

**PRIMAX ELECTRONICS LTD.
AND SUBSIDIARIES**

CONSOLIDATED FINANCIAL STATEMENTS

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

Address: No. 669, Ruey Kuang Road, Neihu, Taipei
Telephone: (02)2798-9008

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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安侯建業聯合會計師事務所
KPMG

台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

電話 Tel	+ 886 2 8101 6666
傳真 Fax	+ 886 2 8101 6667
網址 Web	kpmg.com/tw

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 March 31, 2025 and 2024, the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2025 and 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies. 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\$13,039,297 thousand and NT\$12,075,189 thousand, constituting 26.1% and 24.8% of the consolidated total assets; and the total liabilities amounting to NT\$8,207,298 thousand and NT\$6,952,761 thousand, constituting 28.3% and 24.6% of the consolidated total liabilities as of March 31, 2025 and 2024, respectively; as well as the total comprehensive income amounting to NT\$155,628 thousand and NT\$186,251 thousand, constituting 14.6% and 15.5% of the consolidated comprehensive income for the three months ended March 31, 2025 and 2024, respectively.

Furthermore, as stated in note 6(h), the investments accounted for using equity method of the Group in its investee companies of NT\$27,406 thousand as of March 31, 2025, and its related share of loss of associates accounted for using equity method of NT\$4,494 thousand for the three months ended March 31, 2025, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

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 March 31, 2025 and 2024, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and 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 Tymphony 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 Tymphony Worldwide Enterprises Ltd., is based solely on the review report of another auditor. The financial statements of Tymphony Worldwide Enterprises Ltd. reflect the total assets amounting to NT\$15,708,938 thousand and NT\$14,719,528 thousand, constituting 31.4% and 30.3% of the related consolidated total assets as of March 31, 2025 and 2024, respectively; as well as the operating revenue amounting to NT\$4,261,346 thousand and NT\$4,276,101 thousand, constituting 28.9% and 31.3% of the related consolidated operating revenue for the three months ended March 31, 2025 and 2024, 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)
May 8, 2025

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

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

(Expressed in Thousands of New Taiwan Dollars)

		March 31, 2025		December 31, 2024		March 31, 2024				March 31, 2025		December 31, 2024		March 31, 2024				
Assets		Amount	%	Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%	Amount	%			
Current assets:		Current liabilities:																
1100	Cash and cash equivalents (note 6(a))	\$	14,223,816	29	13,885,985	28	13,087,012	27	2100	Short-term borrowings (notes 6(n) and 8)	\$	1,639,032	3	1,441,489	3	2,270,357	5	
1110	Current financial assets at fair value through profit or loss (note 6(b))		397,182	1			246,720	1	2120	Current financial liabilities at fair value through profit or loss (note 6(b))		580,836	1		467,904	1	541,192	1
1137	Current financial assets at amortized cost (note 6(d))		25,649	-		25,649	-	33,649	-	2170	Notes and accounts payable		12,444,192	25	13,347,474	27	11,932,939	25
1170	Accounts receivable, net (notes 6(e) and (w))		11,037,662	22	10,742,552	21	11,469,588	24	2201	Salaries payable		1,035,911	2	1,857,174	4	874,596	2	
1180	Accounts receivable from related parties, net (notes 6(e), (w) and 7)		5,420	-			81,776	-	2219	Other payables		3,736,560	7	3,676,998	7	4,010,633	8	
					109,306	-			2220	Other payables to related parties (note 7)		9,015	-	255,088	-	-	-	
1200	Other receivables (notes 6(e), (f) and 7)		695,036	1	980,026	2	1,699,238	3	2280	Current lease liabilities (note 6(p))		239,243	1	232,639	-	229,214	-	
1310	Inventories (note 6(g))		8,806,481	18	9,603,682	19	7,742,314	16	2320	Long-term borrowings, current portion (notes 6(o) and 8)		272,289	1	258,430	1	74,667	-	
1470	Other current assets		640,754	1	604,963	1	604,323	1	2365	Current refund liabilities		2,433,988	5	2,492,671	5	2,442,545	5	
			35,832,000	72	36,245,818	72	34,964,620	72	2399	Other current liabilities (note 6(w))		2,081,865	4	2,050,400	4	2,120,832	4	
												24,472,931	49	26,080,267	52	24,496,975	50	
Non-current assets:																		
1511	Non-current financial assets at fair value through profit or loss, designated as upon initial recognition (note 6(b))		25,650	-	23,373	-	19,930	-	2540	Long-term borrowings (notes 6(o) and 8)		1,229,281	2	932,378	2	633,312	1	
1517	Non-current financial assets at fair value through other comprehensive income (note 6(c))		322,496	1	322,196	1	283,779	1	2580	Non-current lease liabilities (note 6(p))		1,412,722	3	1,457,202	3	1,534,303	3	
									2630	Long-term deferred revenue (note 6(j))		581,530	1	606,502	1	572,274	1	
1550	Investments accounted for using equity method (note 6(h))		27,406	-	31,900	-	-	-	2670	Other non-current liabilities		1,318,554	3	1,217,092	2	1,059,358	3	
1600	Property, plant and equipment (notes 6(j) and 8)		8,374,078	17	8,086,736	16	7,811,899	16				4,542,087	9	4,213,174	8	3,799,247	8	
1755	Right-of-use assets (note 6(k))		1,743,002	3	1,785,510	4	1,872,999	4	Total liabilities			29,015,018	58	30,293,441	60	28,296,222	58	
1760	Investment property (notes 6(l) and 8)		645,139	1	645,231	1	664,838	1	Equity attributable to owners of parent:									
1780	Intangible assets (note 6(m))		2,021,793	4	2,020,234	4	2,016,311	4	3110	Ordinary shares (note 6(t))		4,674,028	9	4,657,448	10	4,629,318	9	
1840	Deferred tax assets		690,920	1	662,009	1	704,080	1	3200	Capital surplus (note 6(t))		3,639,874	7	3,512,958	7	2,356,575	5	
1990	Other non-current assets (note 8)		297,118	1	305,410	1	319,749	1	3310	Legal reserve		2,522,701	5	2,522,701	5	2,274,414	5	
			14,147,602	28	13,882,599	28	13,693,585	28	3320	Special reserve		1,016,955	2	1,016,955	2	754,918	1	
									3350	Unappropriated retained earnings (note 6(t))		9,250,403	19	8,510,638	17	8,892,546	18	
									3400	Other equity interest		(139,377)	-	(385,724)	(1)	(698,438)	(1)	
												20,964,584	42	19,834,976	40	18,209,333	37	
									36XX	Non-controlling interests (notes 6(i) and 7)		-	-	-	-	2,152,650	5	
										Total equity		20,964,584	42	19,834,976	40	20,361,983	42	
Total assets		\$	49,979,602	100	50,128,417	100	48,658,205	100	Total liabilities and equity		\$	49,979,602	100	50,128,417	100	48,658,205	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 months ended March 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)**

		For the three months ended March 31			
		2025		2024	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(w) and 7)	\$ 14,768,131	100	13,648,735	100
5000	Operating costs (notes 6(g), (p), (r), (x), 7 and 12)	<u>12,229,238</u>	<u>83</u>	<u>11,473,305</u>	<u>84</u>
	Gross profit from operation	<u>2,538,893</u>	<u>17</u>	<u>2,175,430</u>	<u>16</u>
	Operating expenses (notes 6(e), (p), (r), (u), (x) and 12):				
6100	Selling expenses	493,131	3	387,595	3
6200	Administrative expenses	476,535	3	487,486	4
6300	Research and development expenses	830,162	6	718,498	5
6450	Expected credit loss (gain on reversal)	(412)	-	(5,548)	-
	Total operating expenses	<u>1,799,416</u>	<u>12</u>	<u>1,588,031</u>	<u>12</u>
	Net operating income	<u>739,477</u>	<u>5</u>	<u>587,399</u>	<u>4</u>
	Non-operating income and expenses:				
7100	Interest income	112,097	1	122,066	1
7010	Other income (note 6(y))	16,745	-	25,677	-
7020	Other gains and losses (notes 6(z) and 12)	155,810	1	51,248	-
7060	Shares of loss of associates accounted for using equity method (note 6(h))	(4,494)	-	-	-
7050	Finance costs (note 6(p))	(46,308)	-	(29,404)	-
	Total non-operating income and expenses	<u>233,850</u>	<u>2</u>	<u>169,587</u>	<u>1</u>
	Profit before tax	<u>973,327</u>	<u>7</u>	<u>756,986</u>	<u>5</u>
7950	Less: Income tax expenses (note 6(s))	<u>233,562</u>	<u>2</u>	<u>151,521</u>	<u>1</u>
	Profit	<u>739,765</u>	<u>5</u>	<u>605,465</u>	<u>4</u>
8300	Other comprehensive income (loss):				
8310	Items that may not be reclassified subsequently to profit or loss:				
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	(1,579)	-	(12,765)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will not be reclassified to profit or loss	<u>(1,579)</u>	<u>-</u>	<u>(12,765)</u>	<u>-</u>
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of foreign operation's financial statements	325,053	2	607,321	4
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will be reclassified to profit or loss	<u>325,053</u>	<u>2</u>	<u>607,321</u>	<u>4</u>
8300	Other comprehensive income after tax	<u>323,474</u>	<u>2</u>	<u>594,556</u>	<u>4</u>
	Comprehensive income	<u>\$ 1,063,239</u>	<u>7</u>	<u>1,200,021</u>	<u>8</u>
	Profit attributable to:				
8610	Owners of parent	\$ 739,765	5	581,356	4
8620	Non-controlling interests (note 6(i))	-	-	24,109	-
		<u>\$ 739,765</u>	<u>5</u>	<u>605,465</u>	<u>4</u>
	Comprehensive income attributable to:				
8710	Owners of parent	\$ 1,063,239	7	1,133,616	8
8720	Non-controlling interests (note 6(i))	-	-	66,405	-
		<u>\$ 1,063,239</u>	<u>7</u>	<u>1,200,021</u>	<u>8</u>
	Earnings per share (note 6(v))				
9710	Basic earnings per share (NT dollars)	<u>\$ 1.61</u>		<u>1.28</u>	
9810	Diluted earnings per share (NT dollars)	<u>\$ 1.60</u>		<u>1.26</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 three months ended March 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	Equity attributable to owners of parent										Non-controlling interests	Total equity
	Ordinary shares	Capital surplus	Retained earnings			Exchange differences on translation of financial statements	Other equity interest		Total equity attributable to owners of parent			
			Legal reserve	Special reserve	Unappropriated retained earnings		Unrealized gains (losses) from financial assets at fair value through other comprehensive income	Unearned employee compensation				
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	-	-	-	-	581,356	-	-	-	581,356	24,109	605,465	
Other comprehensive income	-	-	-	-	-	565,025	(12,765)	-	552,260	42,296	594,556	
Comprehensive income	-	-	-	-	581,356	565,025	(12,765)	-	1,133,616	66,405	1,200,021	
Changes in shares of investment accounted for using equity method	-	(3,178)	-	-	-	-	-	-	(3,178)	3,178	-	
Amortization expense of restricted employee stock	-	-	-	-	-	-	-	65,386	65,386	-	65,386	
Cancellation of restricted stock	(420)	-	-	-	-	-	-	420	-	-	-	
Balance at March 31, 2024	\$ 4,629,318	2,356,575	2,274,414	754,918	8,892,546	(436,125)	(28,570)	(233,743)	18,209,333	2,152,650	20,361,983	
Balance at January 1, 2025	\$ 4,657,448	3,512,958	2,522,701	1,016,955	8,510,638	(85,530)	(9,837)	(290,357)	19,834,976	-	19,834,976	
Profit	-	-	-	-	739,765	-	-	-	739,765	-	739,765	
Other comprehensive income	-	-	-	-	-	325,053	(1,579)	-	323,474	-	323,474	
Comprehensive income	-	-	-	-	739,765	325,053	(1,579)	-	1,063,239	-	1,063,239	
Amortization expense of restricted employee stock	-	-	-	-	-	-	-	66,369	66,369	-	66,369	
Cancellation of restricted stock	(420)	(2,284)	-	-	-	-	-	2,704	-	-	-	
Issuance of restricted stock	17,000	129,200	-	-	-	-	-	(146,200)	-	-	-	
Balance at March 31, 2025	\$ 4,674,028	3,639,874	2,522,701	1,016,955	9,250,403	239,523	(11,416)	(367,484)	20,964,584	-	20,964,584	

