

**EDISON OPTO CORPORATION
AND SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Six Months Ended June 30, 2025 and 2024**

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

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Independent Auditors' Review Report

To the Board of Directors of EDISON OPTO CORPORATION:

Introduction

We have reviewed the accompanying consolidated balance sheets of EDISON OPTO CORPORATION and its subsidiaries as of June 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2025 and 2024, as well as the changes in equity and cash flows for the six months ended June 30, 2025 and 2024, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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 total assets amounting to \$425,670 thousand and \$490,301 thousand, constituting 10.41% and 11.91% of consolidated total assets at June 30, 2025 and 2024, respectively, total liabilities amounting to \$111,347 thousand and \$145,928 thousand, constituting 9.36% and 13.61% of consolidated total liabilities at June 30, 2025 and 2024, respectively, and total comprehensive income (loss) amounting to \$(20,720) thousand, \$(1,671) thousand, \$(25,289) thousand and \$(2,398) thousand, constituting 9.90%, (2.58)%, 15.01% and (1.58)% of consolidated total comprehensive income (loss) for the three months and six months ended June 30, 2025 and 2024, respectively.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of EDISON OPTO CORPORATION and its subsidiaries as of June 30, 2025 and 2024, and of its consolidated financial performance for the three months and six months ended June 30, 2025 and 2024, as well as its consolidated cash flows for the six months ended June 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the audit resulting in this independent auditors’ report are Yang, Shu-Chih and Chi, Meng-Chun.

KPMG

Taipei, Taiwan (Republic of China)
August 7, 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)

EDISON OPTO CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

June 30, 2025, December 31, 2024, and June 30, 2024

(Expressed in Thousands of New Taiwan Dollars)

		June 30, 2025		December 31, 2024		June 30, 2024				June 30, 2025		December 31, 2024		June 30, 2024	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
11xx	Assets							21xx	Liabilities and Equity						
11xx	Current assets:							21xx	Current liabilities:						
1100	Cash and cash equivalents (note 6(a))	\$ 1,180,005	29	1,140,781	27	1,106,303	27	2100	Short-term borrowings (notes 6(j) and 8)	\$ 254,031	6	-	-	210,000	5
1110	Current financial assets at fair value through profit or loss (note 6(b))	10,299	-	6,255	-	6,552	-	2130	Current contract liabilities(note 6(t))	7,719	-	11,491	-	26,312	1
1136	Current financial assets at amortized cost, net (note 6(d))	78,692	2	72,822	2	31,858	1	2170	Accounts and notes payable	323,772	8	438,151	10	389,074	9
1141	Current contract assets (note 6(t))	10,237	-	2,821	-	3,040	-	2200	Other payables (note 6(u))	129,535	3	162,296	4	151,225	4
1170	Accounts and notes receivable, net (notes 6(e)(t))	688,604	18	783,716	19	754,700	18	2216	Dividends payable (note 6(q))	105,000	3	-	-	71,055	2
1180	Accounts receivable due from related parties, net (notes 6(e) and 7)	2,449	-	-	-	-	-	2230	Current tax liabilities	13,042	-	24,243	1	11,828	-
1200	Other receivables (notes 6(f), 7 and 9)	3,676	-	8,540	-	3,691	-	2280	Current lease liabilities (note 6(m))	8,519	-	16,636	-	16,053	-
1310	Inventories(note 6(g))	274,939	7	299,175	7	298,240	7	2322	Long-term borrowings within one year(notes 6(k) and 8)	-	-	-	-	16,080	-
1410	Prepayments	57,234	1	51,202	1	74,321	2	2399	Other current liabilities, others	22,109	1	23,766	-	17,407	-
1470	Other current assets (note 8)	19,880	-	11,042	-	59,367	1		Total current liabilities	863,727	21	676,583	15	909,034	21
	Total current assets	2,326,015	57	2,376,354	56	2,338,072	56	25xx	Non-Current liabilities:						
15xx	Non-current assets:							2530	Bonds payable (note 6(l))	280,158	7	276,220	7	-	-
1517	Non-current financial assets at fair value through other comprehensive income (note 6(c))	761	-	1,059	-	1,228	-	2540	Long-term borrowings (notes 6(k) and 8)	-	-	-	-	110,180	3
1600	Property, plant and equipment (notes 6(h), 8 and 9)	1,611,916	40	1,611,539	39	1,633,996	41	2570	Deferred tax liabilities	1,790	-	1,790	-	1,805	-
1755	Right-of-use assets (note 6(i))	39,441	1	49,829	1	52,867	1	2580	Non-current lease liabilities (note 6(m))	7,316	-	7,391	-	10,858	-
1780	Intangible assets	846	-	1,163	-	1,850	-	2600	Other non-current liabilities (note 6(n))	37,007	1	39,815	1	40,214	1
1840	Deferred tax assets	48,813	1	52,853	1	56,054	1		Total non-current liabilities	326,271	8	325,216	8	163,057	4
1915	Prepayments for business facilities	16,649	-	29,757	1	9,018	-		Total liabilities	1,189,998	29	1,001,799	23	1,072,091	25
1990	Other non-current assets, others (notes 8 and 9)	21,093	1	62,797	2	23,873	1	31xx	Equity attributable to owners of parent (notes 6(c)(q)(r)):						
	Total non-current assets	1,739,519	43	1,808,997	44	1,778,886	44	3110	Capital stock	1,456,094	36	1,436,094	34	1,436,094	35
								3200	Capital surplus	1,559,813	38	1,527,876	37	1,505,915	37
								3310	Legal reserve	24,822	1	10,594	-	10,594	-
								3320	Special reserve	28,621	1	26,392	1	26,392	1
								3350	Unappropriated retained earnings (accumulated deficit)	18,616	-	144,506	3	74,607	2
								3410	Exchange differences on translation of foreign financial statements	(259,768)	(6)	(101,880)	(1)	(106,809)	(2)
								3420	Unrealized gains (loss) on financial assets at fair value through other comprehensive income	(1,691)	-	(1,394)	-	(1,224)	-
								3491	Other equity, unearned compensation	(38,747)	(1)	-	-	-	-
								3500	Treasury shares	(73,473)	(2)	(34,164)	(1)	(34,164)	(1)
									Total equity attributable to owners of parent	2,714,287	67	3,008,024	73	2,911,405	72
								36xx	Non-controlling interests	161,249	4	175,528	4	133,462	3
									Total equity	2,875,536	71	3,183,552	77	3,044,867	75
									Total liabilities and equity	\$ 4,065,534	100	4,185,351	100	4,116,958	100
	Total assets	\$ 4,065,534	100	4,185,351	100	4,116,958	100								

See accompanying notes to consolidated financial statements.

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

EDISON OPTO CORPORATION AND SUBSIDIARIES**Consolidated Statements of Comprehensive Income****For the six months ended June 30, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars Except Earnings Per Share)**

		For the three months ended June 30				For the six months ended June 30			
		2025		2024		2025		2024	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (notes 6(t) and 7)	\$ 614,243	100	668,680	100	1,187,026	100	1,208,143	100
5000	Operating costs (notes 6(g)(h)(i)(o))	479,758	78	501,110	75	919,947	78	904,253	75
	Gross profit from operations	134,485	22	167,570	25	267,079	22	303,890	25
	Operating expenses (notes 6(e)(f)(h)(i)(m)(o)(r)(u)):								
6100	Selling expenses	34,410	6	36,542	5	68,160	6	73,931	6
6200	Administrative expenses	52,109	8	49,058	7	103,545	8	92,622	8
6300	Research and development expenses	36,405	6	35,363	5	69,322	6	68,808	6
6450	Expect impairment loss (reversed)	(289)	-	6,503	1	(5,410)	-	5,966	-
	Total operating expenses	122,635	20	127,466	18	235,617	20	241,327	20
6900	Net operating income	11,850	2	40,104	7	31,462	2	62,563	5
	Non-operating income and expenses (notes 6(l)(m)(n)(v) and 7):								
7100	Interest income	4,950	1	4,175	1	7,462	1	7,153	1
7010	Other income	9,889	2	2,215	-	11,603	1	2,663	-
7020	Other gain and losses	(39,039)	(7)	8,269	1	(33,988)	(2)	11,873	1
7050	Finance costs	(5,228)	(1)	(2,200)	-	(8,413)	(1)	(4,505)	-
	Total non-operating income and expenses	(29,428)	(5)	12,459	2	(23,336)	(1)	17,184	2
7900	Profit from continuing operations before tax	(17,578)	(3)	52,563	9	8,126	1	79,747	7
7950	Less: Income tax expenses (income) (note 6(p))	(422)	-	5,417	1	7,741	1	6,363	1
	Profit (loss)	(17,156)	(3)	47,146	8	385	-	73,384	6
8300	Other comprehensive income:								
8310	Components of other comprehensive income that will not be reclassified to profit or loss								
8316	Unrealized (gains) losses from investments in equity instruments measured at fair value through other comprehensive income (note 6(c))	(298)	-	(246)	-	(298)	-	(248)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
		(298)	-	(246)	-	(298)	-	(248)	-
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss								
8361	Exchange differences on translation of foreign financial statements	(191,895)	(31)	16,187	2	(168,522)	(14)	78,475	6
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	(191,895)	(31)	16,187	2	(168,522)	(14)	78,475	6
8300	Other comprehensive income (loss)	(192,193)	(31)	15,941	2	(168,820)	(14)	78,227	6
8500	Total comprehensive income	\$ (209,349)	(34)	63,087	10	(168,435)	(14)	151,611	12
	Profit (loss), attributable to:								
8610	Attributable to owners of parent	\$ (17,260)	(3)	44,821	8	(4,433)	-	72,378	6
8620	Attributable to non-controlling interests	104	-	2,325	-	4,818	-	1,006	-
		\$ (17,156)	(3)	47,146	8	385	-	73,384	6
	Comprehensive income (loss) attributable to:								
8710	Attributable to owners of parent	\$ (197,373)	(32)	59,643	9	(162,618)	(14)	145,774	12
8720	Attributable to non-controlling interests	(11,976)	(2)	3,444	1	(5,817)	-	5,837	-
		\$ (209,349)	(34)	63,087	10	(168,435)	(14)	151,611	12
	Earnings per share (note 6(s))								
9750	Basic earnings per share	\$ (0.12)		0.32		(0.03)		0.51	
9850	Diluted earnings per share	\$ (0.12)		0.32		(0.03)		0.51	

