	Level 1	Level 2	Level 3	Total
<b>Financial assets at FVTPL</b>	<b>\$ <u>374,012</u></b>	-	-	374,012	374,012
<b>Financial assets at FVOCI – non-current</b>	<b>\$ <u>354,142</u></b>	-	-	354,142	354,142
<b>Financial assets measured at amortized cost:</b>					
Cash and cash equivalents	\$ 10,922,723				
Accounts receivable (including related parties)	15,205,856				
Other receivables	504,422				
Refundable deposits	<u>129,646</u>				
Total	<b>\$ <u>26,762,647</u></b>				
<b>Financial liabilities at FVTPL – current</b>	<b>\$ <u>896,507</u></b>	-	-	896,507	896,507
<b>Financial liabilities measured at amortized cost :</b>					
Borrowings	\$ 3,437,909				
Notes and accounts payable	13,238,467				
Other payables	4,782,641				
Salaries payable	1,065,291				
Lease liabilities	1,982,176				
Refund liabilities	2,019,711				
Guarantee deposits	<u>21,937</u>				
Total	<b>\$ <u>26,548,132</u></b>				

2) Fair value valuation techniques for financial instruments measured at fair value

If a financial instrument has a quoted price in an active market, the quoted price is used as fair value. The quoted price of a financial instrument obtained from major exchanges and over-the counter markets are the basis used to determine the fair value of a listed company's stock and the quoted prices in an active market.

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. If these conditions can not be reached, then the market is non-active. In general, a market with low trading volume or high bid-ask spreads is an indication of a non-active market.

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**PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES**  
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The Group uses the following methods in determining the fair value of its financial instruments without a quoted price in an active market:

- a) The fair value of derivative instruments is based on quoted prices. When quoted prices are unavailable, the fair value is estimated on the basis of the contract's spot exchange rate and swap point.
  - b) Financial assets at FVTPL – non-derivative financial assets and Financial assets at FVOCI without an active market are investments in domestic or foreign non-listed stock. The estimated fair value is based on the market approach of comparable business and adjusted for the lack of liquidity. When prices are unavailable, the fair value is estimated on the basis of unadjusted prior trade prices.
- 3) In the six months ended June 30, 2024 and 2023, there were no transfers between Levels.
  - 4) Reconciliation of Level 3 fair values

	For the six months ended June 30, 2024			For the six months ended June 30, 2023		
	FVTPL	FVOCI	Total	FVTPL	FVOCI	Total
<b>Balance on January 1</b>	\$ (600,683)	290,285	(310,398)	(617,015)	350,788	(266,227)
Recognized in profit or loss	(215,171)	-	(215,171)	(534,328)	-	(534,328)
Recognized in other comprehensive income	-	(8,083)	(8,083)	-	(22,652)	(22,652)
Acquisition /disposal	621,423	17,865	639,288	628,848	27,419	656,267
Effect of changes on exchange rate	-	-	-	-	(1,413)	(1,413)
<b>Balance on June 30</b>	<b>\$ (194,431)</b>	<b>300,067</b>	<b>105,636</b>	<b>(522,495)</b>	<b>354,142</b>	<b>(168,353)</b>

- 5) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The fair value measurements of the Group which are categorized within level 3 are classified as financial assets and liabilities at FVTPL – non-derivative financial assets and derivative instruments not used for hedging and financial assets at FVOCI – equity investment without an active market. The quantitative information about significant unobservable inputs was as follows:

<b>Item</b>	<b>Valuation technique</b>	<b>Significant unobservable inputs</b>	<b>Inter-relationships between significant unobservable inputs and fair value</b>
Financial assets at FVOCI – equity investment without an active market	(note 1)	(note 1)	(note 1)
Financial assets and liabilities at FVTPL – non-derivative financial assets	(note 1)	(note 1)	(note 1)
Financial assets and liabilities at FVTPL – derivative instruments not used for hedging	(note 2)	(note 2)	(note 2)

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**PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES**  
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note 1: The fair value is based on the market value, and it has considered the recent financing activities, comparable business, market and other economic conditions etc., to determine the assumptions. Also, the significant unobservable inputs are marketability discount, but any changes of marketability discount would not result in significant potential financial impact, therefore there is no need to show the quantified information on it.

note 2: The fair value is based on the quotation of a third party, therefore there is no need to show the sensitivity analysis of unobservable inputs.

(aa) Financial risk management

The Group's objectives and policies on financial risk management are consistent with note 6(ab) of the consolidated financial statement ended December 31, 2023.

(ab) Capital management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2023. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2023. Please refer to note 6(ac) of the consolidated financial statements for the year ended December 31, 2023 for further details.