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 three months ended March 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	For the three months ended March 31	
	2025	2024
Cash flows from (used in) operating activities:		
Profit before tax	\$ 973,327	756,986
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	343,207	409,466
Amortization expense	12,016	21,616
Gain on reversal of expected credit loss	(412)	(5,548)
Interest expense	46,308	29,404
Net losses on financial assets and liabilities at fair value through profit or loss	183,228	294,457
Interest income	(112,097)	(122,066)
Compensation cost of share-based payment	66,369	65,386
Shares of loss of associates accounted for using equity method	4,494	-
Gain on disposal of property, plant and equipment	(4,834)	(24,599)
Gain on disposal of right-of-use assets	-	(21)
Loss on disposal of unamortized expense	-	13
Total adjustments to reconcile profit	538,279	668,108
Changes in operating assets and liabilities:		
Financial assets at fair value through profit or loss	293,768	379,697
Accounts receivable	66,302	(100,290)
Accounts receivable from related parties	19,760	(11,170)
Other receivables	7,340	(35,860)
Inventories	797,201	254,083
Other current assets	(36,986)	(87,935)
Other operating assets	501	(13,198)
Changes in operating assets	1,147,886	385,327
Financial liabilities at fair value through profit or loss	(467,904)	(992,339)
Notes and accounts payable	(903,282)	(202,184)
Salaries payable	(821,263)	(435,541)
Other payables	(193,830)	(74,535)
Other payable to related parties	9,015	-
Refund liabilities	(58,683)	203,529
Other current liabilities	31,465	149,956
Other operating liabilities	62,163	55,156
Changes in operating liabilities	(2,342,319)	(1,295,958)
Total changes in operating assets and liabilities	(1,194,433)	(910,631)
Total adjustments	(656,154)	(242,523)
Cash inflow generated from operations	317,173	514,463
Interest received	112,097	122,066
Interest paid	(46,308)	(29,404)
Income taxes paid	(96,697)	(48,057)
Net cash flows from operating activities	286,265	559,068
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(1,879)	(6,259)
Increase in financial assets measured at amortized cost	-	(3,415)
Acquisition of financial assets designated at fair value through profit or loss	(1,964)	(7,956)
Acquisition of property, plant and equipment	(568,678)	(335,295)
Proceeds from disposal of property, plant and equipment	21,592	54,209
Decrease (Increase) in refundable deposits	2,721	(814)
Acquisition of investment properties	(584)	(57)
Acquisition of unamortized expense	(4,295)	(1,519)
Proceeds from disposal of unamortized expense	-	5
Net cash flows used in investing activities	(553,087)	(301,101)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	170,397	1,491,983
Increase in long-term borrowings	367,046	-
Repayments of long-term borrowings	(58,000)	-
Increase (decrease) in guarantee deposits received	(166)	2,302
Decrease in other payables to related parties	(76,179)	-
Payment of lease liabilities	(58,919)	(61,744)
Net cash flows from financing activities	344,179	1,432,541
Effect of exchange rate changes on cash and cash equivalents	260,474	491,821
Net increase in cash and cash equivalents	337,831	2,182,329
Cash and cash equivalents at beginning of period	13,885,985	10,904,683
Cash and cash equivalents at end of period	\$ 14,223,816	13,087,012

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

March 31, 2025 and 2024

(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 three months ended March 31, 2025, 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:

Those consolidated financial statements were authorized for issuance by the board of directors on May 8, 2025.

(3) New standards, amendments and interpretations adopted:

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

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

- Amendments to IAS21 “Lack of Exchangeability”

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

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

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

(Continued)

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

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

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

Standards or Interpretations	Content of amendment	Effective date per IASB
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"> • 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. • 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. • 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. 	January 1, 2027

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES

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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” regarding the application guidance requirements for Sections 3.1 and 3.3 of IFRS 9 and the related disclosure requirements of IFRS 7
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(4) Summary of material accounting policies:

(a) Statement of compliance

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

(b) Basis of consolidation

(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
			March 31, 2025	December 31, 2024	March 31, 2024	
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)

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of investor	Name of subsidiary	Principal activities	Percentage of shareholding			Description
			March 31, 2025	December 31, 2024	March 31, 2024	
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 %	100.00 %	100.00 %	(note 1)
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	100.00 %	100.00 %	100.00 %	(note 1) (note 4)
Diamond	Tymphany Worldwide Enterprises Ltd. (TWEL)	Holding company	100.00 %	100.00 %	100.00 %	
TWEL	Tymphany Acoustic Technology (Huizhou) Co., Ltd (Tymphany Huizhou)	Manufacturing, R&D, design, and sales of various speaker accessories, speakers, and their components	100.00 %	100.00 %	77.01 %	(note 4)
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)

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of investor	Name of subsidiary	Principal activities	Percentage of shareholding			Description
			March 31, 2025	December 31, 2024	March 31, 2024	
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	100.00 %	100.00 %	100.00 %	(note 1) (note 4)
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 %	(note 3)

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

Note 2: As of March 31, 2025, there is no capital injection from the Company.

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

Note 4: To meet the regulatory requirements, 3 shares of Primax Thailand, 3 shares of TYTH and 1 share of Tymphany Huizhou are owned by natural person respectively.

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

(c) 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.

(d) 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.

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

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

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

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 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.

The Group holds 40% of the voting shares of Mibtech Plastic & Molds (Thailand) Co., Ltd. (MBTH), with the remaining 60% being held by other shareholders. Therefore, the Group does not have power of control over relevant activities of MBTH, but remains significant influence.

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

(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, 2024. Please refer to note 6 of the 2024 annual consolidated financial statements.

(a) Cash and cash equivalents

	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand	\$ 3,041	2,921	2,717
Demand accounts and checking deposits	8,660,952	10,020,352	7,298,631
Time deposits	5,519,823	3,666,026	5,585,664
Repurchase agreement	40,000	196,686	200,000
	<u><u>\$ 14,223,816</u></u>	<u><u>13,885,985</u></u>	<u><u>13,087,012</u></u>

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

(i) Details of financial instruments were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Mandatorily measured at FVTPL:			
Derivative instruments not used for hedging			
Forward exchange contracts	\$ 397,182	293,655	246,720
Non-derivative financial assets			
Equities unlisted in foreign markets	25,650	23,373	19,930
	<u><u>\$ 422,832</u></u>	<u><u>317,028</u></u>	<u><u>266,650</u></u>
Current	\$ 397,182	293,655	246,720
Non-current	25,650	23,373	19,930
	<u><u>\$ 422,832</u></u>	<u><u>317,028</u></u>	<u><u>266,650</u></u>

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

	March 31, 2025	December 31, 2024	March 31, 2024
Financial liabilities held-for-trading:			
Derivative instrument not used for hedging			
Forward exchange contracts	\$ (289,745)	(134,130)	(177,756)
Foreign exchange swap contracts	(291,091)	(333,774)	(363,436)
	<u>\$ (580,836)</u>	<u>(467,904)</u>	<u>(541,192)</u>

- (ii) 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 March 31, 2025, December 31 and March 31, 2024:

March 31, 2025				
Derivative financial instruments	Nominal amount (in thousands)		Maturity date	Predetermined rate
Forward exchange contracts — buy CZK/ sell USD	USD	2,000	April 9, 2025	22.975
Forward exchange contracts — buy CZK/ sell EUR	EUR	8,000	April 29, 2025	25.042~25.050
Forward exchange contracts — buy USD / sell TWD	USD	574,850	April 11, 2025~ September 26, 2025	31.265~32.976
Forward exchange contracts — buy TWD / sell USD	USD	55,000	April 9, 2025~ April 29, 2025	32.792~33.018
Forward exchange contracts — buy CNY/ sell USD	USD	392,500	April 2, 2025~ July 21, 2025	7.1735~7.2743
Forward exchange contracts — buy USD/ sell THB	USD	28,500	April 25, 2025~ May 19, 2025	33.330~33.950
Forward exchange contracts — buy THB/ sell USD	USD	3,000	April 25, 2025	34.000
Forward exchange swap contracts — swap in TWD/ swap out USD	USD	390,000	April 11, 2025~ September 25, 2025	31.457~32.596