See accompanying notes to consolidated financial statements

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

EDISON OPTO CORPORATION AND SUBSIDIARIES**Consolidated Statements of Changes in Equity****For the six months ended June 30, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	Equity attributable to owners of parent											
	Retained earnings					Other equity						
	Capital stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Employees unrealized reward	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2024	\$ 1,436,094	1,562,759	5,835	-	47,591	(180,453)	(976)	-	(34,164)	2,836,686	127,625	2,964,311
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	4,759	-	(4,759)	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	26,392	(26,392)	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(14,211)	-	-	-	-	(14,211)	-	(14,211)
	-	-	4,759	26,392	(45,362)	-	-	-	-	(14,211)	-	(14,211)
Net income	-	-	-	-	72,378	-	-	-	-	72,378	1,006	73,384
Other comprehensive income	-	-	-	-	-	73,644	(248)	-	-	73,396	4,831	78,227
Total comprehensive income	-	-	-	-	72,378	73,644	(248)	-	-	145,774	5,837	151,611
Cash dividends from capital surplus	-	(56,844)	-	-	-	-	-	-	-	(56,844)	-	(56,844)
Balance at June 30, 2024	\$ 1,436,094	1,505,915	10,594	26,392	74,607	(106,809)	(1,224)	-	(34,164)	2,911,405	133,462	3,044,867
Balance at January 1, 2025	\$ 1,436,094	1,527,876	10,594	26,392	144,506	(101,880)	(1,394)	-	(34,164)	3,008,024	175,528	3,183,552
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	14,228	-	(14,228)	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	2,229	(2,229)	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(105,000)	-	-	-	-	(105,000)	-	(105,000)
	-	-	14,228	2,229	(121,457)	-	-	-	-	(105,000)	-	(105,000)
Net income (loss)	-	-	-	-	(4,433)	-	-	-	-	(4,433)	4,818	385
Other comprehensive income	-	-	-	-	-	(157,888)	(297)	-	-	(158,185)	(10,635)	(168,820)
Total comprehensive income	-	-	-	-	(4,433)	(157,888)	(297)	-	-	(162,618)	(5,817)	(168,435)
Purchase of treasury share	-	-	-	-	-	-	-	-	(39,309)	(39,309)	-	(39,309)
Changes in ownership interests in subsidiaries	-	3,837	-	-	-	-	-	-	-	3,837	(3,837)	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(4,625)	(4,625)
Share-based payments	20,000	28,100	-	-	-	-	-	(38,747)	-	9,353	-	9,353
Balance at June 30, 2025	\$ 1,456,094	1,559,813	24,822	28,621	18,616	(259,768)	(1,691)	(38,747)	(73,473)	2,714,287	161,249	2,875,536

See accompanying notes to consolidated financial statements.

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

EDISON OPTO CORPORATION AND SUBSIDIARIES**Consolidated Statements of Cash Flows****For the six months ended June 30, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	For the six months ended June 30	
	2025	2024
Cash flows from (used in) operating activities:		
Profit before tax	\$ 8,126	79,747
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	58,932	61,086
Amortization expense	330	734
Expect impairment loss (reversed)	(5,410)	5,966
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	(479)	241
Interest expense	8,413	4,505
Interest income	(7,462)	(7,153)
Share-based payments	9,353	-
Loss (Gain) on disposal of property, plant and equipment	8,780	(1,354)
Loss on disposal of intangible assets	-	65
Gain on disposal of other assets	-	(28)
Total adjustments to reconcile profit	72,457	64,062
Changes in operating assets and liabilities:		
Contract assets	(7,416)	(3,040)
Accounts and notes receivable	100,522	(238,325)
Accounts receivable due from related parties	(2,449)	13,218
Other receivables	4,864	(2,117)
Inventories	24,236	30,151
Prepayments	(5,954)	(13,674)
Other current assets	5,577	(3,804)
Other operating assets	(2,020)	1,071
Contract liabilities	(3,772)	26,312
Accounts and notes payable	(114,379)	50,738
Other payable	(33,315)	1,738
Other current liabilities	(1,658)	(21,369)
Net defined benefit liability	383	355
Total changes in operating assets and liabilities	(35,381)	(158,746)
Cash inflow (outflow) generated from operations	45,202	(14,937)
Interest received	7,346	7,294
Interest paid	(3,920)	(4,517)
Income taxes	(14,822)	(641)
Net cash flows from (used in) operating activities	33,806	(12,801)
Cash flows from (used in) investing activities:		
Acquisition of financial assets at amortized cost	(46,990)	-
Proceeds from disposal of financial assets at amortised cost	37,500	-
Acquisition of financial assets at fair value through profit or loss	(247,475)	(381,580)
Proceeds from disposal of financial assets at fair value through profit or loss	243,909	385,488
Acquisition of property, plant and equipment	(57,687)	(22,555)
Proceeds from disposal of property, plant and equipment	369	1,519
Decrease in refundable deposits	(1,324)	(2,132)
Acquisition of intangible assets	(53)	(289)
Increase in restricted deposits	(14,514)	-
Increase in other non-current assets	(10)	(9)
Increase in prepayments for business facilities	(12,964)	(5,825)
Net cash flows used in investing activities	(99,239)	(25,383)
Cash flows from (used in) financing activities:		
Increase in short-term loans	416,866	310,000
Decrease in short-term loans	(135,457)	(281,185)
Repayments of long-term debt	-	(8,040)
Increase in guarantee deposits received	-	8
Payment of lease liabilities	(11,023)	(8,159)
Change in non-controlling interests	(4,625)	-
Payments to acquire treasury shares	(39,309)	-
Net cash flows from financing activities	226,452	12,624
Effect of exchange rate changes on cash and cash equivalents	(121,795)	45,639
Net increase in cash and cash equivalents	39,224	20,079
Cash and cash equivalents at beginning of period	1,140,781	1,086,224
Cash and cash equivalents at end of period	\$ 1,180,005	1,106,303

See accompanying notes to consolidated financial statements

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

EDISON OPTO CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

June 30, 2025 and 2024

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

(1) Company history

Edison Opto Corporation (the “Company”) was approved by the Ministry of Economic Affairs on October 4, 2001 and incorporated in 17F, No.17, Qiao he Rd., Zhong He Dist., New Taipei City, Taiwan. The Company’s shares were listed on the Taiwan Stock Exchange in November 2010. The company and its subsidiaries (hereinafter referred as Group) are mainly engaged in manufacturing, selling, research and development of LED components, modules and finished products in general lighting and automotive lighting area.

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

These consolidated financial statements were authorized for issuance by the Board of Directors on August 7, 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:

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(Continued)

EDISON OPTO CORPORATION 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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EDISON OPTO CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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

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

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

(4) Summary of material accounting policies:

(a) Statement of compliance

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

Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			June 30, 2025	December 31, 2024	June 30, 2024	
The Company	Edison Opto Corporation	Business of opto-electronics	100.00 %	100.00 %	100.00 %	Note 4
The Company	Ledison Opto Corporation	Business of opto-electronics	100.00 %	100.00 %	100.00 %	
The Company	Best Opto Corporation	Business of opto-electronics	100.00 %	100.00 %	100.00 %	
The Company	Edison Fund Investment Corporation	Investment	100.00 %	100.00 %	100.00 %	
The Company	Edison-Litek Opto Corporation Limited	Investment	17.01 %	24.62 %	24.62 %	Note 1、4
The Company	Edison-Litek Opto Corporation	Business of opto-electronics	79.89 %	79.89 %	81.67 %	Note 3
The Company	Ledison Opto Corporation Limited	Business of opto-electronics	100.00 %	100.00 %	100.00 %	Note 2、4
Ledison Opto Corporation	Edison Opto (Dong Guan) Co., Ltd.	Business of opto-electronics	100.00 %	100.00 %	100.00 %	
Best Opto Corporation	Best Led Corporation	Investment	100.00 %	100.00 %	100.00 %	

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			June 30, 2025	December 31, 2024	June 30, 2024	
Best Led Corporation	Yangzhou Edison Opto Corporation	Business of opto-electronics	100.00 %	100.00 %	100.00 %	
Yangzhou Edison Opto Corporation	Yangzhou Aichuang Electronic Trade Corporation	Business of opto-electronics	100.00 %	100.00 %	100.00 %	Note 4
Edison Fund Investment Corporation	Edison Opto USA Corporation	Business of opto-electronics	55.00 %	55.00 %	55.00 %	Note 4
Edison Fund Investment Corporation	Edison Auto Lighting Corporation	Business of opto-electronics	100.00 %	100.00 %	100.00 %	Note 4
Edison Fund Investment Corporation	Ledionopto intelligent Technology Co., Ltd.	Business of opto-electronics	100.00 %	100.00 %	100.00 %	Note 4
Edison-Litek Opto Corporation Limited	Yangzhou Edison-Litek Opto Corporation	Business of opto-electronics	100.00 %	100.00 %	100.00 %	Note 4
Edison-Litek Opto Corporation	Edison-Litek Opto Corporation Limited	Investment	72.56 %	60.27 %	60.27 %	Note 1 、 4

Note 1: In February 2025, Edison-Litek Opto Co. acquired the 12.29% equity interest of Edison-Litek Opto Co. Ltd., at the amount of USD1,000,000, in cash, resulting in its shareholding ratio to increase from 60.27% to 72.56%. As of June 30, 2025, both the Company and Edison-Litek Opto Co., directly and indirectly, respectively, held 74.98% shares of Edison-Litek Opto Co. Ltd. in total.

Note 2: Edison Egypt Opto Corp. changed its name to Ledison Opto Co., Ltd. in October 2024.

Note 3: In November, 2024, the Company conducted a cash capital increase by issuing 5,000 thousand shares. After reserving the shares for employees in accordance with the Company Act, the Company fully subscribed for \$91,875 thousand in cash, resulting in its shareholding ratio to decreased from 81.67% to 79.89%.

Note 4: The Company is a non-significant subsidiary, its financial statements have not been reviewed.

(ii) Subsidiaries excluded from the consolidated financial statements: None.

(c) Employee benefits

The pension cost in the interim period 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.

(d) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

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

For a change in tax rate that is substantively enacted in an interim period, the effect of the change should immediately be recognized in the interim period in which the change occurs.

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

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

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	June 30, 2025	December 31, 2024	June 30, 2024
Cash	\$ 5,727	5,278	6,475
Demand Deposit	1,136,778	938,423	1,027,328
Time Deposit	37,500	197,080	72,500
	<u>\$ 1,180,005</u>	<u>1,140,781</u>	<u>1,106,303</u>

Time deposit, which refers to bank deposit and has a maturity date of less than 3 months, is for meeting short-term commitment, and not for investment. It could be transferred into cash, in which the risk is considered low; hence, has been classified as cash and cash equivalents.

Please refer to note 6(w) for interest rate risk and sensitive analysis of financial assets and financial liabilities for the Group.

(b) Financial assets at fair value through profit or loss

	June 30, 2025	December 31, 2024	June 30, 2024
Current financial assets at fair value through profit or loss:			
Convertible corporate bonds	\$ 5,832	6,135	6,552
Listed common shares — domestic companies	4,347	-	-
Convertible corporate bonds - call options	120	120	-
Total	<u>\$ 10,299</u>	<u>6,255</u>	<u>6,552</u>

The above financial assets of the Group were not pledged.

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EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Financial assets at fair value through other comprehensive income

	June 30, 2025	December 31, 2024	June 30, 2024
Unlisted common shares—Domestic Company – Taiwan Hydroxyl Technology Co., Ltd.	\$ <u>761</u>	<u>1,059</u>	<u>1,228</u>

The Group designated the investments shown above should recognize as fair value through other comprehensive income, because these investments were intended to be held for long-term strategic purposes.

For the six Months ended June 30, 2025 and 2024, due to changes in fair value, the amount of unrealized gain (loss) on investments in equity instruments measured at fair value through other comprehensive income was \$(298) thousand and \$(248) thousand, which was recognized under "other equity".

The above financial assets of the Group were not pledged.

(d) Financial assets measured at amortized cost

	June 30, 2025	December 31, 2024	June 30, 2024
More than three months' time Deposit	\$ <u>78,692</u>	<u>72,822</u>	<u>31,858</u>

The Group have assessed that the financial assets are held to maturity to collect contractual cash flows, which consists of payments of principal and interest on principal amount outstanding. Therefore, the investments were classified as financial assets measured at amortized costs.