(ac) Changes of liabilities from financing activities

Reconciliation of liabilities arising from financing activities was as follows:

	January 1, 2024	Cash flows	Effect of changes in exchange rate	Changes in lease payments	June 30, 2024
Short-term borrowings	\$ 756,252	1,094,374	3,506	-	1,854,132
Long-term borrowings	707,979	96,635	176	-	804,790
Lease liabilities	1,784,590	(121,956)	11,934	30,069	1,704,637
Guarantee deposits	33,505	3,735	-	-	37,240
Total liabilities from financing activities	<u>\$ 3,282,326</u>	<u>1,072,788</u>	<u>15,616</u>	<u>30,069</u>	<u>4,400,799</u>
	January 1, 2023	Cash flows	Effect of changes in exchange rate	Changes in lease payments	June 30, 2023
Short-term borrowings	\$ 489,370	2,484,539	-	-	2,973,909
Long-term borrowings	464,000	-	-	-	464,000
Lease liabilities	1,898,262	(112,698)	11,307	185,305	1,982,176
Guarantee deposits	12,126	9,811	-	-	21,937
Total liabilities from financing activities	<u>\$ 2,863,758</u>	<u>2,381,652</u>	<u>11,307</u>	<u>185,305</u>	<u>5,442,022</u>

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**PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(ad) Supplementary information of cash flow

	<b>For the six months ended June 30</b>	
	<b>2024</b>	<b>2023</b>
Acquisition of property, plant and equipment	\$ 626,846	712,382
Decrease (increase) in payables on equipment	111,458	(17,897)
Decrease in cash	<u><u>\$ 738,304</u></u>	<u><u>694,485</u></u>
	<b>For the six months ended June 30</b>	
	<b>2024</b>	<b>2023</b>
Proceeds from disposal of property, plant and equipment	\$ 100,048	23,105
Gain on disposal of property, plant and equipment	12,391	7,165
Decrease in other receivables	8,160	-
Decrease in equipment subsidy	(2,279)	(1,103)
Decrease in advance payment	(14,984)	-
Increase in cash	<u><u>\$ 103,336</u></u>	<u><u>29,167</u></u>

**(7) Related-party transactions:**

(a) Names and relationship of the related parties

The followings are entities that have had transactions with related party during the periods covered in the consolidated financial statements.

<b>Name</b>	<b>Relationship</b>
Specialty Technologies, LLC (Specialty)	Substantive related party

(b) Significant transactions with related parties

(i) Sales

The amounts of significant sales by the Group to related parties and the outstanding balances were as follows:

	<b>Sales</b>				<b>Notes and accounts receivable</b>		
	<b>For the three months ended June 30</b>		<b>For the six months ended June 30</b>		<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>31, 2023</b>	<b>2023</b>
Other related parties	<u><u>\$ 140,158</u></u>	<u><u>242,625</u></u>	<u><u>247,251</u></u>	<u><u>331,858</u></u>	<u><u>91,562</u></u>	<u><u>70,606</u></u>	<u><u>195,145</u></u>

There were no significant differences in the selling prices between the related parties and other customers. The trading terms offered to other related parties were 60 days, and the trading terms to other customers were 45 days to 120 days.

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**PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES**  
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(c) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Short-term employee benefits	\$ 79,534	82,779	167,516	140,231
Post-employment benefits	468	356	935	730
Share-based payments	26,378	25,486	53,779	49,883
	<u>\$ 106,380</u>	<u>108,621</u>	<u>222,230</u>	<u>190,844</u>

Please refer to note 6(t) for information related to share-based payments.

**(8) Pledged assets:**

The carrying amounts of pledged assets were as follows:

Pledged assets	Pledged to secure	June 30, 2024	December 31, 2023	June 30, 2023
Other non-current assets – restricted assets	Guarantee letters issued by bank	\$ 3,414	3,414	-
Property, plant and equipment	Loan collateral	\$ 1,493,804	769,580	2,184,072
Investment property	Loan collateral	\$ 614,354	-	-

**(9) Commitments and contingencies:**

(a) For the detail of the Group's guarantee, please refer to note 13.

(b) The following are guarantee letters issued by the bank to customs, business partner and Power Supply Bureau as guarantee deposits and power supply guarantee, respectively.

	June 30, 2024	December 31, 2023	June 30, 2023
Guarantee letters	\$ 92,531	62,449	57,057

(c) Guarantee notes provided as part of agreements with banks to sell accounts receivable and to acquire long-term borrowings were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Sales of accounts receivable	\$ 378,125	76,838	974,186
Long-term borrowings	\$ 1,800,400	1,800,400	1,800,400

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**PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES**  
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(d) The aggregate unpaid amounts of contracts pertaining to the purchase of equipment were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Property, plant and equipment	\$ <u>1,180,018</u>	<u>1,555,520</u>	<u>1,726,560</u>

**(10) Losses Due to Major Disasters: None**

**(11) Subsequent Events:**

- (a) In July 2024, the Group's subsidiary, TWEL, entered into an agreement with the minority shareholders of Tymphany Huizhou to acquire their equity for a total price of CNY 304,587 thousands, based on a resolution decided during its board meeting held on June 18, 2024. The relevant procedures have yet to be completed as of the reporting date.
- (b) The Group's subsidiary, TWEL, resolved through its board meeting held on August 6, 2024 to establish a new company with non-related parties by investing the amount of USD 1,000 thousands, consisting 40% shares of the entire equity.