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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December 31, 2024			
Derivative financial instruments	Nominal amount (in thousands)	Maturity date	Predetermined rate
Forward exchange contracts — buy CZK/ sell USD	USD 8,000	January 9, 2025~ February 19, 2025	23.900~24.100
Forward exchange contracts — buy CZK/ sell EUR	EUR 6,000	February 19, 2025	25.130~25.203
Forward exchange contracts — buy USD / sell TWD	USD 596,850	January 2, 2025~ July 21, 2025	30.803~32.498
Forward exchange contracts — buy TWD / sell USD	USD 23,000	January 2, 2025~ January 17, 2025	32.445~32.682
Forward exchange contracts — buy CNY/ sell USD	USD 377,000	January 2, 2025~ July 21, 2025	7.1735~7.2812
Forward exchange contracts — buy USD/ sell THB	USD 31,500	January 16, 2025~ February 27, 2025	34.070~34.570
Forward exchange swap contracts — swap in TWD/ swap out USD	USD 390,000	January 13, 2025~ June 20, 2025	31.325~32.230
March 31, 2024			
Derivative financial instruments	Nominal amount (in thousands)	Maturity date	Predetermined rate
Forward exchange contracts — buy HKD / sell USD	USD 8,000	April 29, 2024	7.814
Forward exchange contracts — buy CZK/ sell USD	USD 12,500	April 29, 2024	23.290
Forward exchange contracts — buy USD / sell TWD	USD 634,000	April 12, 2024~ October 18, 2024	30.288~31.990
Forward exchange contracts — buy TWD / sell USD	USD 60,500	April 8, 2024~ July 17, 2024	30.595~31.804
Forward exchange contracts — buy CNY/ sell USD	USD 288,000	April 3, 2024~ May 30, 2024	7.1219~7.2483
Forward exchange contracts — buy USD/ sell THB	USD 22,500	April 22, 2024~ April 29, 2024	36.000~36.350
Forward exchange contracts — buy HKD/ sell EUR	EUR 3,500	April 29, 2024	8.484
Forward exchange swap contracts — swap in TWD/ swap out USD	USD 412,000	April 12, 2024~ September 23, 2024	30.514~31.761

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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(c) Financial assets at FVOCI

	March 31, 2025	December 31, 2024	March 31, 2024
Equity investments at FVOCI			
Stocks unlisted in domestic markets	\$ 250	250	13,696
Stocks listed in domestic markets (note)	19,801	25,042	-
Equities unlisted in foreign markets	302,445	296,904	270,083
Total	\$ 322,496	322,196	283,779

Note: Listed on the OTC market from October 2024.

- (i) The Group designated the investments shown 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) There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments as of March 31, 2025 and 2024.
- (iii) The Group did not provide any of the aforementioned financial assets as collateral.

(d) Financial assets at amortized cost

	March 31, 2025	December 31, 2024	March 31, 2024
Time deposits	\$ 25,649	25,649	33,649
Annual interest rates	1.65%	1.65%	0.54%~1.53%
Maturity date	2025.07.10	2025.07.10	2024.07.10~2024.12.06

- (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.

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

(e) Accounts receivable (including related parties)

	March 31, 2025	December 31, 2024	March 31, 2024
Accounts receivable	\$ 11,088,667	10,793,426	11,533,990
Accounts receivable – related parties	5,420	109,306	81,776
Less: allowance for doubtful accounts	<u>(51,005)</u>	<u>(50,874)</u>	<u>(64,402)</u>
Total	<u><u>\$ 11,043,082</u></u>	<u><u>10,851,858</u></u>	<u><u>11,551,364</u></u>

- (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:

	March 31, 2025		
	Carrying amounts of accounts receivable (including related parties)	Lifetime ECL rate	Loss allowance provision of lifetime ECL
Current	\$ 10,585,980	0%~0.13%	14,257
0 to 30 days past due	415,847	0%~3%	10,938
31 to 60 days past due	48,577	0%~5%	243
61 to 90 days past due	12,231	0%~10%	734
91 to 180 days past due	190	0%~25%	7
181 to 360 days past due	7,564	0%~80%	1,128
More than 361 days past due	<u>23,698</u>	0%~100%	<u>23,698</u>
	<u><u>\$ 11,094,087</u></u>		<u><u>51,005</u></u>

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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	December 31, 2024		
	Carrying amounts of accounts receivable (including related parties)	Lifetime ECL rate	Loss allowance provision of lifetime ECL
Current	\$ 9,380,684	0%~0.03%	3,069
0 to 30 days past due	1,400,255	0%~3%	20,998
31 to 60 days past due	88,570	0%~5%	2,455
61 to 90 days past due	101	0%~10%	5
91 to 180 days past due	3,986	0%~25%	319
181 to 360 days past due	5,676	0%~80%	568
More than 361 days past due	23,460	0%~100%	23,460
	\$ 10,902,732		50,874
	March 31, 2024		
	Carrying amounts of accounts receivable (including related parties)	Lifetime ECL rate	Loss allowance provision of lifetime ECL
Current	\$ 10,489,689	0%~0.13%	13,896
0 to 30 days past due	891,334	0%~3%	20,067
31 to 60 days past due	184,320	0%~5%	6,090
61 to 90 days past due	13,132	0%~10%	166
91 to 180 days past due	44	0%~25%	4
181 to 360 days past due	14,523	0%~80%	1,455
More than 361 days past due	22,724	0%~100%	22,724
	\$ 11,615,766		64,402

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

	For the three months ended March 31	
	2025	2024
Balance on January 1	\$ 50,874	67,416
Impairment losses reversed	(412)	(5,548)
Effect of exchange rate changes	543	2,534
Balance on March 31	\$ 51,005	64,402

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

- (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 March 31, 2025, December 31 and March 31, 2024, the details of transferred accounts receivable which conformed to the criteria for derecognition were as follows:

March 31, 2025						
Purchaser	Amount Derecognized	Amount Advanced		Amount Recognized in Other Receivables	Range of Interest Rate	Guarantee (Promissory note)
		Unpaid	Paid			
DBS Bank	\$ 1,593,640	-	1,434,276	159,364	4.85%~4.95%	-
Bank of Taiwan	-	-	-	-	-	NT\$ 367,200
Mega International Commercial Bank	-	-	-	-	-	US\$ 1,250
	<u>\$ 1,593,640</u>	<u>-</u>	<u>1,434,276</u>	<u>159,364</u>		
December 31, 2024						
Purchaser	Amount Derecognized	Amount Advanced		Amount Recognized in Other Receivables	Range of Interest Rate	Guarantee (Promissory note)
		Unpaid	Paid			
DBS Bank	\$ 2,028,391	218,261	1,607,291	421,100	4.86%~5.21%	-
Bank of Taiwan	156,808	-	141,127	15,681	5.32%~5.33%	NT\$ 367,200
Mega International Commercial Bank	-	-	-	-	-	US\$ 1,250
	<u>\$ 2,185,199</u>	<u>218,261</u>	<u>1,748,418</u>	<u>436,781</u>		
March 31, 2024						
Purchaser	Amount Derecognized	Amount Advanced		Amount Recognized in Other Receivables	Range of Interest Rate	Guarantee (Promissory note)
		Unpaid	Paid			
DBS Bank	\$ 1,058,232	952,409	-	1,058,232	-	-
Bank of Taiwan	-	-	-	-	-	NT\$ 297,000
Mega International Commercial Bank	-	-	-	-	-	US\$ 2,500
	<u>\$ 1,058,232</u>	<u>952,409</u>	<u>-</u>	<u>1,058,232</u>		

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

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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(f) Other receivables

	March 31, 2025	December 31, 2024	March 31, 2024
Other receivables - factoring of accounts receivable	\$ 159,364	436,781	1,058,232
Other receivables - tax refund receivable	458,120	459,079	470,230
Other receivables - others	91,160	101,273	187,690
Other receivable - related parties	3,732	-	-
Less: allowance for doubtful accounts	<u>(17,340)</u>	<u>(17,107)</u>	<u>(16,914)</u>
	<u>\$ 695,036</u>	<u>980,026</u>	<u>1,699,238</u>

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

	For the three months ended March 31	
	2025	2024
Balance on January 1	\$ 17,107	16,278
Effect of exchange rate changes	<u>233</u>	<u>636</u>
Balance on March 31	<u>\$ 17,340</u>	<u>16,914</u>

(g) Inventories

	March 31, 2025	December 31, 2024	March 31, 2024
Raw materials	\$ 3,416,303	3,080,743	2,960,778
Semi-finished goods and work in process	2,266,157	2,516,621	1,876,334
Finished goods and merchandise	<u>3,124,021</u>	<u>4,006,318</u>	<u>2,905,202</u>
	<u>\$ 8,806,481</u>	<u>9,603,682</u>	<u>7,742,314</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:

	For the three months ended March 31	
	2025	2024
Gains (losses) on inventory valuation and disposal of inventories	\$ (46,425)	7,771
Unallocated manufacturing overhead resulting from the actual production being lower than the normal capacity	(13,952)	(15,582)
Gains (losses) on physical inventories	<u>56</u>	<u>(131)</u>
	<u>\$ (60,321)</u>	<u>(7,942)</u>

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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Reversal of inventory write-downs, resulting from the sales of previously written-down of inventory and the recovery of material prices, as well as the losses from inventory write-downs to net realizable value, were recognized as cost of sales.

(h) Investments accounted for using equity method

The Group's investments accounted for using the equity method are individually insignificant. The related information included in the consolidated financial statements was as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Carrying amount of individually insignificant associates' equity	\$ 27,406	31,900	-
	For the three months ended March 31		
	2025	2024	
Attributable to the Group:			
Losses	\$ (4,494)	-	
Other comprehensive income	-	-	
Comprehensive income	\$ (4,494)	-	

(i) The Group did not provide any investment accounted for using equity method as collateral.

(ii) TWEL, the subsidiary of the Group, entered into a joint venture agreement with a non-related party to invest in Mibtech Plastic & Molds (Thailand), based on a resolution decided during its board meeting held in 2024. TWEL invested the amount of \$31,900 (USD 1,000 thousand) to obtain a 40% ownership interest.

(iii) Investments were accounted for by using the equity method, and the share of profit or loss and other comprehensive income of those investments were calculated based on the financial statements that have not been reviewed by independent auditors.

(i) 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			
		March 31, 2025	%	December 31, 2024	March 31, 2024
Tymphany Huizhou and its subsidiaries	Hong Kong and China/Cayman Is.	-	%	-	22.99 %

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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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.

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

	March 31, 2024
Current assets	\$ 11,176,409
Non-current assets	5,464,581
Current liabilities	(6,837,010)
Non-current liabilities	<u>(440,562)</u>
Net assets	<u>\$ 9,363,418</u>
Non-controlling interests	<u>\$ 2,152,650</u>
	For the three months ended March 31 2024
Operating revenue	<u>\$ 4,297,921</u>
Profit	\$ 104,866
Other comprehensive income	<u>183,977</u>
Comprehensive income	<u>\$ 288,843</u>
Profit attributable to non-controlling interests	<u>\$ 24,109</u>
Comprehensive income attributable to non-controlling interests	<u>\$ 66,405</u>
	For the three months ended March 31 2024
Cash flows used in operating activities	\$ (158,658)
Cash flows used in investing activities	(8,784)
Cash flows used in financing activities	(30,268)
Effect of exchange rate changes	<u>102,862</u>
Net decrease in cash and cash equivalents	<u>\$ (94,848)</u>
Dividends paid to non-controlling interests	<u>\$ -</u>

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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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 thousand, based on a resolution decided during its board meeting held on June 18, 2024. The relevant procedures have completed in December 2024. After the acquisition, TWEL's sharedholding in Tymphany Huizhou increased from 77.01% to 100%. Please refer to 6(i) of the consolidated financial statements for the year ended December 31, 2024.