The above financial assets of the Group were not pledged.

(e) Notes and accounts receivable

	June 30, 2025	December 31, 2024	June 30, 2024
Notes receivable - non-related parties	\$ 92,126	72,733	74,122
Accounts receivable (include related parties)	598,927	716,393	689,604
Less: Loss allowance	<u>-</u>	<u>(5,410)</u>	<u>(9,026)</u>
	<u>\$ 691,053</u>	<u>783,716</u>	<u>754,700</u>

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EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provision in Taiwan was determined as follows:

June 30, 2025			
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 585,969	0%	-
1 to 30 days past due	43,514	0%	-
31 to 90 days past due	61,570	0%	-
	<u>\$ 691,053</u>		<u>-</u>
December 31, 2024			
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 679,837	0%	-
1 to 30 days past due	76,948	4.79%	3,686
31 to 90 days past due	30,123	4.99%	1,506
91 to 180 days past due	2,218	9.83%	218
	<u>\$ 789,126</u>		<u>5,410</u>
June 30, 2024			
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 695,845	0.002%	11
1 to 30 days past due	57,620	4.89%	2,823
31 to 90 days past due	2,211	7%	155
91 to 180 days past due	8,024	75%	6,018
Past due over 180 days	26	73%	19
	<u>\$ 763,726</u>		<u>9,026</u>

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EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Movements of the loss allowance for notes and accounts receivable were as follows:

	For the six months ended June 30,	
	2025	2024
Balance at January 1	\$ 5,410	2,535
Impairment losses recognized (reversed)	(5,410)	6,371
Net income on foreign exchange	-	120
Balance at June 30	<u>\$ -</u>	<u>9,026</u>

Note and account receivables of the Group were not pledged.

(f) Other receivables

	June 30, 2025	December 31, 2024	June 30, 2024
Other accounts receivable	\$ 42,526	47,390	45,928
Less: Loss allowance	(38,850)	(38,850)	(42,237)
Total	<u>\$ 3,676</u>	<u>8,540</u>	<u>3,691</u>

Movements of the loss allowance for notes and accounts receivable were as follows:

	For the six months ended June 30,	
	2025	2024
Balance at January 1	\$ 38,850	42,466
Reversal of impairment losses	-	(405)
Net income on foreign exchange	-	176
Balance at June 30	<u>\$ 38,850</u>	<u>42,237</u>

Other receivables of the Group were not pledged.

(g) Inventories

	June 30, 2025	December 31, 2024	June 30, 2024
Raw materials	\$ 85,189	96,937	99,272
Supplies	3,324	4,082	3,784
Work in progress	85,228	94,490	112,766
Finished goods	101,198	103,666	82,418
	<u>\$ 274,939</u>	<u>299,175</u>	<u>298,240</u>

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EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The details of the cost of sales were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Inventory that has been sold	\$ 472,781	490,712	902,300	889,662
Write-down of inventories	550	2,777	4,159	466
Unallocated production overheads	6,427	7,621	13,488	14,125
	<u>\$ 479,758</u>	<u>501,110</u>	<u>919,947</u>	<u>904,253</u>

The Group did not provide any inventories as collateral for its loans.

(h) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the six months ended June 30, 2025 and 2024, were as follows:

	Land	Building and construction	Machinery and equipment	Molding equipment	Other facilities	Construction in progress	Total
Cost or decked cost:							
Balance at January 1, 2025	\$ 637,862	1,054,782	1,115,661	34,614	224,395	-	3,067,314
Additions	-	4,867	30,714	95	951	21,060	57,687
Disposal	-	-	(76,691)	(341)	(2,300)	-	(79,332)
Reclassify	-	1,397	23,059	41	-	41,867	66,364
Effect of movements in exchange rates	-	(65,011)	(70,405)	(3,856)	(20,024)	-	(159,296)
Balance at June 30, 2025	<u>\$ 637,862</u>	<u>996,035</u>	<u>1,022,338</u>	<u>30,553</u>	<u>203,022</u>	<u>62,927</u>	<u>2,952,737</u>
Balance at January 1, 2024	\$ 637,862	1,028,212	1,104,491	33,022	203,379	-	3,006,966
Additions	-	708	11,834	430	9,583	-	22,555
Disposal	-	-	(36,518)	(235)	(41)	-	(36,794)
Reclassify	-	-	8,978	139	587	-	9,704
Effect of movements in exchange rates	-	30,020	30,796	1,016	7,974	-	69,806
Balance at June 30, 2024	<u>\$ 637,862</u>	<u>1,058,940</u>	<u>1,119,581</u>	<u>34,372</u>	<u>221,482</u>	<u>-</u>	<u>3,072,237</u>
Depreciation and impairments loss:							
Balance at January 1, 2025	\$ -	364,761	961,098	31,333	98,583	-	1,455,775
Depreciation	-	15,854	24,699	243	7,638	-	48,434
Disposal	-	-	(67,805)	(307)	(2,071)	-	(70,183)
Effect of movements in exchange rates	-	(23,838)	(53,626)	(3,368)	(12,373)	-	(93,205)
Balance at June 30, 2025	<u>\$ -</u>	<u>356,777</u>	<u>864,366</u>	<u>27,901</u>	<u>91,777</u>	<u>-</u>	<u>1,340,821</u>

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EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>Land</u>	<u>Building and construction</u>	<u>Machinery and equipment</u>	<u>Molding equipment</u>	<u>Other facilities</u>	<u>Construction in progress</u>	<u>Total</u>
Balance at January 1, 2024	\$ -	325,398	945,411	30,119	82,106	-	1,383,034
Depreciation	-	18,441	26,914	318	7,028	-	52,701
Disposal	-	-	(36,356)	(235)	(38)	-	(36,629)
Effect of movements in exchange rates	-	9,971	24,110	806	4,248	-	39,135
Balance at June 30, 2024	<u>\$ -</u>	<u>353,810</u>	<u>960,079</u>	<u>31,008</u>	<u>93,344</u>	<u>-</u>	<u>1,438,241</u>
Carrying amounts:							
Balance at January 1, 2025	<u>\$ 637,862</u>	<u>690,021</u>	<u>154,563</u>	<u>3,281</u>	<u>125,812</u>	<u>-</u>	<u>1,611,539</u>
Balance at June 30, 2025	<u>\$ 637,862</u>	<u>639,258</u>	<u>157,972</u>	<u>2,652</u>	<u>111,245</u>	<u>62,927</u>	<u>1,611,916</u>
Balance at January 1, 2024	<u>\$ 637,862</u>	<u>702,814</u>	<u>159,080</u>	<u>2,903</u>	<u>121,273</u>	<u>-</u>	<u>1,623,932</u>
Balance at June 30, 2024	<u>\$ 637,862</u>	<u>705,130</u>	<u>159,502</u>	<u>3,364</u>	<u>128,138</u>	<u>-</u>	<u>1,633,996</u>

Some of the property, plant and equipment that belongs to the Group had been pledged as collateral for long-term borrowings and the issuance of the corporate bonds; please refer to note 8.

(i) Right-of-use assets

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

	<u>Land</u>	<u>Building and Construction</u>	<u>Vehicles</u>	<u>Total</u>
Cost:				
Balance at January 1, 2025	\$ 33,914	61,815	1,934	97,663
Additions	-	-	4,038	4,038
Effect of changes in foreign exchange rates	(3,474)	(5,151)	-	(8,625)
Balance at June 30, 2025	<u>\$ 30,440</u>	<u>56,664</u>	<u>5,972</u>	<u>93,076</u>
Balance at January 1, 2024	\$ 32,242	51,457	1,935	85,634
Additions	-	12,625	-	12,625
Disposals	-	(10,237)	(686)	(10,923)
Effect of changes in foreign exchange rates	1,615	2,056	-	3,671
Balance at June 30, 2024	<u>\$ 33,857</u>	<u>55,901</u>	<u>1,249</u>	<u>91,007</u>
Accumulated depreciation:				
Balance at January 1, 2025	\$ 5,366	41,494	974	47,834
Depreciation	435	9,573	490	10,498
Effect of changes in foreign exchange rates	(583)	(4,114)	-	(4,697)
Balance at June 30, 2025	<u>\$ 5,218</u>	<u>46,953</u>	<u>1,464</u>	<u>53,635</u>
Balance at January 1, 2024	\$ 4,251	28,313	1,149	33,713
Depreciation	441	7,679	265	8,385
Disposals	-	(4,808)	(686)	(5,494)
Effect of changes in foreign exchange rates	219	1,317	-	1,536
Balance at June 30, 2024	<u>\$ 4,911</u>	<u>32,501</u>	<u>728</u>	<u>38,140</u>

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EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>Land</u>	<u>Building and Construction</u>	<u>Vehicles</u>	<u>Total</u>
Carrying amount:				
Balance at January 1, 2025	\$ 28,548	20,321	960	49,829
Balance at June 30, 2025	\$ 25,222	9,711	4,508	39,441
Balance at January 1, 2024	\$ 27,991	23,144	786	51,921
Balance at June 30, 2024	\$ 28,946	23,400	521	52,867

(j) Short-term borrowings

The short-term borrowings were summarized as follows:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Secured bank loans	\$ 51,861	-	-
Unsecured bank loans	202,170	-	210,000
Total	\$ 254,031	-	210,000
Unused short-term credit lines	\$ 795,219	1,127,663	975,025
Range of interest rates	4.90%~5.48%	-	1.87%~2.0729%

A key management personnel provided a joint guarantee for the borrowings of the Group from certain financial institutions. Please refer to note 7.

(k) Long-term borrowings

The long-term borrowings were summarized as follows, all of which were fully repaid in 2024.

	<u>June 30, 2024</u>			
	<u>Currency</u>	<u>Rate</u>	<u>Maturity year</u>	<u>Amount</u>
Secured bank loans	TWD	1.196%~2.112%	2041	\$ 126,260
Less: due within one year				(16,080)
Total				\$ 110,180

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

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(l) Bonds payable

The information on the issuance of unsecured convertible corporate bonds payable by the Group is as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Total convertible corporate bonds issued	\$ 300,000	300,000	-
Less: Unamortized discounted corporate bonds payable	(19,842)	(23,780)	-
Convertible bonds issued balance	<u>\$ 280,158</u>	<u>276,220</u>	<u>-</u>
Embedded derivative-call options (included in financial assets at fair value through profit or loss)	<u>\$ 120</u>	<u>120</u>	<u>-</u>
Equity components-conversion options (included in capital surplus-share options)	<u>\$ 22,414</u>	<u>22,414</u>	<u>-</u>
	For the three months ended June 30,	For the six months ended June 30,	
	2025	2024	2025
Interest expense	<u>\$ 1,976</u>	<u>-</u>	<u>3,938</u>
			2024
			<u>-</u>

- (i) On November 22, 2024, the Company has issued the fourth series of unsecured convertible corporate bonds in Taiwan, with an aggregate principal amount of NT\$303,000 thousand. After deducting issuance costs of \$5,017 thousand, the net proceeds of \$297,983 thousand have been fully received. The main issuance terms are as follows:

Items	Fourth secured domestic convertible bonds
1.Total issue amount	300,000 thousand
2.Par value	100 thousand
3.Maturity date	November 22, 2024~November 22, 2027
4.Outstanding period	3 years
5.Coupon rate	0%
6.Redemption at maturity	The Company redeems the convertible bond at par value by cash from the bondholders when it meets maturity.

