COSMO ELECTRONICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2024 AND 2023

For the convenience of readers and for information purpose only, the auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two version, the Chinese-language auditors' report and consolidated financial statements shall prevail.

COSMO ELECTRONICS CORPORATION AND SUBSIDIARIES

Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year ended December 31, 2024, pursuant to "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises," the companies that are required to be included in the consolidated financial statements of affiliates, are the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies under International Financial Reporting Standards No.10. If relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, it shall not be required to prepare separate consolidated financial statements of affiliates.

Hereby declare,

COSMO ELECTRONICS CORPORATION
HSIEH, SHU CHUAN
March 28, 2025

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of Cosmo Electronics Corporation

Opinion

We have audited the accompanying consolidated financial statements of Cosmo Electronics Corporation and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2024, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Cosmo Electronics Corporation and its subsidiaries as of December 31, 2024, and their consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed and issued into effect by the Financial Supervisory Commission.

Basis for Opinion

We conducted our audits of the consolidated financial statements in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, and auditing standards in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of Cosmo Electronics Corporation and its subsidiaries in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.
The key audit matters in relation to the consolidated financial statements for the year ended December 31,2024, are outlined as follows:

<u>Valuation of inventory</u>

Please refer to Note 4(8) for the description of accounting policy on inventory valuation. Please refer to Note 5(1) for accounting estimates and assumption uncertainty in relation to inventory valuation. Please refer to Note 6(4) for details of inventory.

Cosmo Electronics Corporation and its subsidiaries have a higher risk of inventory market value decline since technology evolution affecting the market value and the possibility of inputs for obsolete products.

As the evaluation of inventory requires critical judgement and the amount of inventory is significant, we consider the valuation of inventory a key audit matter.

We performed the following audit procedures in respect of the above key audit matter:
1. Obtained the policies of inventory valuation and determined whether the policies have been applied consistently.
2. Inspected and performed annual physical count to evaluate whether management identifies and controls obsolete inventories effectively.
3. Validated whether the logic of inventory aging reports used for valuation has been applied adequately in order to ensure the information of consolidated financial statement would be align with policies.
4. Evaluated and calculated to supporting documents of inventory losses providing from aging over a certain period, and discussed with management the accuracy.
5. Sampled the sources of market value for recalculation of net realization value.

Assessment the fair value of investment property

Please refer to Note 4(10) for the description of accounting policy on investment property. Please refer to Note 5(2) for accounting estimates and assumption uncertainty in relation to investment property. Please refer to Note 6(7) for details of investment property.

Cosmo Electronics Corporation and its subsidiaries held investment property to (a) earn rent incomes from lease, (b) develop and improve land for future use. The investment property was measured subsequently using the fair value model. The fair value was based on appraisal report issued by external valuers.
As the evaluation of the fair value requires future prediction and the assumptions are unobservable inputs and highly uncertainty as well as the amount of valuation is significant, we consider the valuation of investment property a key audit matter.

We performed the following audit procedures in respect of the above key audit matter:
1. Evaluated whether valuers and appraisal firms were engaged by Cosmo Electronics Corporation and its subsidiaries were qualified and independent.
2. Reviewed the appraisal report issued by the valuer and checked valuation approach to comply with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
3. For the investment property evaluated by the income approach, evaluated the valuer's rationality of the future cash flow of Cosmo Electronics Corporation and its subsidiaries, and compared the rent used in the valuation approach with the lease agreement signed at present.
4. For the investment property evaluated by land development analysis method, examined the prices of various comparison targets used, and compared them with the prices of similar assets available from public information.
5. Evaluated the correctness of the model calculation, and confirmed that the recognized amount is consistent with the appraisal report.

Other Matter-The financial statements of the prior period were audited by another auditor.

The financial statements of Cosmo Electronics Corporation for the year ended December 31, 2023, were audited by another auditor, who expressed an unmodified opinion on those statements in their report dated March 14, 2024.

Other Matter- Parent Company Only Financial Reports

We have audited and expressed an unqualified opinion with Other matter paragraph on the parent company only financial statements of Cosmo Electronics Corporation, as at and for the years ended December 31, 2024.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Cosmo Electronics Corporation and its subsidiaries' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Cosmo Electronics Corporation and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing Cosmo Electronics Corporation and its subsidiaries' financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Cosmo Electronics Corporation and its subsidiaries' internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Cosmo Electronics Corporation and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Cosmo Electronics Corporation and its subsidiaries to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Cosmo Electronics Corporation and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

LIN, CHIH-KAI CHEN, HSIU-LI
For and on behalf of Candor Taiwan CPAs
March 28, 2025