(j) Property, plant and equipment

The cost, depreciation, and impairment loss of the property, plant and equipment of the Group for the three months ended March 31, 2025 and 2024, were as follows:

	Land	Buildings, leasehold improvement, and additional equipment	Machinery and equipment	Office and other equipment	Construction in progress and testing equipment	Total
Cost or deemed cost:						
Balance on January 1, 2025	\$ 1,224,979	6,517,084	7,427,973	869,683	1,631,368	17,671,087
Additions	-	2,738	58,806	10,802	416,768	489,114
Disposals	-	(680)	(86,124)	(4,938)	-	(91,742)
Reclassifications	-	8,367	72,031	100	(81,531)	(1,033)
Effect of changes in exchange rate	5,205	90,703	110,496	13,124	8,913	228,441
Balance on March 31, 2025	<u>\$ 1,230,184</u>	<u>6,618,212</u>	<u>7,583,182</u>	<u>888,771</u>	<u>1,975,518</u>	<u>18,295,867</u>
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	3,332	32,352	2,228	190,716	348,755
Disposals	-	(2,553)	(147,114)	(66,529)	-	(216,196)
Reclassifications	-	16,264	44,544	2,047	(63,350)	(495)
Effect of changes in exchange rate	(5,294)	147,498	222,364	30,370	9,380	404,318
Balance on March 31, 2024	<u>\$ 1,195,025</u>	<u>6,377,596</u>	<u>7,596,086</u>	<u>1,119,441</u>	<u>1,131,201</u>	<u>17,419,349</u>
Depreciation and impairments loss:						
Balance on January 1, 2025	\$ -	2,855,447	6,070,518	658,386	-	9,584,351
Depreciation	-	80,586	165,654	23,257	-	269,497
Disposals	-	(680)	(66,785)	(4,912)	-	(72,377)
Reclassifications	-	431	(161)	(718)	-	(448)
Effect of changes in exchange rate	-	39,534	91,053	10,179	-	140,766
Balance on March 31, 2025	<u>\$ -</u>	<u>2,975,318</u>	<u>6,260,279</u>	<u>686,192</u>	<u>-</u>	<u>9,921,789</u>
Balance on January 1, 2024	\$ -	2,481,245	5,834,955	825,858	-	9,142,058
Depreciation	-	77,082	217,105	39,119	-	333,306
Disposals	-	(2,553)	(123,451)	(53,022)	-	(179,026)
Reclassifications	-	-	(1,031)	1,020	-	(11)
Effect of changes in exchange rate	-	83,783	200,729	26,611	-	311,123
Balance on March 31, 2024	<u>\$ -</u>	<u>2,639,557</u>	<u>6,128,307</u>	<u>839,586</u>	<u>-</u>	<u>9,607,450</u>

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

	Land	Buildings, leasehold improvement, and additional equipment	Machinery and equipment	Office and other equipment	Construction in progress and testing equipment	Total
Carrying amounts:						
Balance on January 1, 2025	\$ 1,224,979	3,661,637	1,357,455	211,297	1,631,368	8,086,736
Balance on March 31, 2025	\$ 1,230,184	3,642,894	1,322,903	202,579	1,975,518	8,374,078
Balance on January 1, 2024	\$ 1,080,192	3,731,810	1,608,985	325,467	994,455	7,740,909
Balance on March 31, 2024	\$ 1,195,025	3,738,039	1,467,779	279,855	1,131,201	7,811,899

- (i) The unamortized deferred revenue of equipment subsidy amounted to \$501,775, \$527,320 and \$492,496 were classified as long-term deferred revenue, as of March 31, 2025, December 31 and March 31, 2024, respectively.
- (ii) As of March 31, 2025, December 31 and March 31, 2024, the Group has started the construction of Jhubei Factory in 2022, with the total costs of \$1,389,466, \$1,239,257 and \$774,385, respectively. For the three months ended March 31, 2025 and 2024, the capitalized borrowing costs of \$2,498 and \$671, respectively, related to the construction of the said factory, had been calculated using a capitalization rate between 1.1% to 1.225%.
- (iii) The Group provided the aforementioned property, plant and equipment as collateral; please refer to note 8.
- (k) 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:

	Land	Buildings	Vehicles	Other equipment	Total
Cost:					
Balance on January 1, 2025	\$ 258,337	2,530,871	67,772	3,207	2,860,187
Additions	-	3,500	-	-	3,500
Effect of changes in exchange rates	3,529	31,345	1,804	114	36,792
Balance on March 31, 2025	\$ 261,866	2,565,716	69,576	3,321	2,900,479
Balance on January 1, 2024	\$ 245,823	2,549,113	56,507	-	2,851,443
Additions	-	5,060	5,518	-	10,578
Disposals	-	(45,383)	(3,184)	-	(48,567)
Lease modification	-	26,536	-	-	26,536
Effect of changes in exchange rates	9,596	10,256	51	-	19,903
Balance on March 31, 2024	\$ 255,419	2,545,582	58,892	-	2,859,893

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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	<u>Land</u>	<u>Buildings</u>	<u>Vehicles</u>	<u>Other equipment</u>	<u>Total</u>
Depreciation:					
Balance on January 1, 2025	\$ 32,107	1,006,112	35,726	732	1,074,677
Depreciation	1,566	58,974	3,942	315	64,797
Effect of changes in exchange rates	466	16,503	1,011	23	18,003
Balance on March 31, 2025	<u>\$ 34,139</u>	<u>1,081,589</u>	<u>40,679</u>	<u>1,070</u>	<u>1,157,477</u>
Balance on January 1, 2024	\$ 24,571	908,268	27,073	-	959,912
Depreciation	1,507	62,691	3,399	-	67,597
Disposals	-	(45,383)	(1,947)	-	(47,330)
Effect of changes in exchange rates	1,006	5,670	39	-	6,715
Balance on March 31, 2024	<u>\$ 27,084</u>	<u>931,246</u>	<u>28,564</u>	<u>-</u>	<u>986,894</u>
Carrying amounts:					
Balance on January 1, 2025	<u>\$ 226,230</u>	<u>1,524,759</u>	<u>32,046</u>	<u>2,475</u>	<u>1,785,510</u>
Balance on March 31, 2025	<u>\$ 227,727</u>	<u>1,484,127</u>	<u>28,897</u>	<u>2,251</u>	<u>1,743,002</u>
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 March 31, 2024	<u>\$ 228,335</u>	<u>1,614,336</u>	<u>30,328</u>	<u>-</u>	<u>1,872,999</u>

(l) Investment property

	<u>Land</u>	<u>Buildings and other equipment</u>	<u>Right-of-use assets — Land</u>	<u>Total</u>
Carrying amounts:				
Balance on January 1, 2025	<u>\$ 16,249</u>	<u>606,849</u>	<u>22,133</u>	<u>645,231</u>
Balance on March 31, 2025	<u>\$ 16,249</u>	<u>606,615</u>	<u>22,275</u>	<u>645,139</u>
Balance on January 1, 2024	<u>\$ 16,249</u>	<u>611,600</u>	<u>21,666</u>	<u>649,515</u>
Balance on March 31, 2024	<u>\$ 16,249</u>	<u>626,234</u>	<u>22,355</u>	<u>664,838</u>

- (i) There were no significant additions, disposal, or recognition and reversal of impairment losses of investment property for the three months ended March 31, 2025 and 2024. Please refer to 6(l) of the consolidated financial statements for the year ended December 31, 2024 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, 2024.
- (iii) The Group provided the aforementioned investment property as collateral; please refer to note 8.

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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(m) Intangible assets

	<u>Goodwill</u>	<u>Customer Relationships</u>	<u>Technology</u>	<u>Trademarks, Patents and Copyrights</u>	<u>Total</u>
Carrying amounts:					
Balance on January 1, 2025	\$ <u>2,019,526</u>	-	-	708	<u>2,020,234</u>
Balance on March 31, 2025	\$ <u>2,021,244</u>	-	-	549	<u>2,021,793</u>
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 March 31, 2024	\$ <u>2,014,095</u>	-	-	<u>2,216</u>	<u>2,016,311</u>

(i) There were no significant additions, disposal, or recognition and reversal of impairment losses of intangible assets for the three months ended March 31, 2025 and 2024. Please refer to note 6(m) of the consolidated financial statements for the year ended December 31, 2024 for other related information.

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

(n) Short-term borrowings

The details of short-term borrowings were as follows:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Unsecured bank loans	\$ 1,303,636	1,441,489	1,620,961
Secured bank loans	335,396	-	649,396
	<u>\$ 1,639,032</u>	<u>1,441,489</u>	<u>2,270,357</u>
Unused credit lines	<u>\$ 28,360,802</u>	<u>26,856,603</u>	<u>28,043,782</u>
Annual interest rates	<u>2.72%~4.80%</u>	<u>2.81%~5.34%</u>	<u>2.43%~6.28%</u>

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

(o) Long-term borrowings

	<u>March 31, 2025</u>			
	<u>Currency</u>	<u>Annual interest rate</u>	<u>Maturity year</u>	<u>Amount</u>
Secured bank loans	TWD	1.23%~1.77%	2026~2028	\$ 1,394,133
	THB	4.20%	2027	107,437
Less: current portion				<u>(272,289)</u>
				<u>\$ 1,229,281</u>
Unused credit lines				<u>\$ 1,606,738</u>

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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December 31, 2024

	Currency	Annual interest rate	Maturity year	Amount
Secured bank loans	TWD	1.23%~1.77%	2026~2028	\$ 1,085,087
	THB	4.20%	2027	105,721
Less: current portion				(258,430)
				<u>\$ 932,378</u>
Unused credit lines				<u>\$ 2,288,622</u>

March 31, 2024

	Currency	Annual interest rate	Maturity year	Amount
Secured bank loans	TWD	1.23%~1.65%	2026~2028	\$ 707,979
Less: current portion				(74,667)
				<u>\$ 633,312</u>
Unused credit lines				<u>\$ 1,722,223</u>

(i) Please refer to note 8 for further information on assets provided as collateral.