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EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

<u>Items</u>	<u>Fourth secured domestic convertible bonds</u>
7.Redemption method	<p>(1) If the closing price of shares for each of 30 consecutive trading days is at least 130% of the conversion price between the 3 months after the share issuance date and the 40th day before the maturity date, the Company may redeem all the outstanding bonds at their par value.</p> <p>(2) If the amount outstanding of bonds is less than 10% of the principal amount between the 3 months after the share issuance date and the 40th day before the maturity date, the Company may redeem the outstanding bonds at their principal amount within five business days before the maturity date.</p>
8.Conversion period	<p>(1) The bondholder can convert its bonds into shares at any time between 3 months after the issuance date and the day before the maturity day.</p> <p>(2) For the circumstances below, the conversion terminates in compliance with the method issued by the Company. The closing period in accordance with the applicable laws. The period that starts from the fifteen business days prior to the date of record for determination wherein the shareholders are entitled to receive the distributions or rights to subscribe for new shares in a capital increase for cash, and ends on the date of record for the distribution of the rights/benefits. The period starts from the date of record of the capital decrease and ends one day prior to the reissuance of the trading of shares after the capital decrease.</p>
9.Conversion price	<p>The conversion price is 25.5 per share when issuance.</p> <p>(1) The Company announced on June 5, 2025 that due to the allotment of cash dividends on ordinary shares, the conversion price has been adjusted from NTD 25.5 per share to NTD 24.5 per share since June 16, 2025.</p>
10. Pledge	<p>The convertible bond is an unsecured bond. However, if the Company issues or privately places other secured bonds with warrants or convertible bonds after the issuance of this convertible bond, this convertible bond will also be granted the same level of creditor's rights or the same priority of collateral as those secured bonds with warrants or secured convertible bonds.</p>

(m) Lease liability

(i) The carrying values of the lease liabilities were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Current	<u>\$ 8,519</u>	<u>16,636</u>	<u>16,053</u>
Non-current	<u>\$ 7,316</u>	<u>7,391</u>	<u>10,858</u>

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EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

(iii) The amounts recognized in profit or loss were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Interest on lease liabilities	\$ <u>858</u>	<u>1,206</u>	<u>1,852</u>	<u>2,126</u>
Expenses relating to short-term leases	\$ <u>310</u>	<u>519</u>	<u>633</u>	<u>819</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ <u>140</u>	<u>122</u>	<u>232</u>	<u>190</u>

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

	For the six months ended June 30,	
	2025	2024
Total cash outflow for leases	\$ <u>13,740</u>	<u>11,294</u>

(v) Real estate leases

The Group leases building for its employee dormitories and plant offices. The lease terms ranged for a period of 1 to 2 years and 2 to 5 years for employee dormitories and plant offices, respectively. Some of the terms can be extended upon maturity. However, if the option of extension is uncertain, the related expenditures incurred in the covered period cannot be accounted for as lease liabilities.

(vi) Other leases

The Group leases vehicle, with lease terms ranging for a period of 4 to 5 years. Some of the terms can be extended upon maturity. However, if the option of extension is uncertain, the related expenditures incurred in the covered period would not be accounted for as lease liabilities.

Some buildings leased by the Group have a term with no more than a year are considered as short-term leases. Therefore, the Group decided to apply the exemption for recognition to recognize its right of use assets and lease liabilities.

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(n) Deferred income

The agreement between Yangzhou Edison Opto Corporation and Yangzhou Land And Resources Bureau entitled right of land use of Yangzhou Economic Development Zone, from December, 2006 to December, 2056. The right of land use of CNY \$9,788 thousand is subsidized by the Administrative Commission of Yangzhou Economic Development Zone, generating the long-term deferred revenue of CNY \$9,393 thousand recognized under other non-current liabilities and is amortized for 50 years to recognize revenue. As of June 30, 2025, December 31 and June 30, 2024, the amount of unamortized deferred revenue was \$24,203 thousand, \$27,395 thousand and \$27,777 thousand, respectively.

(o) Employee benefits

(i) Defined benefit plans

The expenses recognized in profit or loss for the Group were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Operating cost	\$ 29	27	57	53
Operating expenses	163	151	326	302
	<u>\$ 192</u>	<u>178</u>	<u>383</u>	<u>355</u>

(ii) Defined contribution plans

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Operating cost	\$ 4,422	4,085	8,967	7,783
Operating expenses	3,592	3,151	7,184	6,139
	<u>\$ 8,014</u>	<u>7,236</u>	<u>16,151</u>	<u>13,922</u>

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(p) Income taxes

(i) The components of income tax were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Current tax expense				
Current period	\$ (2,436)	5,417	3,707	6,363
Adjust the current income tax of the previous period	(6)	-	(6)	-
	<u>(2,442)</u>	<u>5,417</u>	<u>3,701</u>	<u>6,363</u>
Deferred tax income				
Occurrence and reversal of temporary difference	2,020	-	4,040	-
Income tax expense (income)	<u>\$ (422)</u>	<u>5,417</u>	<u>7,741</u>	<u>6,363</u>

(ii) Assessment of tax

The Company's tax returns for the years through 2022 were assessed by the Taipei National Tax Administration.

(q) Capital and other equity

Except for the following disclosure, there was no significant change for capital and other equity for the periods from January 1 to June 30, 2025 and 2024. For the related information, please refer to note 6(s) of the consolidated financial statements for the year ended December 31, 2024.

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Capital surplus

The balances of capital surplus were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Premium on issuance of capital stock	\$ 1,407,114	1,407,114	1,406,851
Employee share options	72,142	72,142	72,142
Restricted stock	28,100	-	-
Conversion options	22,414	22,414	-
Difference arising from subsidiary's share price and its carrying value	13,911	10,074	10,790
Treasury shares transferred to employees of the Company	15,840	15,840	15,840
Changes in net equity of related companies accounted for using the equity method	292	292	292
	<u>\$ 1,559,813</u>	<u>1,527,876</u>	<u>1,505,915</u>

According to the ROC Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock, and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring paid-in capital in excess of par value should not exceed 10% of the total common stock outstanding.

A resolution was approved during the shareholders' meeting held on May 30, 2024 to distribute the cash dividends of \$56,844 thousand by using the capital surplus. Each share could receive a cash dividends of \$0.40 from the capital reserve.

(ii) Retained earnings

The Company's article of incorporation stipulate that Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, and then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

The dividend policy of the Company is coordinated with the share capital, financial structure, operating status, future development plan, fund requirements, competitions, shareholders' benefits, etc. by distributing no less than 60% of the distributable earnings every year. Nonetheless, when the distributable earnings are lower than 20% of the common stock outstanding, no distribution shall be made during the year. Dividends may be distributed either by cash or by share. However, if the dividends are to be distributed in cash, it shall be no less than 10% of the total dividends issued.

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

In accordance with the regulation of the Financial Supervisory Commission, a portion of the current-period earnings and undistributed prior-period earnings shall be reclassified as special earnings reserve during the earnings distribution. The amount to be reclassified should equal the current-period total net reduction of other shareholders' equity. Similarly, a portion of undistributed prior-period earnings shall be reclassified as special earnings reserve, which does not qualify for earnings distribution, to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

The 2024 and 2023 earnings distributions were approved during the shareholders' meetings held on May 28, 2025 and May 30, 2024, respectively, as follows:

	2024		2023	
	Amount per share (NT dollar)	Total amount	Amount per share (NT dollar)	Total amount
Dividends distributed to ordinary shareholders				
Cash	\$ 0.738867	105,000	0.100000	14,211

(iii) Treasury shares

- 1) The Company purchased 4,500 thousand shares of treasury stock, for the purpose of motivating its employees and enhancing its employees' performance, in accordance with Article 28-2 of the Securities and Exchange Act. In December 2023, the Company decided to retire 1,680 thousand treasury shares, at the amount of \$23,712 thousand. The related registration procedures were completed as of the reporting date. In August 2023, the Company transferred treasury stock to employees, the total amount of treasury stock transferred was 1,320 thousand shares, and the purchase cost was \$18,625 thousand, the treasury stock was recognized by employees on August 10, 2023, and was delivered to employees on September 1, 2023, date of shares granted. The Company recognized capital surplus - treasury shares on the date that the shares was delivered to employees. The Company has recognized employee remuneration cost of \$15,840 thousand on the date of granted and will recognize capital surplus - treasury stock on the date that the shares was delivered to employees.

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- 2) As resolved by its board in May 2025, the Company purchased 2,000 thousand shares of treasury stock at a total cost of \$39,309 thousand, for the purpose of motivating its employees and enhancing its employees' performance.

As of June 30, 2025 and 2024, the numbers of shares which have yet to be transferred were 3,500 and 1,500 thousand shares, respectively.

- 3) Ledionopto intelligent Technology Co., Ltd., sub-subsidiary of the Company, held 526 thousand shares of the Company's treasury shares. As of June 30, 2025, all treasury shares were not sold. The market price on June 30, 2025, December 31 and June 30, 2024 were \$18.35, \$26.00 and \$28.80 per share, respectively.
- 4) In compliance with the Securities and Exchange Act, treasury shares held by the Group should not be pledged, and shareholder rights are not entitled before the transfer.

(r) Share-based payment

On May 30, 2024, the shareholders' meeting approved the issuance of 2,000 thousand new shares of restricted stock to those full-time employees who meet the Company's requirements. The issuance was registered with, and approved by, the Securities and Futures Bureau of the Financial Supervisory Commission, R.O.C. On December 26, 2024, the Board of Directors resolved to issue the shares, with March 3, 2025 as the date of capital increase. The fair value per share on the grant date was NT\$24.05.

Those employees with restricted stock awards are entitled to receive the awarded shares without consideration, provided that these employees continue to provide service to the Company for at least 1 year (from the grant date). 30% each of the restricted stock is vested in year 1 and 2 after the grant date, and the remaining 40% is vested in year 3 after the grant date. The restricted stock is kept by a trust, which is appointed by the Company, before it is vested. These shares shall not be sold, pledged, transferred, gifted, or disposed of, by any other means to third parties during the custody period. The voting rights of these shareholders are executed by the custodian, and the custodian will act according to the law and regulations. If the shares remain unvested after the vesting period, the Company will repurchase, then forfeit, and thereafter, cancel all the unvested shares without consideration.

Except for the above disclosure, there were no significant changes for share-based payment during the periods from January 1 to June 30, 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.