**(12) Other:**

- (a) A summary of employee benefit, depreciation, and amortization expenses by function, was as follows:

By item	By function For the three months ended June 30, 2024			For the three months ended June 30, 2023		
	Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
Employee benefits						
Salaries	905,788	1,225,796	2,131,584	947,623	1,106,542	2,054,165
Labor and health insurance	38,151	52,610	90,761	40,220	56,253	96,473
Pension	55,297	45,952	101,249	56,761	42,197	98,958
Others	9,232	39,523	48,755	9,164	45,002	54,166
Depreciation	300,102	87,202	387,304	327,064	98,545	425,609
Amortization	4,078	13,300	17,378	5,259	46,011	51,270

  

By item	By function For the six months ended June 30, 2024			For the six months ended June 30, 2023		
	Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
Employee benefits						
Salaries	1,698,709	2,206,523	3,905,232	1,765,097	2,101,497	3,866,594
Labor and health insurance	75,640	118,576	194,216	80,835	126,551	207,386
Pension	107,222	89,184	196,406	116,219	88,395	204,614
Others	25,471	83,310	108,781	13,786	83,534	97,320
Depreciation	611,431	176,776	788,207	662,232	194,876	857,108
Amortization	8,796	30,198	38,994	10,883	93,969	104,852

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**PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES**  
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Note: Excluding the depreciation of the investment property-buildings (classified as other gains and losses) amounted to \$17,446 and \$231 for the six months ended June 30, 2024 and 2023, respectively.

(b) Seasonality of Operation

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

**(13) Other disclosures:**

(a) Information on significant transactions:

The followings were the information on significant transactions required by the Regulations for the Group:

(i) Loans to other parties:

Number	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	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
1	PKS1	The Company	Other receivables	Y	317,197	255,441	255,441	0	Short-term loan to other parties	-	Operating capital	-	-	-	797,141	797,141
2	TYM Acoustic HK	TWEL	"	"	616,550	616,550	-	5.5%	"	-	"	-	-	-	641,628	1,283,257

Note 1: After the approval from the Board of directors, the loan provided to an individual entity shall not exceed the net worth of PKS1 in the latest financial statements to its parent company, and also to subsidiaries wherein its parent owns 100%, directly and indirectly, of its voting shares. Also, the criterion for the amount available for financing is the same as that offered to an individual entity mentioned above.

Note 2: Due to the short term financing need, the loan provided to an individual entity shall not exceed 20% of the net worth of TYM Acoustic HK in its latest financial statements. However, the amount available for financing shall not exceed 40% of the net worth of TYM Acoustic Europe in its latest financial statements.

Note 3: The above transactions have been eliminated during the preparation of the consolidated financial statements.

(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The Company	PCH2	The subsidiary of Primax HK and Primax Tech.	5,199,671	325,420	324,500	-	-	1.87 %	13,865,790	Y	N	Y
"	"	Primax Singapore	Subsidiary	5,199,671	2,700,000	2,700,000	298,033	-	15.58 %	13,865,790	Y	N	N
1	Tymphony Huizhou	TYM Acoustic HK	Subsidiary	2,369,256	4,881	4,868	-	-	0.06 %	3,948,760	N	N	N

Note 1: The amount of the guarantee to a company shall not exceed 30% of the Company's net worth in the latest financial statements. The total amount of the guarantee to total company shall not exceed 80% of the Company's net worth in the latest financial statements.

Note 2: The amount of the guarantee to a company shall not exceed 30% of the Tymphony Huizhou's net worth in the latest financial statements. The total amount of the guarantee to total company shall not exceed 50% of the Tymphony Huizhou's net worth in the latest financial statements.

Note 3: The above counter-parties of guarantee and endorsement are subsidiaries included in the consolidated financial statements.

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- (iii) Securities held as of June 30, 2024 (excluding investment in subsidiaries, associates and joint ventures):

Company Ending balance holding securities	Security type and name	Relationship with company	Account	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Stocks (equities):							
	Green Rich	-	Financial assets at	359	-	3.59	-	
	Technology Co., Ltd.		FVOCI					
	Changing Information	-	"	223	14,008	1.29	14,008	
	Technology Inc.							
	Formosoft	-	"	11	-	0.41	-	
	International Inc.							
	Syntronix Corp.	-	"	7	250	0.02	250	
	Ricavision	-	"	917	-	2.04	-	
	International Inc.							
	Grove Ventures L.P.	-	"	-	156,149	2.75	156,149	
	Grove Ventures II, L.P.	-	"	-	95,523	3.29	95,523	
Primax Tech.	Grove Ventures III, L.P.	-	"	-	34,137	2.21	34,137	
	Storm Ventures Fund VII, L.P.	-	Financial assets at	-	6,166	0.44	6,166	
	Thin Line Capital fund II, L.P.	-	"	-	15,024	7.12	15,024	
					<u>321,257</u>			
	Stocks:							
	Echo. Bahn.	-	Financial assets at	400	-	11.90	-	
			FVOCI					
Tymphany Huizhou	Stocks:							
	Shenzhen Mees Hi- Tech Co., Ltd.	-	Financial assets at	556	-	10.00	-	
			FVOCI					