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

(p) Lease liabilities

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

	March 31, 2025	December 31, 2024	March 31, 2024
Current	<u>\$ 239,243</u>	<u>232,639</u>	<u>229,214</u>
Non-current	<u>\$ 1,412,722</u>	<u>1,457,202</u>	<u>1,534,303</u>

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

The amounts recognized in profit or loss were as follows:

	For the three months ended March 31	
	2025	2024
Interest on lease liabilities	<u>\$ 12,941</u>	<u>12,917</u>
Expenses relating to short-term leases and leases of low-value assets	<u>\$ 12,060</u>	<u>18,364</u>

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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The amounts recognized in the statement of cash flows for the Group were as follows:

	For the three months ended March 31	
	2025	2024
Rental paid in operating activities	\$ (12,060)	(18,364)
Interest on lease liabilities paid in operating activities	(12,941)	(12,917)
Payment made on lease liabilities in financing activities	(58,919)	(61,744)
Total cash outflow for leases	<u>\$ (83,920)</u>	<u>(93,025)</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.

(q) Operating lease

There were no significant changes in operating lease for the three months ended March 31, 2025 and 2024. Please refer to note 6(q) of the consolidated financial statements for the year ended December 31, 2024 for other related information.

(r) 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, 2024 and 2023.

(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.

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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- (iii) The Group recognized its pension costs and recorded them as operating costs and operating expenses.

	For the three months ended March 31	
	2025	2024
Defined benefit plans	\$ 49	177
Defined contribution plans	105,749	94,980
Total	\$ 105,798	95,157

(s) 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 March 31	
	2025	2024
Income tax expense	\$ 233,562	151,521

- (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 2022.
- (v) Global minimum top-up tax

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.

Some countries where the Group operates have enacted new legislations to implement the global minimum top-up tax, wherein the Group is closely monitoring their developments. This impact has been taken into account in determining the weighted-average annual income tax rate for the full financial year. The Group recognized a current tax expense related to the top-up tax of \$8,811 thousand, which was levied on its subsidiaries in Hong Kong, Thailand, and Europe, for the three months ended March 31, 2025

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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(t) Capital and other equity

Except for the following disclosure, there was no significant change for capital and other equity for the three months ended March 31, 2025 and 2024. For the related information, please refer to note 6(t) of the consolidated financial statements for the year ended December 31, 2024.

(i) Ordinary shares

As of March 31, 2025, December 31 and March 31, 2024, 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 467,403 thousand shares, 465,745 thousand shares and 462,932 thousand shares, respectively, were issued. All issued shares were paid up upon issuance.

Reconciliation of shares outstanding were as follows:

	Ordinary shares (in thousands of shares)	
	For the three months ended March 31	
	2025	2024
Balance on January 1	465,745	462,974
Issuance of restricted stock	1,700	-
Cancellation of restricted stock	(42)	(42)
Balance on March 31	<u>467,403</u>	<u>462,932</u>

(ii) Capital surplus

The balances of capital surplus were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Additional paid-in capital	\$ 1,300,721	1,281,568	1,106,855
Employee stock options	259,401	259,401	259,401
Restricted employee stock options	581,514	473,751	432,791
Long-term stock investments	<u>1,498,238</u>	<u>1,498,238</u>	<u>557,528</u>
	<u>\$ 3,639,874</u>	<u>3,512,958</u>	<u>2,356,575</u>

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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(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 February 26, 2025, the board of directors meeting proposed to distribute the 2024 earnings. The distributions for 2024 were NT\$4.2(dollars) per share, which amounted to \$1,963,008.

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

(u) Share-based payment

Except for the following disclosure, there were no significant changes on share-based payment for the three months ended March 31, 2025 and 2024. Please refer to note 6(u) of the consolidated financial statements for the year ended December 31, 2024 for further information.

After the shareholders' meeting on May 24, 2024, the Company decided to issue 4,350 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 1,700 thousand shares on February 2025.

Expenses attributable to share-based payment were as follows:

	For the three months ended March 31	
	2025	2024
Restricted stock	<u>\$ 66,369</u>	<u>65,386</u>

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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(v) 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 March 31	
	2025	2024
Profit attributable to owners of parent	\$ <u>739,765</u>	<u>581,356</u>
Weighted-average number of ordinary shares (thousand shares)	<u>458,381</u>	<u>454,363</u>
Basic earnings per share (NT dollars)	\$ <u>1.61</u>	<u>1.28</u>

(ii) Diluted earnings per share

	For the three months ended March 31	
	2025	2024
Profit attributable to owners of parent	\$ <u>739,765</u>	<u>581,356</u>
Weighted-average number of ordinary shares (diluted) (thousand shares)	<u>463,284</u>	<u>459,926</u>
Diluted earnings per share (NT dollars)	\$ <u>1.60</u>	<u>1.26</u>

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

	For the three months ended March 31	
	2025	2024
Weighted-average number of ordinary shares on March 31 (basic)	458,381	454,363
Estimated effect of employee stock bonuses	1,009	1,071
Effect of restricted stock	<u>3,894</u>	<u>4,492</u>
Weighted-average number of ordinary shares on March 31 (diluted)	<u>463,284</u>	<u>459,926</u>

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(w) Revenue from contracts with customers

(i) Disaggregation of revenue

For the three months ended March 31, 2025			
	Computer Peripherals	Non-computer Peripherals	Total
Goods sold	\$ 6,113,376	8,344,083	14,457,459
Service rendered	18,521	292,151	310,672
	\$ 6,131,897	8,636,234	14,768,131

For the three months ended March 31, 2024			
	Computer Peripherals	Non-computer Peripherals	Total
Goods sold	\$ 5,759,612	7,564,460	13,324,072
Service rendered	62,407	262,256	324,663
	\$ 5,822,019	7,826,716	13,648,735

For the three months ended March 31		
	2025	2024
Mainland China	\$ 6,092,033	5,983,350
Europe	2,758,219	2,731,029
America	4,881,562	4,159,248
Other	1,036,317	775,108
	\$ 14,768,131	13,648,735

(ii) Contract balances

	March 31, 2025	December 31, 2024	March 31, 2024
Accounts receivable (including related parties)	\$ 11,094,087	10,902,732	11,615,766
Less: allowance for impairment	(51,005)	(50,874)	(64,402)
	\$ 11,043,082	10,851,858	11,551,364
Contract liabilities (classified as other current liabilities)	\$ 673,052	620,796	489,928

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

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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The amount of revenue recognized for the three months ended March 31, 2025 and 2024 that were included in the contract liability balance at the beginning of the period were \$135,604 and \$237,265, 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.

(x) 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:

	For the three months ended March 31	
	2025	2024
Employee remuneration	\$ 27,766	20,757
Directors' remuneration	13,883	10,378
	\$ 41,649	31,135

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.

The differences between the amounts approved in the directors' meeting and those recognized in the financial statements for the distributions of earnings for 2024 and 2023 were as follows:

	2024		
	Actual earnings distributed	Accrued in the financial statement	Difference
Employee remuneration–Cash	\$ 89,503	89,503	-
Director's remuneration	44,752	44,752	-

(Continued)

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

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

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.

(y) Other income

The details of other income were as follows:

	For the three months ended March 31	
	2025	2024
Government grants	\$ 1,140	10,532
Rent income	15,435	14,876
Other	170	269
	\$ 16,745	25,677

(z) Other gains and losses

The details of other gains and losses were as follows:

	For the three months ended March 31	
	2025	2024
Net losses on financial assets/liabilities measured at FVTPL	\$ (183,228)	(294,457)
Foreign currency exchange gains, net	330,915	373,822
Net gains on disposal of property, plant and equipment	4,834	24,599
Net gains on disposal of right-of-use assets	-	21
Other	3,289	(52,737)
	\$ 155,810	51,248

(aa) 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, 2024 for further information.

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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(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
March 31, 2025						
Non-derivative financial liabilities:						
Short-term borrowings	\$ 1,639,032	1,649,029	1,649,029	-	-	-
Notes and accounts payable	12,444,192	12,444,192	12,444,192	-	-	-
Other payables (including related parties)	2,783,924	2,783,924	2,783,924	-	-	-
Salaries payable	1,035,911	1,035,911	1,035,911	-	-	-
Lease liabilities	1,651,965	1,855,521	286,337	258,464	579,689	731,031
Refund liabilities	2,433,988	2,433,988	2,433,988	-	-	-
Long-term borrowings	1,501,570	1,542,157	293,265	559,735	689,157	-
Guarantee deposits	38,439	38,439	-	-	-	38,439
Derivative financial liabilities:	580,836	-	-	-	-	-
Outflow	-	13,175,640	13,175,640	-	-	-
Inflow	-	(12,594,804)	(12,594,804)	-	-	-
	<u><u>\$ 24,109,857</u></u>	<u><u>24,363,997</u></u>	<u><u>21,507,482</u></u>	<u><u>818,199</u></u>	<u><u>1,268,846</u></u>	<u><u>769,470</u></u>
December 31, 2024						
Non-derivative financial liabilities:						
Short-term borrowings	\$ 1,441,489	1,444,191	1,444,191	-	-	-
Notes and accounts payable	13,347,474	13,347,474	13,347,474	-	-	-
Other payables (including related parties)	3,132,446	3,132,446	3,132,446	-	-	-
Salaries payable	1,857,174	1,857,174	1,857,174	-	-	-
Lease liabilities	1,689,841	1,904,031	281,000	262,724	594,267	766,040
Refund liabilities	2,492,671	2,492,671	2,492,671	-	-	-
Long-term borrowings	1,190,808	1,225,353	276,048	412,598	536,707	-
Guarantee deposits	38,605	38,605	-	-	-	38,605
Derivative financial liabilities:	467,904	-	-	-	-	-
Outflow	-	14,728,441	14,728,441	-	-	-
Inflow	-	(14,260,537)	(14,260,537)	-	-	-
	<u><u>\$ 25,658,412</u></u>	<u><u>25,909,849</u></u>	<u><u>23,298,908</u></u>	<u><u>675,322</u></u>	<u><u>1,130,974</u></u>	<u><u>804,645</u></u>
March 31, 2024						
Non-derivative financial liabilities:						
Short-term borrowings	\$ 2,270,357	2,291,201	2,291,201	-	-	-
Notes and accounts payable	11,932,939	11,932,939	11,932,939	-	-	-
Other payables	2,917,691	2,917,691	2,917,691	-	-	-
Salaries payable	874,596	874,596	874,596	-	-	-
Lease liabilities	1,763,517	1,988,455	276,139	250,878	634,094	827,344
Refund liabilities	2,442,545	2,442,545	2,442,545	-	-	-
Long-term borrowings	707,979	731,490	84,925	239,503	407,062	-
Guarantee deposits	35,807	35,807	-	-	-	35,807
Derivative financial liabilities:	541,192	-	-	-	-	-
Outflow	-	14,652,073	14,652,073	-	-	-
Inflow	-	(14,110,881)	(14,110,881)	-	-	-
	<u><u>\$ 23,486,623</u></u>	<u><u>23,755,916</u></u>	<u><u>21,361,228</u></u>	<u><u>490,381</u></u>	<u><u>1,041,156</u></u>	<u><u>863,151</u></u>