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (i) Details of the restricted stock of the Company are as follows:

	For the six months ended June 30,	
	2025	2024
Outstanding at January 1 (number)	\$ -	-
Granted during the period (number)	2,000	-
Outstanding at June 30 (number)	<u>\$ 2,000</u>	<u>-</u>

- (ii) Employee expenses

The expenses incurred by the Company for Share-based Payment are as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Expenses resulting from granted employee share options	<u>\$ 7,015</u>	<u>-</u>	<u>9,353</u>	<u>-</u>

- (s) Earnings per share

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

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Basic earnings per share				
Profit (loss) of the Company for the year	<u>\$ (17,260)</u>	<u>44,821</u>	<u>(4,433)</u>	<u>72,378</u>
Weighted average number of ordinary shares (in thousands of shares)	<u>142,250</u>	<u>141,584</u>	<u>141,584</u>	<u>141,584</u>
Basic earnings per share (in New Taiwan Dollars)	<u>\$ (0.12)</u>	<u>0.32</u>	<u>(0.03)</u>	<u>0.51</u>
Diluted earnings per share (note)				
Profit of the Company for the year	<u>\$ (17,260)</u>	<u>44,821</u>	<u>(4,433)</u>	<u>72,378</u>
Effect of dilutive potential ordinary share	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit attributable to common stockholders of the Company (including effect of dilutive potential ordinary share)	<u>\$ (17,260)</u>	<u>44,821</u>	<u>(4,433)</u>	<u>72,378</u>

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Weighted average number of ordinary shares (in thousands of shares)	142,250	141,584	141,584	141,584
Effect of employee share bonus (in thousands of shares)	-	63	-	199
Weighted average number of ordinary shares (in thousands of shares)	<u>142,250</u>	<u>141,647</u>	<u>141,584</u>	<u>141,783</u>
Diluted earnings per share (in New Taiwan Dollars)	\$ <u>(0.12)</u>	<u>0.32</u>	<u>(0.03)</u>	<u>0.51</u>

Note: For the three months and six months ended June 30, 2025, the Company incurred pre-tax losses, which have an anti-dilutive impact, and therefore, was not included in the calculation of diluted earnings per share.

(t) Revenue from contracts with customers

(i) Revenue detail

For the three months ended June 30, 2025							
	The Company	Edison Opto (Dong Guan) Co., Ltd.	Yangzhou Edison Opto Corporation	Yangzhou Edison-Litek Opto Corporation	Edison-Litek Opto Corporation	Other	Total
Major market							
China	\$ 12,803	60,869	50,901	72,388	-	-	196,961
America and Europe	99,061	-	-	-	114,559	26,350	239,970
Taiwan	50,004	8,227	-	-	36,011	-	94,242
Africa	2,019	-	-	-	-	-	2,019
Others	79,807	1,244	-	-	-	-	81,051
	<u>\$ 243,694</u>	<u>70,340</u>	<u>50,901</u>	<u>72,388</u>	<u>150,570</u>	<u>26,350</u>	<u>614,243</u>
Major product:							
LED transmitter component	\$ 992	22,879	-	-	-	-	23,871
LED lighting product	221,312	47,120	18,426	-	-	24,860	311,718
LED automotive product	9,721	-	32,208	71,989	150,570	339	264,827
Others	11,669	341	267	399	-	1,151	13,827
	<u>\$ 243,694</u>	<u>70,340</u>	<u>50,901</u>	<u>72,388</u>	<u>150,570</u>	<u>26,350</u>	<u>614,243</u>
For the three months ended June 30, 2024							
	The Company	Edison Opto (Dong Guan) Co., Ltd.	Yangzhou Edison Opto Corporation	Yangzhou Edison-Litek Opto Corporation	Edison-Litek Opto Corporation	Other	Total
Major market							
China	\$ 16,287	56,598	54,902	64,519	5	-	192,311
America and Europe	111,544	2	-	-	128,899	16,951	257,396
Taiwan	69,504	1,178	-	-	42,629	-	113,311
Africa	14,830	-	-	-	-	-	14,830
Others	91,525	21	73	-	(787)	-	90,832
	<u>\$ 303,690</u>	<u>57,799</u>	<u>54,975</u>	<u>64,519</u>	<u>170,746</u>	<u>16,951</u>	<u>668,680</u>
Major product:							
LED transmitter component	\$ 5,951	28,726	-	-	-	24	34,701
LED lighting product	274,898	31,670	27,705	-	-	15,727	350,000
LED automotive product	18,971	-	27,145	63,707	171,049	1,226	282,098
Others	3,870	(2,597)	125	812	(303)	(26)	1,881
	<u>\$ 303,690</u>	<u>57,799</u>	<u>54,975</u>	<u>64,519</u>	<u>170,746</u>	<u>16,951</u>	<u>668,680</u>

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the six months ended June 30, 2025							
	The Company	Edison Opto (Dong Guan) Co., Ltd.	Yangzhou Edison Opto Corporation	Yangzhou Edison-Litek Opto Corporation	Edison-Litek Opto Corporation	Other	Total
Major market							
China	\$ 23,942	105,646	104,874	139,984	-	-	374,446
America and Europe	214,814	-	-	-	243,657	50,633	509,104
Taiwan	98,967	8,266	-	-	44,836	-	152,069
Africa	10,051	-	-	-	-	-	10,051
Others	140,071	1,285	-	-	-	-	141,356
	<u>\$ 487,845</u>	<u>115,197</u>	<u>104,874</u>	<u>139,984</u>	<u>288,493</u>	<u>50,633</u>	<u>1,187,026</u>
Major product:							
LED transmitter component	\$ 4,111	45,986	-	-	-	-	50,097
LED lighting productt	448,143	68,401	37,457	-	-	47,912	601,913
LED automotive product	23,123	-	67,113	138,921	288,493	1,079	518,729
Others	12,468	811	304	1,062	-	1,642	16,287
	<u>\$ 487,845</u>	<u>115,198</u>	<u>104,874</u>	<u>139,983</u>	<u>288,493</u>	<u>50,633</u>	<u>1,187,026</u>

For the six months ended June 30, 2024							
	The Company	Edison Opto (Dong Guan) Co., Ltd.	Yangzhou Edison Opto Corporation	Yangzhou Edison-Litek Opto Corporation	Edison-Litek Opto Corporation	Other	Total
Major market							
China	\$ 23,420	99,769	105,195	110,420	6	-	338,810
America and Europe	227,049	149	-	-	206,258	34,893	468,349
Taiwan	144,234	1,859	-	-	70,081	-	216,174
Africa	17,836	-	-	-	-	-	17,836
Others	160,514	1,453	3,779	-	1,228	-	166,974
	<u>\$ 573,053</u>	<u>103,230</u>	<u>108,974</u>	<u>110,420</u>	<u>277,573</u>	<u>34,893</u>	<u>1,208,143</u>
Major product:							
LED transmitter component	\$ 15,406	50,314	-	-	-	1,683	67,403
LED lighting product	521,377	51,873	48,144	-	-	31,123	652,517
LED automotive product	26,842	-	60,713	109,446	277,145	2,078	476,224
Others	9,428	1,043	117	974	428	9	11,999
	<u>\$ 573,053</u>	<u>103,230</u>	<u>108,974</u>	<u>110,420</u>	<u>277,573</u>	<u>34,893</u>	<u>1,208,143</u>

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Contract balances

	June 30, 2025	December 31, 2024	June 30, 2024
Note receivables (non-related parties)	\$ 92,126	72,733	74,122
Accounts receivables (include related parties)	598,927	716,393	689,604
Contract assets	10,237	2,821	3,040
Less: Loss allowance	-	(5,410)	(9,026)
Total	<u>\$ 701,290</u>	<u>786,537</u>	<u>757,740</u>
	June 30, 2025	December 31, 2024	June 30, 2024
Contract liabilities	<u>\$ 7,719</u>	<u>11,491</u>	<u>26,312</u>

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

(u) Remuneration to employees, directors

On May 28, 2025, the Company resolved at the shareholders' meeting to amend its Articles of Incorporation. According to the amended Company Article of Incorporation, if the Company incurs profit for the year, the profit shall first be used to offset against any accumulated deficits. Thereafter, a maximum of 3% of the remaining net profit shall be allocated as directors' remuneration, and 1% to 10% (in shares or in cash) as employee remuneration, including 1% to 5% to those base-level employees. The distribution shall also include those employees of the Company's subsidiaries who meet certain requirements. Prior to the amendment, the Articles of Incorporation stipulated that, if the Company incurs profit for the year, the profit shall first be used to offset against any accumulated deficits. Thereafter, a maximum of 3% of the remaining net profit shall be allocated as directors' remuneration, and 5% to 15% (in shares or in cash) as employee remuneration, including those employees of the Company's subsidiaries who meet certain requirements.

For the three months and six months ended June 30, 2025 and 2024, the Company accrued and recognized its employee remuneration amounting to \$0 thousand, \$2,080 thousand, \$790 thousand and \$3,880 thousand, respectively; as well as its remuneration to directors amounting to \$0 thousand, \$380 thousand, \$160 thousand and \$780 thousand, respectively. These amounts were calculated by using the Company's pre-tax net profit for the period before deducting the amounts of the remuneration to employees and directors, multiplied by the distribution of ratio of the remuneration to employees and directors based on the Company's articles of incorporation, and expensed under operating costs or expenses. For the years ended December 31, 2024 and 2023, the estimated amounts of employee remuneration were \$7,800 thousand and \$2,660 thousand, respectively, and the estimated amounts of directors' remuneration were \$1,800 thousand and \$540 thousand, respectively, are identical to those of the actual distributions. The related information can be accessed from the Market Observation Post System website.

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(v) Non-operating income and expenses

(i) Interest income

The details of net other income were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Interest income from bank deposits	\$ 3,777	3,094	5,093	5,040
Other interest income	1,173	1,081	2,369	2,113
	<u>\$ 4,950</u>	<u>4,175</u>	<u>7,462</u>	<u>7,153</u>

(ii) Other income

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Other income	\$ 9,889	2,215	11,603	2,663

(iii) Other gains and losses

The details of other gains and losses were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Gains (losses) on disposals of property, plant, and equipment	\$ (4,248)	137	(8,780)	1,354
Net gain (loss) on financial assets at fair value	497	108	479	(241)
Net gain (loss) on foreign exchange	(37,303)	7,764	(27,408)	14,315
Others	2,015	260	1,721	(3,555)
	<u>\$ (39,039)</u>	<u>8,269</u>	<u>(33,988)</u>	<u>11,873</u>

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Finance costs

The details of finance costs were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Interest expenses	<u>\$ 5,228</u>	<u>2,200</u>	<u>8,413</u>	<u>4,505</u>

(w) Financial instruments

(i) Credit risk

1) Concentration of credit risk

Accounts receivable were due from many customers. Therefore, there was no concentration of credit risk. In order to reduce the credit risk of accounts receivable, the Company continually evaluates each customer's financial situation. Otherwise, the customer will have to provide bank guarantees or collaterals.

2) Receivable

For credit risk exposure of note and trade receivables, please refer to note 6(e). Other financial assets at amortized cost includes other receivables and time deposits.

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. Regarding how the financial instruments are considered to have low credit risk, please refer to note 4(g) of the consolidated financial statements for the year ended December 31, 2024.