- (iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of TWD300 million or 20% of the Company's paid-in capital: None
- (v) Acquisition of individual real estate with amount exceeding the lower of TWD300 million or 20% of the Company's issued capital: None
- (vi) Disposal of individual real estate with amount exceeding the lower of TWD300 million or 20% of the Company's issued capital: None
- (vii) Related-party transactions for purchases and sales with amounts exceeding the lower of TWD100 million or 20% of the Company's issued capital:

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/ Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	Primax Singapore	Subsidiary	(Sale)	(6,335,328)	(35) %	60 days	Price agreed by both sides	The same as general selling	2,668,812	30%	Note 1
"	PCH2	The subsidiary of Primax HK	Purchase	9,253,657	65 %	"	"	The same as general purchasing	(6,588,180)	(64)%	Note 1
"	PKS1	"	Purchase	719,013	5 %	"	"	"	(737,715)	(7)%	Note 1
"	PCQ1	"	Purchase	3,048,270	20 %	"	"	"	(1,893,705)	(18)%	Note 1

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**PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	Polaris	The subsidiary of Primax Tech.	(Sale)	(1,651,414)	(9) %	90 days	Price agreed by both sides	The same as general selling	241,204	3%	Note 1
"	Primax Thailand	The subsidiary of Primax Singapore	Purchase	1,486,663	10 %	60 days	"	The same as general purchasing	(431,721)	(4)%	Note 1
Primax Singapore	The Company	Parent	Purchase	6,335,328	99 %	"	"	"	(2,668,812)	(89)%	Note 1
PCH2	"	The parent of Primax Cayman	(Sale)	(9,253,657)	(91) %	"	"	The same as general selling	6,588,180	92%	Note 1
PKS1	"	"	(Sale)	(719,013)	(100) %	"	"	"	737,715	74%	Note 1
PKS1	"	"	(Sale)	(719,013)	(100) %	"	"	"	737,715	74%	Note 1
PCQ1	"	"	(Sale)	(3,048,270)	(76) %	"	"	"	1,893,705	85%	Note 1
Primax Thailand	"	The parent of Primax Singapore	(Sale)	(1,486,663)	(98) %	"	"	"	431,721	95%	Note 1
Polaris	"	The parent of Primax Tech.	Purchase	1,651,414	100 %	90 days	"	The same as general purchasing	(241,204)	(100)%	Note 1
Tymphony Huizhou	TYM Acoustic HK	Subsidiary	(Sale)	(1,636,977)	(56) %	60 days	"	The same as general selling	1,107,680	51%	Note 1
"	TYM HK	The subsidiary of TYM Acoustic HK	(Sale)	(1,078,374)	(37) %	"	"	"	928,082	43%	Note 1
"	Tymphony Dongguan	Subsidiary	Purchase	116,713	6 %	"	"	The same as general purchasing	(90,388)	(6)%	Note 1
Tymphony Dongguan	TYM HK	The subsidiary of TYM Acoustic HK	Purchase	190,856	8 %	"	"	"	(100,366)	(7)%	Note 1
"	"	"	(Sale)	(915,190)	(33) %	"	"	The same as general selling	492,200	38%	Note 1
"	Tymphony Huizhou	Parent	(Sale)	(116,713)	(4) %	"	"	"	90,388	7%	Note 1
"	TYM Acoustic Europe	The subsidiary of TYM Acoustic HK	(Sale)	(183,312)	(7) %	"	"	"	94,205	7%	Note 1
"	TYM Acoustic HK	The subsidiary of Tymphony Huizhou	(Sale)	(1,251,913)	(46) %	"	"	"	555,984	42%	Note 1
TYDC	"	"	(Sale)	(572,616)	(97) %	"	"	"	-	-%	Note 1, Note 2
TYM Acoustic HK	TYM Acoustic Europe	Subsidiary	Purchase	1,272,280	26 %	"	"	The same as general purchasing	(818,969)	(27)%	Note 1
"	Tymphony Huizhou	Parent	Purchase	1,636,977	34 %	"	"	"	(1,107,680)	(37)%	Note 1
"	Tymphony Dongguan	The subsidiary of Tymphony Huizhou	Purchase	1,251,913	26 %	"	"	"	(555,984)	(18)%	Note 1
"	TYDC	The subsidiary of Tymphony Dongguan	Purchase	572,616	12 %	"	"	"	-	-%	Note 1, Note 2
"	TYTH	Subsidiary	Purchase	146,628	3 %	"	"	"	(146,934)	(5)%	Note 1
"	Specialty	The other related party	(Sale)	(247,251)	(5) %	"	"	The same as general selling	91,562	3%	Note 1
TYM Acoustic Europe	TYM Acoustic HK	Parent	(Sale)	(1,272,280)	(100) %	"	"	"	818,969	100%	Note 1
"	Tymphony Dongguan	The subsidiary of Tymphony Huizhou	Purchase	183,312	19 %	"	"	The same as general purchasing	(94,205)	(27)%	Note 1