<u>*Notice to Readers*</u>

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

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

COSMO ELECTRONICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	Current assets					
1100	Cash and cash equivalents	4(6) and 6(1)	$ 105,101	2	$ 604,711	14
1136	Financial assets at amortised cost-current	4(7), 6(2) and 8	30,285	1	31,055	1
1150	Notes receivable, net	4(7) and 6(3)	-	-	3,140	-
1170	Accounts receivable, net	4(7) and 6(3)	140,093	3	79,178	2
1180	Accounts receivable from related parties, net	4(7) and 7	137,004	3	73,891	1
1200	Other receivables	4(7)	5,386	-	5,554	-
1210	Other receivables from related parties	4(7) and 7	-	-	13,846	-
1220	Current income tax assets	4(16) and 6(15)	343	-	2,191	-
130X	Inventories	4(8), 5(1) and 6(4)	501,437	13	554,435	13
1410	Prepayments		107,215	2	40,438	1
1470	Other current assets		2,477	-	345	-
11XX	**Total current assets**		1,029,341	24	1,408,784	32
	Non-current assets					
1535	Financial assets at amortized cost-non current	4(7), 6(2) and 8	4,482	-	20,401	1
1600	Property, plant and equipment	4(9), (12), 6(5) and 8	776,284	18	719,938	17
1755	Right-of-use assets	4(13) and 6(6)	186,463	4	171,344	4
1760	Investment property, net	4(10), 5(2), 6(7) and 8	2,168,692	51	1,871,983	43
1780	Intangible assets	4(11), (12) and 6(8)	10,575	-	11,659	-
1840	Deferred income tax assets	4(16) and 6(15)	80,720	2	79,549	2
1915	Prepayments for equipment		17,364	-	9,814	-
1920	Refundable deposits		674	-	1,885	-
1975	Net defined benefit assets-non current	4(15) and 6(11)	32,707	1	26,550	1
1990	Other non-current assets		17,048	-	16,134	-
15XX	**Total non-current assets**		3,295,009	76	2,929,257	68
1XXX	**Total assets**		$ 4,324,350	100	$ 4,338,041	100

	Liabilities and Equity	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term borrowings	4(14) and 6(9)	$ 408,000	9	$ 426,000	10
2110	Short-term bills payable	6(9)	29,971	1	99,884	2
2130	Contract liabilities-current	6(13) and 7	47,786	1	1,018	-
2150	Notes payable		-	-	59	-
2170	Accounts payable		108,268	3	42,970	1
2180	Accounts payable to related parties	7	32,909	1	434	-
2200	Other payables		94,834	2	69,226	2
2220	Other payables to related parties	7	7,009	-	6,519	-
2230	Current income tax liabilities	4(16) and 6(15)	1,592	-	105	-
2280	Lease liabilities-current		8,791	-	2,770	-
2320	Long-term liabilities-current portion	4(14) and 6(10)	1,027,337	24	312,646	7
2399	Other current liabilities		3,135	-	3,942	-
21XX	**Total current liabilities**		1,769,632	41	965,573	22
	Non-current liabilities					
2540	Long-term borrowings	4(14) and 6(10)	238,014	6	1,206,851	28
2570	Deferred income tax liabilities	4(16) and 6(15)	260,164	6	245,959	6
2580	Lease liabilities-non current		27,016	1	23,142	1
2640	Net defined benefit liability-non current	6(11)	16,340	-	13,956	-
2622	Long-term payables to related parties	6(10) and 7	22,000	-	-	-
2670	Others non-current liabilities		17,997	-	388	-
25XX	**Total non-current liabilities**		581,531	13	1,490,296	35
2XXX	**Total liabilities**		2,351,163	54	2,455,869	57

	Liabilities and Equity	Notes	Amount	%	Amount	%
	Equity attributable to owners of the parent					
3110	Common stock	6(12)	$ 1,714,587	40	$ 1,714,587	40
3200	Capital surplus	6(12)	143,838	3	143,838	3
3300	Retained earnings					
3310	Legal reserve		22,495	1	19,061	-
3320	Special reserve		171,472	4	140,561	3
3350	Unappropriated retained earnings/Accumulated deficit		(24,294)	(1)	34,345	1
3400	Other equity		(54,911)	(1)	(170,220)	(4)
3XXX	**Total equity**		1,973,187	46	1,882,172	43
2-3xxx	**Total liabilities and equity**		$ 4,324,350	100	$ 4,338,041	100

The accompanying notes are an integral part of these consolidated financial statements.