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years
June 30, 2025							
Non-derivative financial liabilities							
Short term loans	\$ 254,031	(255,754)	(255,754)	-	-	-	-
Lease liabilities	15,835	(22,125)	(7,403)	(4,106)	(5,450)	(5,166)	-
Notes payable and accounts payable	323,772	(323,772)	(323,772)	-	-	-	-
Other payable	129,535	(129,535)	(129,535)	-	-	-	-
Dividends payable	105,000	(105,000)	(105,000)	-	-	-	-
Bonds payable	280,158	(300,000)	-	-	-	(300,000)	-
	<u>\$ 1,108,331</u>	<u>(1,136,186)</u>	<u>(821,464)</u>	<u>(4,106)</u>	<u>(5,450)</u>	<u>(305,166)</u>	<u>-</u>

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 6 months</u>	<u>6-12 months</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>Over 5 years</u>
December 31, 2024							
Non-derivative financial liabilities							
Lease liabilities	\$ 24,027	(29,485)	(12,768)	(6,498)	(5,897)	(4,322)	-
Notes payable and accounts payable	438,151	(438,151)	(438,151)	-	-	-	-
Other payable	162,296	(162,296)	(162,296)	-	-	-	-
Bonds payable	276,220	(300,000)	-	-	-	(300,000)	-
	<u>\$ 900,694</u>	<u>(929,932)</u>	<u>(613,215)</u>	<u>(6,498)</u>	<u>(5,897)</u>	<u>(304,322)</u>	<u>-</u>
June 30, 2024							
Non-derivative financial liabilities							
Short term loans	\$ 210,000	(210,996)	(210,996)	-	-	-	-
Long term loans	126,260	(131,955)	(8,781)	(8,721)	(17,310)	(50,777)	(46,366)
Lease liabilities	26,911	(33,859)	(9,855)	(9,654)	(7,748)	(6,602)	-
Notes payable and accounts payable	389,074	(389,074)	(389,074)	-	-	-	-
Other payable	151,225	(151,225)	(151,225)	-	-	-	-
Dividends payable	71,055	(71,055)	(71,055)	-	-	-	-
	<u>\$ 974,525</u>	<u>(988,164)</u>	<u>(840,986)</u>	<u>(18,375)</u>	<u>(25,058)</u>	<u>(57,379)</u>	<u>(46,366)</u>

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

(iii) Currency risk

1) Exposure to foreign currency risk

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

	<u>June 30, 2025</u>				<u>December 31, 2024</u>				<u>June 30, 2024</u>			
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD</u>		<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD</u>		<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD</u>	
<u>Financial assets</u>												
<u>Monetary items</u>												
USD	\$ 13,788	USD/TWD=	29.30	403,988	19,169	USD/TWD=	32.785	628,456	17,361	USD/TWD=	32.45	563,364
USD	1,188	USD/CNY=	7.1586	34,810	6,115	USD/CNY=	7.1884	200,462	7,698	USD/CNY=	7.1268	249,771
CNY	8,067	CNY/TWD=	4.0932	33,020	11,989	CNY/TWD=	4.5604	54,675	10,473	CNY/TWD=	4.5527	47,680
<u>Financial liabilities</u>												
<u>Monetary items</u>												
USD	12,976	USD/TWD=	29.30	380,197	8,218	USD/TWD=	32.785	269,427	11,313	USD/TWD=	32.45	367,107
USD	315	USD/CNY=	7.1586	9,230	633	USD/CNY=	7.1884	20,751	244	USD/CNY=	7.1268	7,917
CNY	7,568	CNY/TWD=	4.0932	30,977	8,598	CNY/TWD=	4.5604	39,210	27	CNY/TWD=	4.5527	123

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EDISON OPTO CORPORATION AND SUBSIDIARIES
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2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, trade and other receivables, financial assets at fair value through other comprehensive income, loans and borrowings; and trade and other payables that are denominated in foreign currency. A strengthening (weakening) of 5% of the TWD against the USD and CNY as at June 30, 2025 and 2024 would have increased (decreased) the equity by \$2,571 thousand and \$24,283 thousand due to cash flow hedges. The analysis is performed on the same basis for prior year.

(iv) Fair value of financial instruments

- 1) The fair value of financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income (available for sale financial assets) is measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required :

	June 30, 2025				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss-current					
Securities of listed companies	\$ 4,347	4,347	-	-	4,347
Embedded derivative of convertible bonds	120	-	120	-	120
Corporate bonds	5,832	5,832	-	-	5,832
Subtotal	10,299	10,179	120	-	10,299
Financial assets at fair value through other comprehensive income					
Securities of unlisted companies	761	-	-	761	761
Subtotal	761	-	-	761	761
Financial assets measured at amortized cost					
Cash and cash equivalents	1,180,005	-	-	-	-
Fixed deposits with original maturity exceeding three months	78,692	-	-	-	-
Notes and trade receivables (include related parties)	691,053	-	-	-	-
Other receivables	3,676	-	-	-	-
Contract assets	10,237	-	-	-	-
Subtotal	1,963,663	-	-	-	-
Total	\$ 1,974,723	10,179	120	761	11,060

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EDISON OPTO CORPORATION AND SUBSIDIARIES
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June 30, 2025					
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial liabilities at amortized cost					
Short-term bank loans	\$ 254,031	-	-	-	-
Notes and trade payables	323,772	-	-	-	-
Other payables	129,535	-	-	-	-
Dividends payables	105,000	-	-	-	-
Lease liabilities	15,835	-	-	-	-
Bonds payables	<u>280,158</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,108,331</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
December 31, 2024					
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss-current securities of:					
Embedded derivative of convertible bonds	\$ 120	-	120	-	120
Corporate bonds	<u>6,135</u>	<u>6,135</u>	<u>-</u>	<u>-</u>	<u>6,135</u>
Subtotal	<u>6,255</u>	<u>6,135</u>	<u>120</u>	<u>-</u>	<u>6,255</u>
Financial assets at fair value through other comprehensive income					
Securities of unlisted companies	<u>1,059</u>	<u>-</u>	<u>-</u>	<u>1,059</u>	<u>1,059</u>
Subtotal	<u>1,059</u>	<u>-</u>	<u>-</u>	<u>1,059</u>	<u>1,059</u>
Financial assets measured at amortized cost					
Cash and cash equivalents	1,140,781	-	-	-	-
Fixed deposits with original maturity exceeding three months	72,822	-	-	-	-
Notes and trade receivables (include related parties)	783,716	-	-	-	-
Other receivables	8,540	-	-	-	-
Contract assets	<u>2,821</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>2,008,680</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 2,015,994</u>	<u>6,135</u>	<u>120</u>	<u>1,059</u>	<u>7,314</u>

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EDISON OPTO CORPORATION AND SUBSIDIARIES
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		December 31, 2024			
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial liabilities at amortized cost					
Notes and trade payables	\$ 438,151	-	-	-	-
Other payables	162,296	-	-	-	-
Lease liabilities	24,027	-	-	-	-
Bonds payables	276,220	-	-	-	-
Total	<u>\$ 900,694</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		June 30, 2024			
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss-current					
Securities of listed companies	\$ 6,552	6,552	-	-	6,552
Subtotal	<u>6,552</u>	<u>6,552</u>	<u>-</u>	<u>-</u>	<u>6,552</u>
Financial assets at fair value through other comprehensive income					
Securities of unlisted companies	1,228	-	-	1,228	1,228
Subtotal	<u>1,228</u>	<u>-</u>	<u>-</u>	<u>1,228</u>	<u>1,228</u>
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 1,106,303	-	-	-	-
Notes and trade receivables (including due within one year)	31,858	-	-	-	-
Other receivables	754,700	-	-	-	-
Corporate bonds	3,691	-	-	-	-
Subtotal	<u>1,896,552</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,904,332</u>	<u>6,552</u>	<u>-</u>	<u>1,228</u>	<u>7,780</u>
Financial liabilities at amortized cost					
Short-term bank loans	\$ 210,000	-	-	-	-
Long-term bank loans (including due within one year)	126,260	-	-	-	-
Notes and trade payables	389,074	-	-	-	-
Other payables	151,225	-	-	-	-
Dividends payables	71,055	-	-	-	-
Lease liabilities	26,911	-	-	-	-
Total	<u>\$ 974,525</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Reconciliation of Level 3 fair values

	Fair value through other comprehensive income
January 1, 2025	\$ 1,059
In other comprehensive income	(298)
June 30, 2025	<u><u>\$ 761</u></u>
January 1, 2024	\$ 1,477
In other comprehensive income	(249)
June 30, 2024	<u><u>\$ 1,228</u></u>

For the years ended June 30, 2025 and 2024, total gains and losses that were included in unrealized gains and losses from financial assets at fair value through other comprehensive income were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Total gains and losses recognized:				
In other comprehensive income, and presented in “unrealized gains and losses from financial assets at fair value through other comprehensive income”	\$ <u>(298)</u>	<u>(246)</u>	<u>(298)</u>	<u>(248)</u>

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

The Group’s financial instruments that use Level 3 inputs to measure fair value include “financial assets measured at fair value through profit or loss – debt investments” and “fair value through other comprehensive income (available-for-sale financial assets) – equity investments”.

Most fair values in Level 3 include one significant unobservable input, and the fair values of investments in equity instrument without active market consist of multiple significant unobservable inputs. Therefore, significant unobservable inputs of investments in equity instrument without active market are independent with no inter-relationship.

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EDISON OPTO CORPORATION AND SUBSIDIARIES
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Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income equity investments without an active market	Weighted average of market comparable companies and asset-based approach	<ul style="list-style-type: none"> · equity ratio multiple · Discount for lack of marketability · Discount of control 	<ul style="list-style-type: none"> · The higher multiple, the higher the fair value · The higher the discount for lack of marketability, the lower the fair value · The higher the discount of control, the lower the fair value

- 4) Fair value measurements in Level 3— sensitivity analysis of reasonably possible alternative assumptions

The fair value measurement of financial instruments by the Group is reasonable, but the use of different evaluation models or evaluation parameters may result in different evaluation results. For fair value measurements in Level 3, if the evaluation parameters change, would have the following effects of profit or loss or other comprehensive income:

	Input	Change	Recognized in other comprehensive income	
			Favorable change	Unfavorable change
June 30, 2025				
Financial assets fair value through other comprehensive income	1.27	1%	\$ <u>8</u>	<u>(8)</u>
December 31, 2024				
Financial assets fair value through other comprehensive income	1.27	1%	\$ <u>11</u>	<u>(11)</u>
June 30, 2024				
Financial assets fair value through other comprehensive income	1.35	1%	\$ <u>12</u>	<u>(12)</u>

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

(x) Financial risk management

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

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EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(y) 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(aa) of the Consolidated financial statements for the year ended December 31, 2024 for further details.

(z) Financing activities not affecting current cash flow

The Group's financing activities which did not affect the current cash flow in the six months ended June 30, 2025 and 2024, were as follows:

	January 1, 2025	Cash Flows	Non-cash changes				Discount and premium amortization	June 30, 2025
			Foreign exchange movement	New lease	Lease modification	Conversion options		
Short-term borrowings	\$ -	281,409	(27,378)	-	-	-	-	254,031
Lease liabilities	24,027	(11,023)	(1,207)	4,038	-	-	-	15,835
Bonds payable (included due within one year)	276,220	-	-	-	-	-	3,938	280,158
Deposits received	39	-	-	-	-	-	-	39
Total liabilities from financing activities	<u>\$ 300,286</u>	<u>270,386</u>	<u>(28,585)</u>	<u>4,038</u>	<u>-</u>	<u>-</u>	<u>3,938</u>	<u>550,063</u>

	January 1, 2024	Cash Flows	Non-cash changes				Discount and premium amortization	Conversion options	June 30, 2024
			Foreign exchange movement	New lease	Lease modification				
Short-term borrowings	\$ 180,705	28,815	480	-	-	-	-	-	210,000
Lease liabilities	27,318	(8,159)	(4,434)	12,625	(439)	-	-	-	26,911
Long-term borrowings(including current portion)	134,300	(8,040)	-	-	-	-	-	-	126,260
Deposits received	31	8	-	-	-	-	-	-	39
Total liabilities from financing activities	<u>\$ 342,354</u>	<u>12,624</u>	<u>(3,954)</u>	<u>12,625</u>	<u>(439)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>363,210</u>

(7) Related-party transactions:

(a) Names and relationship with related parties

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

<u>Name of related party</u>	<u>Relationship with the Group</u>
Wu, Chien-Jung	The Company's chairman
Yangzhou Airui Optoelectronics Co., Ltd.	Related parties (note 1)
Taiwan Hydroxyl Technology Co., Ltd.	Related parties
Ledison Opto Semiconductor Co., Ltd.	Related parties

Note1: The company was not related party from March 21, 2024

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EDISON OPTO CORPORATION AND SUBSIDIARIES
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(b) Significant transactions with related parties

(i) Sales

The amounts of significant sales by the Consolidated Company to related parties were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Yangzhou Airui Optoelectronics Co., Ltd.	\$ -	-	-	8,868
Ledison Opto Semiconductor Co., Ltd.	2,174	-	2,174	-
	<u>\$ 2,174</u>	<u>-</u>	<u>2,174</u>	<u>8,868</u>

Sales transactions with related parties were conducted based on terms negotiated between the parties, as there were no comparable transactions available for reference.