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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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:

March 31, 2025					December 31, 2024			March 31, 2024		
	Foreign currency	Exchange rate	TWD		Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
Financial assets										
<u>Monetary items</u>										
USD:CNY	\$	584,639	7.1782	19,399,505	596,855	7.1884	19,565,506	514,288	7.0950	16,452,085
USD:HKD		215,490	7.7785	7,150,389	288,110	7.7625	9,444,524	195,786	7.8264	6,263,183
USD:TWD		363,537	33.1820	12,062,892	416,525	32.7810	13,654,121	320,110	31.9900	10,240,326
EUR:CZK		12,215	25.1143	440,216	10,939	25.3083	375,405	5,049	25.3204	174,761
USD:CZK		9,502	23.1270	315,295	12,992	24.1680	425,891	19,330	23.4080	618,367
USD:THB		46,437	33.9720	1,540,884	43,186	34.1070	1,415,668	36,129	36.4800	1,155,777
EUR:HKD		8,737	8.4482	314,873	8,033	8.1265	275,676	7,735	8.4682	267,732
CZK:HKD		82,075	0.3364	117,778	72,774	0.3211	98,681	109,426	0.3344	149,585
Financial liabilities										
<u>Monetary items</u>										
USD:CNY	\$	188,954	7.1782	6,269,879	220,977	7.1884	7,243,857	220,645	7.0950	7,058,419
USD:HKD		192,287	7.7785	6,380,467	261,439	7.7625	8,570,232	177,292	7.8264	5,671,574
USD:TWD		467,141	33.1820	15,500,684	516,467	32.7810	16,930,317	397,924	31.9900	12,729,605
EUR:CZK		5,747	25.1143	207,116	5,508	25.3083	189,024	5,095	25.3204	176,353
USD:THB		44,654	33.9720	1,481,717	66,750	34.1070	2,188,122	53,919	36.4800	1,724,882
EUR:HKD		8,913	8.4482	321,216	8,335	8.1265	286,041	3,799	8.4682	131,495
USD:CZK		2,495	23.1270	82,789	836	24.1680	27,404	-	23.4080	-

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 March 31, 2025 and 2024, would have increased or decreased the net profit before tax by \$554,898 and \$391,474, 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 months ended March 31, 2025 and 2024, foreign exchange gain (including realized and unrealized portions) amounted to \$330,915 and \$373,822, respectively.

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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(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 \$3,477 and \$2,709 for the three months ended March 31, 2025 and 2024, respectively. This is mainly due to borrowings and demand deposits with variable interest rates.

(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 three months ended March 31		For the three months ended March 31	
	2025		2024	
	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%	\$ 32,250	2,565	28,378	1,993
Decreasing 10%	\$ (32,250)	(2,565)	(28,378)	(1,993)

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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(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:

		March 31, 2025			
		Fair Value			
	Carrying amounts	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL	<u>\$ 422,832</u>	-	-	422,832	422,832
Financial assets at FVOCI – non-current	<u>\$ 322,496</u>	19,801	-	302,695	322,496
Financial assets measured at amortized cost:					
Cash and cash equivalents	\$ 14,223,816				
Financial assets at amortized cost – current	25,649				
Accounts receivable (including related parties)	11,043,082				
Other receivables	695,036				
Refundable deposits	125,680				
Total	<u>\$ 26,113,263</u>				
Financial liabilities at FVTPL – current	<u>\$ 580,836</u>	-	-	580,036	580,036
Financial liabilities measured at amortized cost:					
Borrowings	\$ 3,140,602				
Notes and accounts payable	12,444,192				
Other payables (including related parties)	2,783,924				
Salaries payable	1,035,911				
Lease liabilities	1,651,965				
Refund liabilities	2,433,988				
Guarantee deposits	38,439				
Total	<u>\$ 23,529,021</u>				

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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		December 31, 2024			
		Fair Value			
	Carrying amounts	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL	\$ <u>317,028</u>	-	-	317,028	317,028
Financial assets at FVOCI – non-current	\$ <u>322,196</u>	25,042	-	297,154	322,196
Financial assets measured at amortized cost:					
Cash and cash equivalents	\$ 13,885,985				
Financial assets at amortized cost – current	25,649				
Accounts receivable (including related parties)	10,851,858				
Other receivables	980,026				
Refundable deposits	<u>128,401</u>				
Total	\$ <u>25,871,919</u>				
Financial liabilities at FVTPL – current	\$ <u>467,904</u>	-	-	467,904	467,904
Financial liabilities measured at amortized cost:					
Borrowings	\$ 2,632,297				
Notes and accounts payable	13,347,474				
Other payables (including related parties)	3,132,446				
Salaries payable	1,857,174				
Lease liabilities	1,689,841				
Refund liabilities	2,492,671				
Guarantee deposits	<u>38,605</u>				
Total	\$ <u>25,190,508</u>				

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

		March 31, 2024			
		Fair Value			
	Carrying amounts	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL	\$ <u>266,650</u>	-	-	266,650	266,650
Financial assets at FVOCI – non-current	\$ <u>283,779</u>	-	-	283,779	283,779
Financial assets measured at amortized cost:					
Cash and cash equivalents	\$ 13,087,012				
Financial assets at amortized cost – current	33,649				
Accounts receivable (including related parties)	11,551,364				
Other receivables	1,699,238				
Refundable deposits	123,219				
Total	\$ <u>26,494,482</u>				
Financial liabilities at FVTPL – current	\$ <u>541,192</u>	-	-	541,192	541,192
Financial liabilities measured at amortized cost :					
Borrowings	\$ 2,978,336				
Notes and accounts payable	11,932,939				
Other payables	2,917,691				
Salaries payable	874,596				
Lease liabilities	1,763,517				
Refund liabilities	2,442,545				
Guarantee deposits	35,807				
Total	\$ <u>22,945,431</u>				

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
Notes to the Consolidated Financial Statements

The Group uses the following methods in determining the fair value of its financial instruments with a quoted price in an active market:

- a) The fair value of financial assets trading in active markets are based on quoted market prices. Those include investments in stocks of listed entities.

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 three months ended March 31, 2025 and 2024, there were no transfers between Levels.
- 4) Reconciliation of Level 3 fair values

	For the three months ended March 31, 2025			For the three months ended March 31, 2024		
	FVTPL	FVOCI	Total	FVTPL	FVOCI	Total
Balance on January 1	\$ (150,876)	297,154	146,278	(600,683)	290,285	(310,398)
Recognized in profit or loss	(183,228)	-	(183,228)	(294,457)	-	(294,457)
Recognized in other comprehensive income	-	3,662	3,662	-	(12,765)	(12,765)
Acquisition /disposal	176,100	1,879	177,979	620,598	6,259	626,857
Balance on March 31	<u><u>\$ (158,004)</u></u>	<u><u>302,695</u></u>	<u><u>144,691</u></u>	<u><u>(274,542)</u></u>	<u><u>283,779</u></u>	<u><u>9,237</u></u>

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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- 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:

Item	Valuation technique	Significant unobservable inputs	Inter-relationships between significant unobservable inputs and fair value
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)

note 1: The fair value is based on comparable companies method or net asset value method.

Comparable companies method: It has considered the recent financing activities, comparable business, market and other economic conditions etc., to determine the assumptions. 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.

Net asset value method: The fair value has considered only the net asset value of the investee company, therefore there is no need to show the sensitivity analysis of significant unobservable inputs.

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.

(ab) 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, 2024.

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

(ac) 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, 2024. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2024. Please refer to note 6(ac) of the consolidated financial statements for the year ended December 31, 2024 for further details.

(ad) Changes of liabilities from financing activities

Reconciliation of liabilities arising from financing activities was as follows:

	January 1, 2025	Cash flows	Effect of changes in exchange rate	Changes in lease payments	March 31, 2025
Short-term borrowings	\$ 1,441,489	170,397	27,146	-	1,639,032
Long-term borrowings	1,190,808	309,046	1,716	-	1,501,570
Lease liabilities	1,689,841	(58,919)	17,543	3,500	1,651,965
Guarantee deposits	38,605	(166)	-	-	38,439
Total liabilities from financing activities	<u>\$ 4,360,743</u>	<u>420,358</u>	<u>46,405</u>	<u>3,500</u>	<u>4,831,006</u>

	January 1, 2024	Cash flows	Effect of changes in exchange rate	Changes in lease payments	March 31, 2024
Short-term borrowings	\$ 756,252	1,491,983	22,122	-	2,270,357
Long-term borrowings	707,979	-	-	-	707,979
Lease liabilities	1,784,590	(61,744)	4,815	35,856	1,763,517
Guarantee deposits	33,505	2,302	-	-	35,807
Total liabilities from financing activities	<u>\$ 3,282,326</u>	<u>1,432,541</u>	<u>26,937</u>	<u>35,856</u>	<u>4,777,660</u>

(ae) Supplementary information of cash flow

	For the three months ended March 31	
	2025	2024
Acquisition of property, plant and equipment	\$ 489,114	348,755
Decrease (Increase) in payables on equipment	79,564	(13,460)
Decrease in cash	<u>\$ 568,678</u>	<u>335,295</u>

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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	For the three months ended March 31	
	2025	2024
Disposal of property, plant and equipment	\$ 19,365	37,170
Gain on disposal of property, plant and equipment	4,834	24,599
Decrease in other receivables	-	8,160
Decrease in equipment subsidy	(2,607)	(736)
Decrease in advance payment	-	(14,984)
Increase in cash	<u><u>\$ 21,592</u></u>	<u><u>54,209</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.

<u>Name</u>	<u>Relationship</u>
Specialty Technologies, LLC (Specialty)	Other related party (Note)
Tom Zilvervloot B.V. (Tom Zilvervloot)	Other related party (Note)
Tuskany Investment Corporation (Tuskany)	Other related party
HuiZhou Bo-Chuang Investment Partnership Company (Limited Partnership) (Huizhou Bo- Chuang)	Other related party
Mibtech Plastic & Molds (Thailand) Company (MBTH)	An associate

Note: In January 2025, the key management personnel of Specialty and Tom Zilvervloot resigned as the director of the Group's subsidiary. Therefore, it is longer considered as a related party thereafter. The information below was disclosed up to the date of resignation.