(Continued)

**PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES**  
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Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
TYM HK	Tymphony Huizhou	The parent of TYM Acoustic HK	Purchase	1,078,374	28 %	60 days	Price agreed by both sides	The same as general purchasing	(928,082)	(36)%	Note 1
"	Tymphony Dongguan	The subsidiary of Tymphony Huizhou	Purchase	915,190	24 %	"	"	"	(492,200)	(19)%	Note 1
"	"	"	(Sale)	(190,856)	(5) %	"	"	The same as general selling	100,366	5%	Note 1
"	TYTH	The subsidiary of TYM Acoustic HK	Purchase	1,932,960	50 %	"	"	The same as general purchasing	(595,888)	(23)%	Note 1
TYTH	TYM HK	"	(Sale)	(1,932,960)	(93) %	"	"	The same as general selling	595,888	80%	Note 1
"	TYM Acoustic HK	Parent	(Sale)	(146,628)	(7) %	"	"	"	146,934	20%	Note 1

Note 1: Related transactions have been eliminated during the preparation of the consolidated financial statements.

Note 2: TYDC was merged into TYDG in June 2024. Therefore, the information were disclosed as of the date of the merger.

(viii) Receivables from related parties with amounts exceeding the lower of TWD\$100 million or 20% of the Company's paid-in capital:

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period (note 1)	Allowance for bad debts
					Amount	Action taken		
The Company	Primax Singapore	Subsidiary	2,668,812 (note 5)	5.64	-	-	723,688	-
"	Polaris	The subsidiary of Primax Tech.	241,024 (note 5)	6.31	-	-	107,898	-
"	PCH2	The subsidiary of Primax HK	665,378 (note 2&5)	3.73	-	-	-	-
"	"	"	19,062 (note 5)	(note 3)	-	-	1,427	-
"	Primax Thailand	The subsidiary of Primax Singapore	108,173 (note 5)	(note 2)	-	-	-	-
PCH2	The Company	The parent of Primax Cayman	6,588,180 (note 5)	2.72	-	-	1,188,141	-
"	Primax Thailand	The subsidiary of Primax Singapore	344,892 (note 5)	(note 3)	-	-	5,893,449	-
PKS1	The Company	The parent of Primax Cayman	737,715 (note 5)	2.04	-	-	148,773	-
"	"	"	255,441 (note 5)	(note 4)	-	-	-	-
PCQ1	"	"	1,893,705 (note 5)	2.46	-	-	66,541	-
Primax Thailand	"	The parent of Primax Singapore	431,721 (note 5)	8.02	-	-	259,670	-
Tymphony Huizhou	TYM Acoustic HK	Subsidiary	1,107,680 (note 5)	3.26	-	-	95,790	-
"	TYM HK	The subsidiary of TYM Acoustic HK	928,082 (note 5)	2.46	-	-	255,920	-
Tymphony Dongguan	"	"	492,200 (note 5)	2.25	-	-	130,853	-
"	TYM Acoustic HK	The subsidiary of Tymphony Huizhou	555,984 (note 5)	5.91	-	-	230,330	-
TYM Acoustic Europe	"	Parent	818,969 (note 5)	3.57	-	-	232,000	-

(Continued)

**PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period (note 1)	Allowance for bad debts
					Amount	Action taken		
TYM HK	Tymphony Dongguan	The subsidiary of Tymphony Huizhou	100,366 (note 5)	3.82	-	-	100,366	-
"	"	"	202,844 (note 5)	(note 3)	-	-	152,624	-
"	TYM Acoustic HK	Parent	382,927 (note 5)	(note 3)	-	-	2,769	-
TYM Acoustic HK	Tymphony Huizhou	"	146,546 (note 5)	(note 3)	-	-	-	-
TYAT	TYM HK	The subsidiary of TYM Acoustic HK	362,710 (note 5)	(note 3)	-	-	-	-
TYTH	"	"	595,888 (note 5)	6.28	-	-	335,895	-
"	TYM Acoustic HK	Parent	146,934 (note 5)	2.86	-	-	-	-

Note 1: Amounts were collected as of July 19, 2024.

Note 2: The Company sells semi-finished products to its subsidiaries for processing and production. The finished products are then repurchased back by the Company and sold to the customers. The amount of semi-finished products sold in the six months ended June 30, 2024 was \$1,258,471, which was written off with related cost of goods sold, and not regarded as sales for the Company.

Note 3: The receivables arise from service rendering for intercompany or material purchasing on behalf of intercompany or related parties.

Note 4: The other receivables arise from intercompany loans.

Note 5: Related transactions have been eliminated during the preparation of the consolidated financial statements.

(ix) Trading in derivative instruments: Please refer to note 6(b).