(ii) Receivables from related parties

The receivables from related parties were as follows:

Account	Relationship	June 30, 2025	December 31, 2024	June 30, 2024
Accounts receivable	Ledison Opto Semiconductor Co., Ltd.	<u>\$ 2,449</u>	<u>-</u>	<u>-</u>
Other receivable	Ledison Opto Semiconductor Co., Ltd.	<u>\$ 18</u>	<u>-</u>	<u>-</u>
Other receivable	Taiwan Hydroxyl Technology Co., Ltd.	<u>\$ 84</u>	<u>147</u>	<u>127</u>

The aforementioned other receivables from related parties were rentals for office and parking spaces.

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EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Others

1) Manage services revenue

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Taiwan Hydroxyl Technology Co., Ltd.	\$ <u>143</u>	<u>180</u>	<u>310</u>	<u>360</u>

2) Rental Revenue

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Ledison Opto Semiconductor Co., Ltd.	\$ 9	-	17	-
Taiwan Hydroxyl Technology Co., Ltd.	29	20	52	20
Total	\$ <u>38</u>	<u>20</u>	<u>69</u>	<u>20</u>

3) Mold and sample revenue

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Ledison Opto Semiconductor Co., Ltd.	\$ <u>292</u>	<u>-</u>	<u>292</u>	<u>-</u>

(iv) Guarantee

The Chairman of the Company provided a joint guarantee for the loan agreement entered by the Group with several financial institutions.

(c) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Short-term employee benefits	\$ 8,075	8,831	22,232	21,431
Post employment benefits	181	181	351	373
Share-based payments	<u>1,375</u>	<u>-</u>	<u>1,742</u>	<u>-</u>
	\$ <u>9,631</u>	<u>9,012</u>	<u>24,325</u>	<u>21,804</u>

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EDISON OPTO CORPORATION AND SUBSIDIARIES
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Please refer to note 6(r) for further explanations related to share-based payment transactions.

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Object	June 30, 2025	December 31, 2024	June 30, 2024
Notes receivable (classified under other current assets)	Bank Acceptance	\$ -	-	50,630
Deposits (classified under other non-current assets)	Deposit to customs	6,149	6,139	6,106
Property, plant, and equipment	Long-term loans	296,947	298,156	245,034
Deposits (classified under other current assets)	Short-term loans	14,514	-	-
		<u>\$ 317,610</u>	<u>304,295</u>	<u>301,770</u>

(9) Commitments and contingencies:

(a) The Group unrecognized contractual commitments are as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Acquisition of property, plant and equipment	<u>\$ 370,754</u>	<u>427,111</u>	<u>9,646</u>

On November 11, 2024, the Company signed a preliminary sales contract with ReaLy Development & Construction Corp. for the purchase of National Landmark at the total contract price of NT\$432,880 thousand. As of June 30, 2025, the amount of NT\$65,060 thousand has been paid, and the remaining NT\$367,820 thousand will be paid according to the progress of the completion.

(b) The Company obtained the tender for the "Tainan City LED Street Light Replacement Project, District 3" in May 2021, and provided a deposit of \$20,000 thousand as a performance guarantee. In November 2021, the Company received a letter from the Public Works Bureau of Tainan City Government ("Works Bureau") to terminate the aforementioned contract, and in January of 2022, the Works Bureau forfeited the aforementioned security deposit and recovered the tender bond of \$5,000 thousand. The Company requested the Tainan City Government to return the performance deposit and revoke the recovery of the deposit, but the mediation failed. In 2023, the Group filed a civil litigation and an administrative litigation, which is currently under trial by the Tainan District Court (for the return of the performance deposit). The Kaohsiung High Administrative Court (for the revocation of the recovery of the deposit) lost the case in June 2024. The Company has appealed to the Supreme Administrative Court, and it is currently under trial.

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EDISON OPTO CORPORATION AND SUBSIDIARIES
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(10) Losses Due to Major Disasters: None.

(11) Subsequent Events:

Considering the Company's asset allocation and the operational needs of its subsidiary's automotive finished goods and module production lines, the Company resolved at its board meeting held on August 7, 2025 to sell the 9th floor of the Haiwang Building in Zhonghe to its subsidiary, Edison-Litek Opto Co., for a total price of NT\$200,000 thousand.

(12) Other:

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

By item	By function	For the three months ended June 30,					
		2025			2024		
		Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits							
Salary		48,872	60,580	109,452	50,314	52,808	103,122
Labor and health insurance		3,681	4,110	7,791	3,272	3,558	6,830
Pension		4,451	3,755	8,206	4,112	3,302	7,414
Directors' remuneration		-	414	414	-	944	944
Others		4,942	3,386	8,328	4,920	3,100	8,020
Depreciation		22,730	6,386	29,116	21,584	9,370	30,954
Amortization		-	166	166	-	342	342

By item	By function	For the six months ended June 30,					
		2025			2024		
		Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits							
Salary		95,633	115,974	211,607	93,633	104,050	197,683
Labor and health insurance		7,327	8,096	15,423	6,376	6,847	13,223
Pension		9,024	7,510	16,534	7,836	6,441	14,277
Directors' remuneration		-	1,102	1,102	-	1,872	1,872
Others		11,148	7,005	18,153	9,745	6,171	15,916
Depreciation		41,089	17,843	58,932	42,598	18,488	61,086
Amortization		-	330	330	-	734	734

- (b) Seasonality of operations:

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

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EDISON OPTO CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group:

(i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period (Note 2)	Ending balance (Note 2)	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 3)	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		
0	Yangzhou Edison Opto Corporation	Yangzhou Edison-Litek Opto Corporation	Other receivables due from related parties	Yes	23,127 (CNY5,000 thousand)	-	-	2%	2	-	Short-term financing	-	-	-	187,665 (Note 1)	375,329 (Note 1)
1	Edison-Litek Opto Corporation Limited	Edison-Litek Opto Corporation	Other receivables due from related parties	Yes	46,487 (USD1,400 thousand)	41,020 (USD1,400 thousand)	41,020 (USD1,400 thousand)	2%	2	-	Short-term financing	-	-	-	49,386 (Note 1)	98,772 (Note 1)

Note 1: The allowable aggregate amount of financing provided to others cannot exceed 40% of the lender's stockholders' equity, the maximum amount of financing provided to an individual counterparty cannot exceed 20% of the lender's stockholders' equity.

Note 2: The amount was the financing facility approved by the Board of Directors.

Note 3: Based on the Company's guidelines, the allowable amounts of financing are as follows:

- (1) Loan arrangement for business transaction
- (2) Short-term financing purpose

Note 4: The amount was eliminated in the consolidated financial statements.

(ii) Guarantees and endorsements for other parties: None.

(iii) Securities held as of June 30, 2025 (excluding investment in subsidiaries, associates and joint ventures):

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The company	AcBel Polytech Inc.-convertible bonds	None	Current financial assets at fair value through profit or loss	-	5,832	- %	5,832	
Edison Fund Investment Corporation	Ledlink Optics, Inc.	None	Current financial assets at fair value through profit or loss	210	4,347	- %	4,347	

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- (iv) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sales	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
Yangzhou Edison Opto Corporation	The Company	Parents	Sales	(218,330)	(66.67)%	60 days	No significant difference	-	808	1.21 %	
The Company	Yangzhou Edison Opto Corporation	Subsidiary company	Purchase	218,330	54.49 %	60 days	No significant difference	-	(808)	(2.60)%	
Edison Opto (Dong Guan) Co., Ltd.	The Company	Parents	Sales	(118,859)	(47.53)%	60 days	No significant difference	-	-	- %	
The Company	Edison Opto (Dong Guan) Co., Ltd.	Subsidiary company	Purchase	118,859	29.66 %	60 days	No significant difference	-	-	- %	

Note: The above transactions have been written off during the preparation of the consolidated report.

- (v) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None
- (vi) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	Edison Opto USA Corporation	1	Sales	26,033	60 days	2.19%
0	The Company	Edison Opto USA Corporation	1	Accounts receivable	12,503	60 days	0.31%
0	The Company	Yangzhou Edison Opto Corporation	1	Sales	12,247	60 days	1.03%
0	The Company	Edison Opto (Dong Guan) Co., Ltd.	1	Sales	10,804	60 days	0.91%
0	The Company	Edison Opto (Dong Guan) Co., Ltd.	1	Accounts receivable	1,725	60 days	0.04%
1	Yangzhou Edison Opto Corporation	The Company	2	Sales	218,330	60 days	18.39%
1	Yangzhou Edison Opto Corporation	The company	2	Accounts receivable	808	60 days	0.02%
1	Yangzhou Edison Opto Corporation	Edison Opto (Dong Guan) Co., Ltd.	3	Accounts receivable	824	60 days	0.02%
1	Yangzhou Edison Opto Corporation	Yangzhou Edison-Litek Opto Corporation	3	Accounts receivable	685	60 days	0.02%
2	Edison Opto (Dong Guan) Co., Ltd.	The company	2	Sales	118,859	60 days	10.01%
2	Edison Opto (Dong Guan) Co., Ltd.	Edison Auto Lighting Corporation	3	Sales	14,674	60 days	1.24%
3	Yangzhou Edison-Litek Opto Corporation	Edison-Litek Opto Corporation	3	Sales	47,281	60 days	3.98%

(Continued)

EDISON OPTO CORPORATION 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 the consolidated net revenue or total assets
3	Yangzhou Edison-Litek Opto Corporation	Edison-Litek Opto Corporation	3	Accounts receivable	4,801	60 days	0.12%
3	Yangzhou Edison-Litek Opto Corporation	Yangzhou Edison Opto Corporation	3	Accounts receivable	7,390	60 days	0.18%
3	Yangzhou Edison-Litek Opto Corporation	Yangzhou Edison Opto Corporation	3	Sales	10,592	60 days	0.89%
4	Edison Auto Lighting Corporation	The company	2	Sales	21,022	60 days	1.77%
4	Edison Auto Lighting Corporation	The company	2	Accounts receivable	6,509	60 days	0.16%
6	Edison-Litek Opto Corporation Limited	Edison-Litek Opto Corporation	3	Other accounts receivable	41,330	Base on contract	1.01%

Note 1: (a) 0 represents The Company

(b) 1 and thereafter represent subsidiaries

Note 2: The relationships between guarantor and guarantee are as follows:

(a) 1 represents parent to subsidiary

(b) 2 represents subsidiary to parent

(c) 3 represents subsidiary to subsidiary

Note 3: Disclose only operating revenue and accounts receivable; related purchase, expense, and prepayment are neglected.