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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(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:

	Sales		Accounts receivable — related parties		
	For the three months ended March 31		March 31,	December	March 31,
	2025	2024	2025	31, 2024	2024
Other related parties	\$ -	107,093	-	84,126	81,776
Associates	4,962	-	5,420	25,180	-
	<u>\$ 4,962</u>	<u>107,093</u>	<u>5,420</u>	<u>109,306</u>	<u>81,776</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.

(ii) Receivables and payables on behalf of associates

Other receivables arising from fees paid on behalf of associates by the Group amounted to \$3,732 as of March 31, 2025. There was no such transaction as of March 31, 2024.

Other payables arising from materials purchased and paid by associates on behalf of the Group amounted to \$9,015 as of March 31, 2025. There was no such transaction as of March 31, 2024.

(iii) Acquisition of equity

TWEL, which is held by the Company through its subsidiary, Diamond, resolved to acquire Tymphany Huizhou's equity held by minority shareholders, based on a resolution passed during its board meeting held in 2024. The transaction price was determined through negotiation between both parties, and a certified public accountant has been engaged to render an opinion regarding the appropriateness of the transaction price. Please refer to note 6(i) of the consolidated financial statements for the year ended December 31, 2024. The outstanding balances were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Counter party:	Other payables to related parties	Other payables to related parties	Other payables to related parties
Tom Zilvervloot	\$ -	178,909	-
Tuskany	-	55,009	-
Huizhou Bo-Chuang	-	21,170	-
	<u>\$ -</u>	<u>255,088</u>	<u>-</u>

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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As of March 31, 2025, the outstanding balances to Tom Zilvervloot amounting to \$181,098 was reclassified as other payables. Please refer to note 7(a).

(c) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended March 31	
	2025	2024
Short-term employee benefits	\$ 68,770	87,982
Post-employment benefits	548	467
Share-based payments	27,974	27,401
	\$ 97,292	115,850

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

(8) Pledged assets:

The carrying amounts of pledged assets were as follows:

Pledged assets	Pledged to secure	March 31, 2025	December 31, 2024	March 31, 2024
Other non-current assets – restricted assets	Guarantee letters issued by bank	\$ 3,414	3,414	3,414
Property, plant and equipment	Loan collateral	\$ 1,903,812	1,902,889	1,564,937
Investment property	Loan collateral	\$ 601,242	597,921	629,227

(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.

	March 31, 2025	December 31, 2024	March 31, 2024
Guarantee letters	\$ 31,963	40,736	69,043

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

	March 31, 2025	December 31, 2024	March 31, 2024
Sales of accounts receivable	\$ 408,678	408,176	376,975
Long-term borrowings	\$ 1,800,400	1,800,400	1,800,400

(Continued)

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

- (d) The aggregate unpaid amounts of contracts pertaining to the purchase of equipment were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Property, plant and equipment	\$ <u>1,127,637</u>	<u>1,338,721</u>	<u>1,312,112</u>

(10) Losses Due to Major Disasters: None

(11) Subsequent Events: None

(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 March 31, 2025			For the three months ended March 31, 2024		
	Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
Employee benefits						
Salaries	800,828	1,113,012	1,913,840	792,921	980,727	1,773,648
Labor and health insurance	38,972	78,616	117,588	37,489	65,966	103,455
Pension	56,133	49,665	105,798	51,925	43,232	95,157
Others	6,724	50,974	57,698	16,239	43,787	60,026
Depreciation	241,120	93,174	334,294	311,329	89,574	400,903
Amortization	1,745	10,271	12,016	4,718	16,898	21,616

Note: Excluding the depreciation of the investment property (classified as other gains and losses) amounted to \$8,913 and \$8,563 for the three months ended March 31, 2025 and 2024, respectively.

- (b) Seasonality of Operation

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

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

(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	TYM Acoustic HK	TWEL	Other receivables	Y	630,458	630,458	398,184	5.5%	Short-term loan to other parties	-	Operating capital	-	-	-	660,809	1,321,617
2	TYM HK	"	"	"	33,182	33,182	33,182	5.5%	"	-	"	-	-	-	135,089	270,178

Note 1: 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 HK in its latest financial statements.

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 HK in its latest financial statements. However, the amount available for financing shall not exceed 40% of the net worth of TYM HK 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.	6,289,375	331,820	331,820	-	-	1.58 %	16,771,667	Y	N	Y
"	"	Primax Singapore	Subsidiary	6,289,375	2,700,000	2,700,000	377,358	-	12.88 %	16,771,667	Y	N	N
1	Tymphony Huizhou	TYM Acoustic HK	"	2,619,771	4,977	4,977	-	-	0.06 %	4,366,284	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.

(iii) Securities held as of March 31, 2025 (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	Equities: Grove Ventures L.P.	-	Financial assets at FVOCI	-	160,468	2.75	160,468	

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

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

(iv) 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)	(3,280,954)	(34) %	60 days	Price agreed by both sides	The same as general selling	2,094,245	27%	Note 1
"	PCH2	The subsidiary of Primax HK	Purchase	4,566,823	49 %	"	"	The same as general purchasing	(8,114,030)	(70)%	Note 1
"	PKS1	"	Purchase	480,615	5 %	"	"	"	(403,921)	(3)%	Note 1
"	PCQ1	"	Purchase	1,509,008	15 %	"	"	"	(1,773,051)	(15)%	Note 1
"	Polaris	The subsidiary of Primax Tech.	(Sale)	(792,406)	(8) %	90 days	"	The same as general selling	225,057	3%	Note 1
"	Primax Thailand	The subsidiary of Primax Singapore	Purchase	1,413,630	15 %	60 days	"	The same as general purchasing	(706,136)	(6)%	Note 1
Primax Singapore	The Company	Parent	Purchase	3,280,954	98 %	"	"	"	(2,094,245)	(88)%	Note 1
PCH2	"	The parent of Primax Cayman	(Sale)	(4,566,823)	(95) %	"	"	The same as general selling	8,114,030	95%	Note 1
PKS1	"	"	(Sale)	(480,615)	(100) %	"	"	"	403,921	100%	Note 1
PCQ1	"	"	(Sale)	(1,509,008)	(79) %	"	"	"	1,773,051	83%	Note 1
Primax Thailand	"	The parent of Primax Singapore	(Sale)	(1,413,630)	(99) %	"	"	"	706,136	97%	Note 1
Polaris	"	The parent of Primax Tech.	Purchase	792,406	100 %	90 days	"	The same as general purchasing	(225,057)	(100)%	Note 1
Tymphony Huizhou	TYM Acoustic HK	Subsidiary	(Sale)	(960,583)	(53) %	60 days	"	The same as general selling	974,053	52%	Note 1
"	TYM HK	The subsidiary of TYM Acoustic HK	(Sale)	(635,861)	(35) %	"	"	"	646,047	34%	Note 1
Tymphony Dongguan	"	"	(Sale)	(121,688)	(14) %	"	"	"	123,824	13%	Note 1
"	TYM Acoustic Europe	"	(Sale)	(115,800)	(13) %	"	"	"	117,810	13%	Note 1
"	TYM Acoustic HK	The subsidiary of Tymphony Huizhou	(Sale)	(626,705)	(70) %	"	"	"	637,457	69%	Note 1
TYM Acoustic HK	TYM Acoustic Europe	Subsidiary	Purchase	513,257	21 %	"	"	The same as general purchasing	(545,125)	(16)%	Note 1
"	Tymphony Huizhou	Parent	Purchase	960,583	39 %	"	"	"	(974,053)	(29)%	Note 1
"	Tymphony Dongguan	The subsidiary of Tymphony Huizhou	Purchase	626,705	26 %	"	"	"	(637,457)	(19)%	Note 1
"	TYTH	Subsidiary	Purchase	401,375	16 %	"	"	"	(329,450)	(10)%	Note 1
TYM Acoustic Europe	TYM Acoustic HK	Parent	(Sale)	(513,257)	(99) %	"	"	The same as general selling	545,125	99%	Note 1
"	Tymphony Dongguan	The subsidiary of Tymphony Huizhou	Purchase	115,800	27 %	"	"	The same as general purchasing	(117,810)	(27)%	Note 1

(Continued)

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)	
TYM HK	Tymphony Huizhou	The parent of TYM Acoustic HK	Purchase	635,861	42 %	60 days	Price agreed by both sides	The same as general purchasing	(646,047)	(37)%	Note 1
"	Tymphony Dongguan	The subsidiary of Tymphony Huizhou	Purchase	121,688	8 %	"	"	"	(123,824)	(7)%	Note 1
"	TYTH	The subsidiary of TYM Acoustic HK	Purchase	742,390	49 %	"	"	"	(465,427)	(27)%	Note 1
TYTH	TYM HK	"	(Sale)	(742,390)	(64) %	"	"	The same as general selling	465,427	57%	Note 1
"	TYM Acoustic HK	Parent	(Sale)	(401,375)	(35) %	"	"	"	329,450	40%	Note 1

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

- (v) Receivables from related parties with amounts exceeding the lower of TWD\$100 million or 20% of the Company's issued 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	2,094,245 (note 5)	7.94	-	-	442,845	-
"	Polaris	The subsidiary of Primax Tech.	225,057 (note 5)	15.13	-	-	-	-
"	PCH2	The subsidiary of Primax HK	435,522 (note 2&5)	3.93	-	-	-	-
PCH2	The Company	The parent of Primax Cayman	8,114,030 (note 5)	2.17	-	-	164,459	-
"	Primax Thailand	The subsidiary of Primax Singapore	281,057 (note 5)	(note 3)	-	-	27,047	-
PKS1	The Company	The parent of Primax Cayman	403,921 (note 5)	4.52	-	-	109,774	-
PCQ1	"	"	1,773,051 (note 5)	2.43	-	-	301,466	-
Primax Thailand	"	The parent of Primax Singapore	706,136 (note 5)	10.65	-	-	94,235	-
Tymphony Huizhou	TYM Acoustic HK	Subsidiary	974,053 (note 5)	2.99	-	-	169,985	-
"	TYM HK	The subsidiary of TYM Acoustic HK	646,047 (note 5)	2.45	-	-	284,761	-
Tymphony Dongguan	"	"	123,824 (note 5)	2.44	-	-	33,449	-
"	TYM Acoustic Europe	"	117,810 (note 5)	4.17	-	-	14,548	-
"	TYM Acoustic HK	The subsidiary of Tymphony Huizhou	637,457 (note 5)	2.68	-	-	236,027	-
TYM Acoustic Europe	"	Parent	545,125 (note 5)	3.58	-	-	191,849	-
TYM HK	Tymphony Dongguan	The subsidiary of Tymphony Huizhou	26,459 (note 5)	3.96	-	-	26,459	-
"	"	"	100,495 (note 5)	(note 3)	-	-	100,495	-
"	TYM Acoustic HK	Parent	880,966 (note 5)	(note 3)	-	-	14,610	-

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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 Acoustic HK	Tymphony Huizhou	Parent	11,506 (note 5)	7.59	-	-	-	-
"	"	"	167,731 (note 5)	(note 3)	-	-	166,095	-
"	TWEL	The parent of Tymphony Huizhou	398,184 (note 5)	(note 4)	-	-	-	-
"	"	"	6,249 (note 5)	(note 3)	-	-	-	-
TYAT	TYM HK	The subsidiary of TYM Acoustic HK	393,931 (note 5)	(note 3)	-	-	59,728	-
TYTH	"	"	465,427 (note 5)	7.40	-	-	248,865	-
"	TYM Acoustic HK	Parent	329,450 (note 5)	3.57	-	-	-	-

Note 1: Amounts were collected as of April 18, 2025.