(x) Business relationships and significant intercompany transactions:

No	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of consolidated total operating revenues or total assets
0	The Company	Primax Singapore	Subsidiary	Sale	6,335,328	Price agreed by both sides	21.83 %
"	"	"	"	Accounts Receivable	2,668,812	60 days	5.29 %
"	"	PCH2	The subsidiary of Primax HK	Purchase	9,253,657	Price agreed by both sides	31.89 %
"	"	"	"	Accounts Payable	6,588,180	60 days	13.06 %
"	"	"	"	Accounts Receivable	665,378	"	1.32 %
"	"	"	"	Other Receivable	19,062	(note 2)	0.04 %
"	"	PKS1	"	Purchase	719,013	Price agreed by both sides	2.48 %
"	"	"	"	Accounts Payable	737,715	60 days	1.46 %
"	"	"	"	Other Payable	255,441	(note 3)	0.51 %
"	"	PCQ1	"	Purchase	3,048,270	Price agreed by both sides	10.51 %
"	"	"	"	Accounts Payable	1,893,705	60 days	3.75 %
"	"	Polaris	The subsidiary of Primax Tech.	Sale	1,651,414	Price agreed by both sides	5.69 %
"	"	"	"	Accounts Receivable	241,204	90 days	0.48 %

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**PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

No	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of consolidated total operating revenues or total assets
0	The Company	Primax Thailand	The subsidiary of Primax Singapore	Purchase	1,486,663	Price agreed by both sides	5.12 %
"	"	"	"	Accounts Payable	431,721	60 days	0.86 %
"	"	"	"	Other Receivable	108,173	(note 2)	0.21 %
1	PCH2	"	"	Other Receivable	344,892	"	0.68 %
2	Tymphony Huizhou	TYM Acoustic HK	Subsidiary	Sale	1,636,977	Price agreed by both sides	5.64 %
"	"	"	"	Accounts Receivable	1,107,680	60 days	2.20 %
"	"	"	"	Other Payable	146,546	(note 2)	0.29 %
"	"	TYM HK	The subsidiary of TYM Acoustic HK	Sale	1,078,374	Price agreed by both sides	3.72 %
"	"	"	"	Accounts Receivable	928,028	60 days	1.84 %
"	"	Tymphony Dongguan	Subsidiary	Purchase	116,713	Price agreed by both sides	0.40 %
3	Tymphony Dongguan	TYM HK	The subsidiary of TYM Acoustic HK	Purchase	190,856	"	0.66 %
"	"	"	"	Accounts Payable	100,366	60 days	0.20 %
"	"	"	"	Sale	915,190	Price agreed by both sides	3.15 %
"	"	"	"	Accounts Receivable	492,200	60 days	0.98 %
"	"	"	"	Other Payable	202,844	(note 2)	0.40 %
"	"	TYM Acoustic Europe	"	Sale	183,312	Price agreed by both sides	0.63 %
"	"	TYM Acoustic HK	The subsidiary of Tymphony Huizhou	Sale	1,251,913	"	4.31 %
"	"	"	"	Accounts Receivable	555,984	60 days	1.10 %
4	TYDC	"	"	Sale	572,616	Price agreed by both sides (note 4)	1.97 %
5	TYM Acoustic HK	TYM Acoustic Europe	Subsidiary	Purchase	1,272,280	"	4.38 %
"	"	"	"	Accounts Payable	818,969	60 days	1.62 %
"	"	TYTH	"	Purchase	146,628	Price agreed by both sides	0.51 %
"	"	"	"	Accounts Payable	146,934	60 days	0.29 %
"	"	TYM HK	"	Service Expense	358,060	Price agreed by both sides	1.23 %
"	"	"	"	Other Payable	382,927	(note 2)	0.76 %

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**PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

No	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of consolidated total operating revenues or total assets
6	TYM HK	TYAT	The subsidiary of TYM Acoustic HK	Other Payable	362,710	(note 2)	0.72 %
"	"	"	"	Service Expense	494,230	Price agreed by both sides	1.70 %
"	"	TYTH	"	Purchase	1,932,960	"	6.66 %
"	"	"	"	Accounts Payable	595,888	60 days	1.18 %

Note 1: Disclosure of the amounts was exceeding of NTD\$100 million.

Note 2: The receivables arises from service rendering for intercompany or material purchasing on behalf of intercompany or related party.

Note 3: The other receivables arise from intercompany loans.

Note 4: TYDC was merged into TYDG in June 2024. Therefore, the information were disclosed as of the date of the merger.

Note 5: Related transactions have been eliminated during the preparation of the consolidated financial statements.