Note 4: The amount was eliminated in the consolidated financial statements.

(b) Information on investees:

The following is the information on investees of The Company (excluding information on investees in Mainland China):

(In Thousands of Shares)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2025			Net income (losses) of investee	Share of profits/losses of investee	Note
				June 30, 2025	December 31, 2024	Shares (thousands)	Percentage of ownership	Carrying value			
The Company	Edison Opto Corporation	Samoa	Selling of LED components and modules	1,041	1,041	30	100.00 %	947	53	53	-
The Company	Ledison Opto Corporation	Samoa	Selling of LED components and modules	145,991	145,991	4,500	100.00 %	209,215	(13,385)	(13,385)	-
The Company	Best Opto Corporation	Samoa	Selling of LED components and modules	1,277,226	1,277,226	41,000	100.00 %	935,792	(9,240)	(9,240)	-
The Company	Edison Fund Investment Corporation	Taiwan	Investment	686,000	686,000	25,000	100.00 %	93,661	5,011	5,011	-
The Company	Edison-Litek Opto Corporation Limited	Hong Kong	Investment	167,661	167,661	5,500	17.01 %	42,003	(1,769)	(301)	-
The Company	Edison-Litek Opto Corporation	Taiwan	Selling of LED components and modules	208,375	208,375	20,213	79.89 %	416,409	14,200	11,657	-
The Company	Ledison Opto Corporation Limited	Taiwan	Selling of LED components and modules	9,800	9,800	980	100.00 %	10,532	900	900	-
Best Opto Corporation	Best Led Corporation	Samoa	Investment	1,277,226	1,277,226	41,000	100.00 %	938,328	(9,240)	(9,240)	-
Edison Fund Investment Corporation	Edison Opto USA Corporation	USA	Selling of LED components and modules	6,392	6,392	220	55.00 %	37,598	4,772	2,624	-
Edison Fund Investment Corporation	Ledionopto Intelligent Technology Corporation	Taiwan	Selling of LED components and modules	113,185	113,185	2,200	100.00 %	17,550	(122)	(122)	-

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2025			Net income (losses) of investee	Share of profits/losses of investee	Note
				June 30, 2025	December 31, 2024	Shares (thousands)	Percentage of ownership	Carrying value			
Edison Fund Investment Corporation	Edison Auto Lighting Corporation	Taiwan	Selling of LED components and modules	7,570	7,570	1,000	100.00 %	8,721	1,665	1,665	-
Edison-Litek Opto Corporation	Edison-Litek Opto Corporation Limited	Hong Kong	Investment	97,207	64,472	23,463	72.56 %	179,173	(1,769)	(1,283)	-

Note: The above transactions have been written off during the preparation of the consolidated report.

(c) Information on investment in Mainland China:

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

(In Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2025	Investment flows		Accumulated outflow of investment from Taiwan as of June 30, 2025	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Edison Opto (Dong Guan) Co., Ltd.	Manufacturing and selling of LED components and modules	145,991 (USD 4,500 thousand)	(b)	111,408 (USD 3,317 thousand)	-	-	111,408 (USD 3,317 thousand)	(13,386) (USD 420 thousand)	100.00%	(13,386) (USD 420 thousand)	213,167 (USD 7,275 thousand)	34,583 (USD 1,183 thousand)
DongGuan Davinci Opto Co., Ltd. (note 2)	Manufacturing and selling of LED components and modules	-	(b)	52,255 (USD 1,714 thousand)	-	-	52,255 (USD 1,714 thousand)	-	-	-	-	-
Yangzhou Edison Opto Corporation	Manufacturing and selling of LED components and modules	1,277,226 (USD 41,000 thousand)	(b)	1,277,226 (USD 41,000 thousand)	-	-	1,277,226 (USD 41,000 thousand)	(9,240) (USD 290 thousand)	100.00%	(9,240) (USD 290 thousand)	938,323 (USD 32,025 thousand)	-
Yangzhou Aichuan Electronic Trade Corporation	Selling of LED components and modules	2,148 (RMB 500 thousand)	(c)	-	-	-	-	40 (RMB 9 thousand)	100.00%	40 (RMB 9 thousand)	2,179 (RMB 532 thousand)	-
Yangzhou Edison-Litek Opto Corporation	Manufacturing and selling of LED components and modules	270,552 (USD 8,875 thousand)	(b)	167,661 (USD 5,500 thousand)	-	-	167,661 (USD 5,500 thousand)	17,009 (USD 534 thousand)	74.98%	12,753 (USD 400 thousand)	165,092 (USD 5,635 thousand)	-

Note 1: Investments are made through one of three ways:

- (a) Direct investment from Mainland China
- (b) Indirect investment from third-party country
- Edison Opto (Dong Guan) Co., Ltd. is indirectly invested by the company through Ledison Opto Corporation.
 - Dong Guan Davinci Opto Corporation is indirectly invested by Ledionopto Intelligent Technology Corporation through Led Plus Limited.
 - Yangzhou Edison Opto Corporation is indirectly invested by Best Opto Corporation and Best Led Corporation.
 - Yangzhou Edison-Litek Opto Corporation is indirectly invested by the Company and Edison-Litek Opto Corporation Limited.
- (c) Others
- Yangzhou Aichuan Electronic Trade Corporation is 100% invested by Yangzhou Edison Opto Corporation.

Note 2: The above transactions have been written off during the preparation of the consolidated report.

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EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Limitation on investment in Mainland China:

Company Name	Accumulated Investment in Mainland China as of June 30, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
The Company	1,556,295 (USD49,817 thousand)	1,487,561 (note 3) (USD50,770 thousand)	Note 1
Ledionopto Intelligent Technology Corporation	52,255 (note 2) (USD1,714 thousand)	50,220 (USD1,714 thousand)	-

Note 1: Since the Company acquired the permission from Industrial Development Bureau at August 25, 2022, Ministry of Economic Affairs, the upper limit on investment is not applicable, under “Regulations Governing The Permission of Commercial Behavior in Mainland China”, Article 3 (documentation reference number: 11120426210).

Note 2: DongGuan Davinci Opto Co., Ltd., in which Ledionopto Intelligent Technology Corporation indirectly invested USD2,000 thousand, had completed the cancellation of its business registration and liquidation with the approval of Investment Commission in June 2020. The investment capital amounting to USD286 thousand had been remitted to Ledionopto. However, according to the regulation, the remittance to Mainland China amounting to USD1,714 thousand had been included in the accumulated investment amount.

Note 3: The indirect investment in Yangzhou Ledison Opto Corporation through the Company, with the amount of USD1,000 thousand, was authorized by the Investment Commission. Yangzhou Ledison had completed its liquidation in 2017 and the remitted capital amount of USD1,230 thousand had been cancelled by the Investment Commission. Therefore, the difference between the Accumulated Investment in Mainland China and Investment Amounts Authorized by Investment Commission amounting to USD230 thousand had been deducted by the Company.

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in “Information on significant transactions” and “Business relationships and significant intercompany transactions.”

(14) Segment information:

	For the three months ended June 30, 2025							
	<u>The Company</u>	<u>Edison Opto (Dong Guan) Co., Ltd.</u>	<u>Yangzhou Edison Opto Corporation</u>	<u>Yangzhou Edison-Litek Opto Corporation</u>	<u>Edison-Litek Opto Corporation</u>	<u>Others</u>	<u>Reconciliation and elimination</u>	<u>Total</u>
Revenues:								
Revenue from external customers	\$ 243,694	70,340	50,901	72,388	150,570	26,350	-	614,243
Intersegment revenues	18,769	58,613	105,092	29,180	-	-	(211,654)	-
Total revenue	<u>\$ 262,463</u>	<u>128,953</u>	<u>155,993</u>	<u>101,568</u>	<u>150,570</u>	<u>26,350</u>	<u>(211,654)</u>	<u>614,243</u>
Reportable segment profit or loss	<u>\$ (15,257)</u>	<u>(6,434)</u>	<u>(4,823)</u>	<u>11,657</u>	<u>(10,246)</u>	<u>7,740</u>	<u>(215)</u>	<u>(17,578)</u>

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the three months ended June 30, 2024								
	The Company	Edison Opto (Dong Guan) Co., Ltd.	Yangzhou Edison Opto Corporation	Yangzhou Edison-Litek Opto Corporation	Edison-Litek Opto Corporation	Others	Reconciliation and elimination	Total
Revenues:								
Revenue from external customers	\$ 303,690	57,799	54,975	64,519	170,746	16,951	-	668,680
Intersegment revenues	16,434	87,908	123,832	38,481	46	3,548	(270,249)	-
Total revenue	<u>\$ 320,124</u>	<u>145,707</u>	<u>178,807</u>	<u>103,000</u>	<u>170,792</u>	<u>20,499</u>	<u>(270,249)</u>	<u>668,680</u>
Reportable segment profit or loss	<u>\$ 44,821</u>	<u>(16,418)</u>	<u>10,607</u>	<u>781</u>	<u>20,611</u>	<u>2,635</u>	<u>(10,474)</u>	<u>52,563</u>
For the six months ended June 30, 2025								
	The Company	Edison Opto (Dong Guan) Co., Ltd.	Yangzhou Edison Opto Corporation	Yangzhou Edison-Litek Opto Corporation	Edison-Litek Opto Corporation	Others	Reconciliation and elimination	Total
Revenues:								
Revenue from external customers	\$ 487,845	115,197	104,874	139,984	288,493	50,633	-	1,187,026
Intersegment revenues	35,784	134,859	222,608	57,873	169	-	(451,293)	-
Total revenue	<u>\$ 523,629</u>	<u>250,056</u>	<u>327,482</u>	<u>197,857</u>	<u>288,662</u>	<u>50,633</u>	<u>(451,293)</u>	<u>1,187,026</u>
Reportable segment profit or loss	<u>\$ (410)</u>	<u>(13,386)</u>	<u>(9,240)</u>	<u>17,009</u>	<u>15,877</u>	<u>14,388</u>	<u>(16,112)</u>	<u>8,126</u>
For the six months ended June 30, 2024								
	The Company	Edison Opto (Dong Guan) Co., Ltd.	Yangzhou Edison Opto Corporation	Yangzhou Edison-Litek Opto Corporation	Edison-Litek Opto Corporation	Others	Reconciliation and elimination	Total
Revenues:								
Revenue from external customers	\$ 573,053	103,230	108,974	110,420	277,573	34,893	-	1,208,143
Intersegment revenues	33,844	167,641	223,490	54,270	723	12,665	(492,633)	-
Total revenue	<u>\$ 606,897</u>	<u>270,871</u>	<u>332,464</u>	<u>164,690</u>	<u>278,296</u>	<u>47,558</u>	<u>(492,633)</u>	<u>1,208,143</u>
Reportable segment profit or loss	<u>\$ 72,378</u>	<u>(16,831)</u>	<u>14,541</u>	<u>(5,577)</u>	<u>24,476</u>	<u>4,312</u>	<u>(13,552)</u>	<u>79,747</u>