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 three months ended March 31, 2025 was \$418,761, 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.

(vi) Business relationships and significant intercompany transactions:

No	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of consolidated total operating revenues or total assets
0	The Company	Primax Singapore	Subsidiary	Sale	3,280,954	Price agreed by both sides	22.22 %
"	"	"	"	Accounts Receivable	2,094,245	60 days	4.19 %
"	"	PCH2	The subsidiary of Primax HK	Purchase	4,566,823	Price agreed by both sides	30.92 %
"	"	"	"	Accounts Payable	8,114,030	60 days	16.23 %
"	"	"	"	Accounts Receivable	435,522	"	0.87 %
"	"	PKS1	"	Purchase	480,615	Price agreed by both sides	3.25 %
"	"	"	"	Accounts Payable	403,921	60 days	0.81 %
"	"	PCQ1	"	Purchase	1,509,008	Price agreed by both sides	10.22 %
"	"	"	"	Accounts Payable	1,773,051	60 days	3.55 %
"	"	Polaris	The subsidiary of Primax Tech.	Sale	792,406	Price agreed by both sides	5.37 %
"	"	"	"	Accounts Receivable	225,057	90 days	0.45 %
"	"	Primax Thailand	The subsidiary of Primax Singapore	Purchase	1,413,630	Price agreed by both sides	9.57 %
"	"	"	"	Accounts Payable	706,136	60 days	1.41 %
1	PCH2	"	"	Other Receivable	281,057	(note 2)	0.56 %

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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
2	Tymphony Huizhou	TYM Acoustic HK	Subsidiary	Sale	960,583	Price agreed by both sides	6.50 %
"	"	"	"	Accounts Receivable	974,053	60 days	1.95 %
"	"	"	"	Other Payable	167,731	(note 2)	0.34 %
"	"	"	"	Accounts Payable	11,506	60 days	0.02 %
"	"	TYM HK	The subsidiary of TYM Acoustic HK	Sale	635,861	Price agreed by both sides	4.31 %
"	"	"	"	Accounts Receivable	646,047	60 days	1.29 %
3	Tymphony Dongguan	"	"	Sale	121,688	Price agreed by both sides	0.82 %
"	"	"	"	Accounts Receivable	123,824	60 days	0.25 %
"	"	"	"	Accounts Payable	26,459	"	0.05 %
"	"	"	"	Other Payable	100,495	(note 2)	0.20 %
"	"	TYM Acoustic Europe	"	Sale	115,800	Price agreed by both sides	0.78 %
"	"	"	"	Accounts Receivable	117,810	60 days	0.24 %
"	"	TYM Acoustic HK	The subsidiary of Tymphony Huizhou	Sale	626,705	Price agreed by both sides	4.24 %
"	"	"	"	Accounts Receivable	637,457	60 days	1.28 %
4	TYM Acoustic HK	TYM Acoustic Europe	Subsidiary	Purchase	513,257	Price agreed by both sides	3.48 %
"	"	"	"	Accounts Payable	545,125	60 days	1.09 %
"	"	TYTH	"	Purchase	401,375	Price agreed by both sides	2.72 %
"	"	"	"	Accounts Payable	329,450	60 days	0.66 %
"	"	TYM HK	"	Service Expense	211,620	Price agreed by both sides	1.43 %
"	"	"	"	Other Payable	880,966	(note 2)	1.76 %
"	"	TWEL	The parent of Tymphony Huizhou	Other Receivable	398,184	(note 3)	0.80 %
"	"	"	"	Other Receivable	6,249	(note 2)	0.01 %
5	TYM HK	TYAT	The subsidiary of TYM Acoustic HK	Other Payable	393,931	"	0.79 %
"	"	"	"	Service Expense	256,106	Price agreed by both sides	1.73 %
"	"	TYTH	"	Purchase	742,390	"	5.03 %
"	"	"	"	Accounts Payable	465,427	60 days	0.93 %

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

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PRIMAX ELECTRONICS LTD. AND SUBSIDIARIES
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(b) Information on investees:

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

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2025			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2025	December 31, 2024	Shares (thousands)	Percentage of ownership	Carrying value			
The Company	Primax Cayman	Cayman Islands	Holding company	1,912,688	1,912,688	6,197,636	100.00	8,796,123	158,451	243,895	Note 3
"	Primax Tech.	Cayman Islands	Holding company	897,421	897,421	285,067	100.00	3,424,753	35,977	72,361	Note 3
"	Destiny BVL	Virgin Island	Holding company	30,939	30,939	1,050	100.00	(5,247)	5,199	5,199	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	16,257	126	126	Note 3
"	Diamond	Cayman Islands	Holding company	4,759,198	4,759,198	156,050	100.00	9,955,372	171,663	164,725	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	24,083	788	788	Note 3
"	Primax AE	Cayman Islands	Holding company	1,431,540	1,431,540	48,200	100.00	73,584	1,580	1,580	Note 3
"	Primax Singapore	Singapore	Sale of computer peripherals and mobile device components	1,181,150	1,181,150	40,100	100.00	661,373	22,691	18,415	Note 3
"	Primax Security	Taiwan	Sale of computer peripherals and mobile device components	200	200	20	100.00	193	-	-	Note 3
	Total			<u>10,229,498</u>	<u>10,229,498</u>			<u>22,946,491</u>	<u>396,475</u>	<u>507,089</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	100.00	660,726	21,271	21,271	Note 3 Note 6
Primax Cayman	Primax HK	Hong Kong	Holding company and customer service	1,737,164	1,737,164	446,817	100.00	8,915,285	158,131	158,131	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	498,468	2,872	2,872	Note 3
Diamond	TWEL	Cayman Islands	Holding company	4,953,350	4,953,350	279,191	100.00	10,010,416	171,644	171,644	Note 3
Primax AE	AIC	Cayman Islands	Holding company	1,356,995	1,356,995	30	37.00	-	(37,984)	-	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
"	MBTH	Thailand	Manufacturing of plastic products	31,900	31,900	760	40.00	27,406	(11,235)	(4,494)	Note 4

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Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2025			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2025	December 31, 2024	Shares (thousands)	Percentage of ownership	Carrying value			
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	3,304,043	(28,877)	(28,877)	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	675,445	(46,989)	(46,989)	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	77,388	800	800	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	50,538	1,335	1,335	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	1,034,895	(48,147)	(48,147)	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	456,572	20,559	20,559	Note 3
"	TYTH	Thailand	Manufacturing and sales of various speaker accessories, speakers, and their components	725,091	725,091	7,789	100.00	797,399	36,148	36,148	Note 3 Note 6
TYM HK	TYML	USA	Sales of various speaker accessories, speakers, and their components	6,628	6,628	200	100.00	8,566	(70)	(70)	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 and MBTH) 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 March 31, 2025, there was no capital injection from the Group.

Note 6: To meet the regulatory requirements, both 3 shares of Primax Thailand and TYTH are owned by natural person.

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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, 2025 (note 2)	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2025 (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	2,061,398	Indirect investment through Primax Cayman and Primax Tech.	1,801,000	-	-	1,821,967	92,900	100%	92,900	8,610,152	-
Destiny Beijing	R&D of computer peripheral and business devices	40,835	Indirect investment through Destiny BVI.	34,420	-	-	34,841	5,199	100%	5,199	(5,251)	-
PKS1	Production of computer peripheral products	237,795	Indirect investment through Primax Cayman	65,562	-	-	66,364	(8,338)	100%	(8,338)	209,795	-
PCQ1	"	882,127	"	655,620	-	-	663,640	104,034	100%	104,034	2,874,671	-
Tymphony Huizhou	Manufacturing, R&D, design and sale of various speaker accessories, speakers, and their components	1,749,737	Indirect investment through Diamond	5,113,836	-	-	5,176,392	204,772	100% (note 4)	204,772	8,732,568	-
Tymphony Dongguan	"	165,910	"	16,391	-	-	16,591	89,479	100%	89,479	1,480,042	-

Note 1: The above information on the exchange rate was as follows: HKD:TWD 4.2659 ; USD:TWD 33.1820; CNY:TWD 4.6226.

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

Note 4: To meet the regulatory requirement, 1 share is owned by natural person.

(ii) Limitation on investment in Mainland China:

Name of Company	Accumulated Investment in Mainland China as of March 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
The Company	8,270,069	10,165,293	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. Tymphony Huizhou and Tymphony Dongguan 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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(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 three months ended March 31, 2025, are disclosed in “ Information on significant transactions”, and “ Business relationships and significant intercompany transactions”.

(14) Segment information:

For the three months ended March 31, 2025 and 2024, 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, 2024 for the further information.

The Group’s segment financial information was as follows:

	For the three months ended March 31, 2025		
	Computer Peripherals	Non-computer Peripherals	Total
Revenue			
External revenue	\$ 6,131,897	8,636,234	14,768,131
Intra-group revenue	-	-	-
Total segment revenue	<u>\$ 6,131,897</u>	<u>8,636,234</u>	<u>14,768,131</u>
Profit before tax from segments reported	<u>\$ 394,356</u>	<u>578,971</u>	<u>973,327</u>
	For the three months ended March 31, 2024		
	Computer Peripherals	Non-computer Peripherals	Total
Revenue			
External revenue	\$ 5,822,019	7,826,716	13,648,735
Intra-group revenue	-	-	-
Total segment revenue	<u>\$ 5,822,019</u>	<u>7,826,716</u>	<u>13,648,735</u>
Profit before tax from segments reported	<u>\$ 405,697</u>	<u>351,289</u>	<u>756,986</u>