(b) Information on investees:

The following is the information on investees for the six months ended June 30, 2024 (excluding information on investees in Mainland China):

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2024			Net income (losses) of investee	Share of profits/losses of investee	Note
				June 30, 2024	December 31, 2023	Shares (thousands)	Percentage of ownership	Carrying value			
The Company	Primax Cayman	Cayman Islands	Holding company	2,540,588	2,540,588	8,147,636	100.00	8,685,160	129,585	48,917	Note 3
"	Primax Tech.	Cayman Islands	Holding company	897,421	897,421	285,067	100.00	3,191,378	49,476	33,532	Note 3
"	Destiny BVL	Virgin Island	Holding company	30,939	30,939	1,050	100.00	2,058	(1,878)	(1,878)	Note 3
"	Destiny Japan	Japan	Market development of and customer service for computer peripherals, mobile device components, and business devices	7,032	7,032	0.50	100.00	14,470	190	190	Note 3
"	Diamond	Cayman Islands	Holding company	3,889,798	3,889,798	129,050	100.00	7,456,286	279,203	277,606	Note 3
"	Gratus Tech.	USA	Market development of and customer service for computer peripherals, mobile device components, and business devices	9,330	9,330	300	100.00	20,609	1,783	1,783	Note 3
"	Primax AE	Cayman Islands	Holding company	1,431,540	1,431,540	48,200	100.00	69,857	5,521	5,521	Note 3
"	Primax Singapore	Singapore	Sale of computer peripherals and mobile device components	1,181,150	1,181,150	40,100	100.00	646,495	(67,428)	(63,837)	Note 3
"	Primax Security	Taiwan	Sale of computer peripherals and mobile device components	200	-	20	100.00	193	(7)	(7)	Note 3
	Total			<u>9,987,998</u>	<u>9,987,798</u>			<u>20,086,506</u>	<u>396,445</u>	<u>301,827</u>	
Primax Singapore	Primax Thailand	Thailand	Manufacturing and sale of computer peripherals, mobile device components, and business devices	1,162,928	1,162,928	1,244	99.99	645,069	(69,643)	(69,643)	Note 3
Primax Cayman	Primax HK	Hong Kong	Holding company and customer service	2,375,164	2,375,164	602,817	100.00	8,776,330	129,372	129,372	Note 3
Primax Tech.	Polaris	USA	Sale and purchase of computer peripherals, mobile device components, and business devices	52,680	52,680	1,600	100.00	476,455	5,462	5,462	Note 3

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**PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES**  
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Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2024			Net income (losses) of investee	Share of profits/losses of investee	Note
				June 30, 2024	December 31, 2023	Shares (thousands)	Percentage of ownership	Carrying value			
Diamond	TWEL	Cayman Islands	Holding company	4,083,950	4,083,950	192,251	100.00	7,510,200	280,788	278,863	Note 3
Primax AE	AIC	Cayman Islands	Holding company	1,356,995	1,356,995	30	37.00	-	(83,284)	-	Note 4
TWEL	TYM Singapore	Singapore	R&D, design, and sales of various speaker accessories as well as speakers and their components and holding business	-	-	-	100.00	-	-	-	Note 3 Note 5
Tymphony Huizhou	TYM Acoustic HK	Hong Kong	R&D, design, and sales of various speaker accessories as well as speakers and their components and holding business	1,592,954	1,592,954	418,090	100.00	3,208,142	113,104	113,104	Note 3
TYM Acoustic HK	TYM HK	Hong Kong	Holding company; sales of, market development of and customer service for various speaker accessories, speakers and their components	76,280 (note 1)	76,280 (note 1)	144,395	100.00	766,166	(143,911)	(143,911)	Note 3
"	TYP	USA	Market development of and customer service for speakers and their components	15 (note 1)	15 (note 1)	0.50	100.00	63,354	3,928	3,928	Note 3
"	TYM UK	United Kingdom	R&D and design of various speaker accessories as well as speakers and their components	15,631	15,631	400	100.00	43,863	1,839	1,839	Note 3
"	TYM Acoustic Europe	Czech	Manufacturing, installation, and maintenance of various speaker accessories and their components	653,796	653,796	187,800	100.00	1,079,719	87,226	87,226	Note 3
"	TYAT	Taiwan	R&D and design of various speaker accessories as well as speakers and their components	48,318	48,318	5,000	100.00	389,769	19,432	19,432	Note 3
"	TYTH	Thailand	Manufacturing and sales of various speaker accessories, speakers, and their components	725,091	725,091	7,789	99.99	722,163	64,069	64,069	Note 3
TYM HK	TYML	USA	Sales of various speaker accessories, speakers, and their components	6,628	6,628	200	100.00	7,646	(774)	(774)	Note 3

Note 1: The amount is the initial investment costs from the original stockholders prior to the acquisition of the Company through Diamond.

Note 2: Related investments (except for AIC) have been eliminated during the preparation of the consolidated financial statements.

Note 3: The subsidiary of the Company.

Note 4: The associate of the Company.

Note 5: As of June 30, 2024, there was no capital injection from the Group.

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**PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES**  
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(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, 2024 (note 2)	Investment flows		Accumulated outflow of investment from Taiwan as of June 30, 2024 (note 2)	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
PCH2	Manufacturing and sale of computer peripherals, mobile device components, and business devices	2,030,450	Indirect investment through Primax Cayman and Primax Tech.	1,685,321	-	-	1,779,807	104,192	100%	104,192	7,987,520	-
Destiny Beijing	R&D of computer peripheral and business devices	40,222	Indirect investment through Destiny BVI.	32,272	-	-	34,073	(1,874)	100%	(1,874)	2,054	-
PKS1	Production of computer peripheral products	889,066	Indirect investment through Primax Cayman	676,170	-	-	713,900	8,139	100%	8,139	844,810	-
PCQ1	"	868,884	"	614,700	-	-	649,000	51,204	100%	51,204	2,520,112	-
Tymphany Huizhou	Manufacturing, R&D, design and sale of various speaker accessories, speakers, and their components	1,723,468	Indirect investment through Diamond	3,964,815	-	-	4,186,050	392,329	77.01%	302,127	6,081,935	-
Tymphany Dongguan	"	162,250	"	15,368	-	-	16,225	89,041	77.01%	68,571	958,562	-
TYDC	"	-	"	-	-	-	-	15,836	(note 3)	12,196	-	-

Note 1: The above information on the exchange rate was as follows: HKD:TWD4.1556 ; USD:TWD 32.4500; CNY:TWD 4.5532.

Note 2: The differences between the accumulated out flow of investments and paid in capital was derived from the currency exchange on translation, capital increase from retained earning and working capital.

Note 3: TYDC was merged into TYDG in June 2024. Therefore, the information were disclosed as of the date of the merger.

Note 4: Related investments have been eliminated during the preparation of the consolidated financial statements.

(ii) Limitation on investment in Mainland China:

Name of Company	Accumulated Investment in Mainland China as of June 30, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
The Company	7,858,513	9,199,097	None (note)

Note: The Company has received the Certificate issued by the Industrial Development Bureau, Ministry of Economic Affairs, allowing it to start the operating of its headquarters.

The above investment income (losses) in mainland China, except for PCH2 was reviewed by the Company's auditors. Tymphany Huizhou, Tymphany Dongguan and TYDC were reviewed by other auditors, and other information related to subsidiaries came from financial reports prepared by the investees, not reviewed by auditors.

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**PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(iii) Significant transactions:

The significant inter-company transactions with the subsidiaries in Mainland China, which were eliminated in the preparation of the consolidated financial statements for the six months ended June 30, 2024, are disclosed in “Information on significant transactions”, and “Business relationships and significant intercompany transactions”.

(d) Major shareholders:

Unit: Shares		
Shareholder's Name	Shareholding	Shares
Capital TIP Customized Taiwan Select High Dividend ETF Investment Account		32,795,000
Taipei Fubon Bank as Custodian Fuh Hwa Taiwan Technology Dividend Highlight ETF Investment Account		30,011,000
		7.08 %
		6.48 %

**(14) Segment information:**

For the three and six months ended June 30, 2024 and 2023, the Group's segment information had no significant change. Please refer to note 14 of the consolidated financial statement for the year ended December 31, 2023 for the further information.

The Group's segment financial information was as follows:

	For the three months ended June 30, 2024		
	Computer Peripherals	Non-computer Peripherals	Total
Revenue			
External revenue	\$ 6,105,083	9,262,968	15,368,051
Intra-group revenue	-	-	-
Total segment revenue	<u>\$ 6,105,083</u>	<u>9,262,968</u>	<u>15,368,051</u>
Profit before tax from segments reported	<u>\$ 392,573</u>	<u>598,892</u>	<u>991,465</u>
	For the three months ended June 30, 2023		
	Computer Peripherals	Non-computer Peripherals	Total
Revenue			
External revenue	\$ 5,621,202	10,444,178	16,065,380
Intra-group revenue	-	-	-
Total segment revenue	<u>\$ 5,621,202</u>	<u>10,444,178</u>	<u>16,065,380</u>
Profit before tax from segments reported	<u>\$ 423,661</u>	<u>532,489</u>	<u>956,150</u>

**PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES**  
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	<b>For the six months ended June 30, 2024</b>		
	<b>Computer Peripherals</b>	<b>Non-computer Peripherals</b>	<b>Total</b>
Revenue			
External revenue	\$ 11,927,102	17,089,684	29,016,786
Intra-group revenue	-	-	-
Total segment revenue	<u>\$ 11,927,102</u>	<u>17,089,684</u>	<u>29,016,786</u>
Profit before tax from segments reported	<u>\$ 798,270</u>	<u>950,181</u>	<u>1,748,451</u>
	<b>For the six months ended June 30, 2023</b>		
	<b>Computer Peripherals</b>	<b>Non-computer Peripherals</b>	<b>Total</b>
Revenue			
External revenue	\$ 10,885,998	19,856,429	30,742,427
Intra-group revenue	-	-	-
Total segment revenue	<u>\$ 10,885,998</u>	<u>19,856,429</u>	<u>30,742,427</u>
Profit before tax from segments reported	<u>\$ 769,217</u>	<u>899,218</u>	<u>1,668,435</u>