COSMO ELECTRONICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31,2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except for earnings(deficit) per share amounts)

	Items	Notes	2024 Amount	2024 %	2023 Amount	2023 %
4000	Operating revenue	4(17), (18), 6(13) and 7	$ 1,107,072	100	$ 1,053,420	100
5000	Operating costs	6(4) and 7	(969,123)	(88)	(897,585)	(85)
5900	Gross profit		137,949	12	155,835	15
	Operating expenses					
6100	Selling expenses		(64,497)	(6)	(50,116)	(5)
6200	General and administrative expenses		(207,571)	(19)	(222,991)	(21)
6300	Research and development expenses		(6,069)	(1)	(3,914)	(1)
6450	Expected credit impairment (loss) gain	6(3)	(2,726)	-	8,462	1
6000	Total operating expenses		(280,863)	(26)	(268,559)	(26)
6900	Operating (loss)profit		(142,914)	(14)	(112,724)	(11)
	Non-operating income and expenses					
7100	Interest income	6(14)	8,050	1	10,963	1
7010	Other income	6(14)	7,770	1	14,026	1
7020	Other gains and losses	6(14)	199,806	18	229,401	22
7050	Finance costs	6(14)	(86,033)	(8)	(85,467)	(8)
7000	Total non-operating income and expenses		129,593	12	168,923	16
7900	**Profit (loss) before income tax**		(13,321)	(2)	56,199	5
7950	Income tax (expense) benefit	4(16) and 6(15)	(15,637)	(1)	(26,116)	(2)
8200	**Profit (loss) for the year**		($ 28,958)	(3)	$ 30,083	3
	Other comprehensive income (loss)					
	Components of other comprehensive income that will be reclassified to profit or loss					
8311	Gain on remeasurements of defined benefit plans		$ 5,541	1	$ 3,763	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(15)	(877)	-	(821)	-
8310	Other comprehensive income(loss) that will not be reclassified to profit or loss		4,664	-	2,942	-
	Components of other comprehensive income(loss) that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		115,309	10	(19,480)	(2)
8360	Components of other comprehensive income that will be reclassified to profit or loss		115,309	10	(19,480)	(2)
8300	**Other comprehensive income for the year**		$ 119,973	10	($ 16,538)	(2)
8500	**Total comprehensive income for the year**		$ 91,015	7	$ 13,545	1
8600	Profit (loss) attributable to:					
8610	Owners of the parent		($ 28,958)	(3)	$ 30,083	3
8700	Comprehensive income (loss) attributable to :					
8710	Owners of the parent		$ 91,015	7	$ 13,545	1
	Earnings per share					
9750	Basic earnings (loss) per share	6(16)	($ 0.17)		$ 0.18	
9850	Diluted earnings (loss) per share	6(16)	($ 0.17)		$ 0.18	

The accompanying notes are an integral part of these consolidated financial statements.

COSMO ELECTRONICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Share capital		Retained earnings			Other equity	
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings / Accumulated deficit	Financial statements translation differences of foreign operations	Total equity
Balance at January 1, 2023	$ 1,680,883	$ 177,242	$ 6,819	$ 63,024	$ 122,417	($ 150,740)	$ 1,899,645
Effect of retrospective application and retrospective restatement	-	-	-	-	620	-	620
Balance at January 1, 2023 as restated	1,680,883	177,242	6,819	63,024	123,037	(150,740)	1,900,265
Distribution of 2023 earnings							
Legal reserve	-	-	12,242	-	(12,242)	-	-
Special reserve	-	-	-	77,537	(77,537)	-	-
Cash dividends	-	-	-	-	(31,938)	-	(31,938)
Profit of 2023	-	-	-	-	30,083	-	30,083
Other comprehensive income(loss) of 2023	-	-	-	-	2,942	(19,480)	(16,538)
Conversion of convertible bonds	85	215	-	-	-	-	300
Issuance of share from capital surplus	33,619	(33,619)	-	-	-	-	-
Balance at December 31, 2023	$ 1,714,587	$ 143,838	$ 19,061	$ 140,561	$ 34,345	($ 170,220)	$ 1,882,172
Balance at January 1, 2024	$ 1,714,587	$ 143,838	$ 19,061	$ 140,561	$ 34,345	($ 170,220)	$ 1,882,172
Distribution of 2024 earnings							
Legal reserve	-	-	3,434	-	(3,434)	-	-
Special reserve	-	-	-	30,911	(30,911)	-	-
Loss of 2024	-	-	-	-	(28,958)	-	(28,958)
Other comprehensive income of 2024	-	-	-	-	4,664	115,309	119,973
Balance at December 31, 2024	$ 1,714,587	$ 143,838	$ 22,495	$ 171,472	($ 24,294)	($ 54,911)	$ 1,973,187

The accompanying notes are an integral part of these consolidated financial statements.

COSMO ELECTRONICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Consolidated loss before tax for the year	($ 13,321)	$ 56,199
Adjustments		
Income and expenses having no effect on cash flows		
Depreciation expenses	111,669	110,542
Amortization expenses	2,119	2,028
Expected credit impairment losses (gains)	2,726	(8,462)
Interest expense	86,033	85,467
Interest income	(8,050)	(10,963)
Net gain on derecognition of financial assets at amortized cost	(1,304)	-
(Gain) loss on disposal and scrap of property, plant and equipment	(1,320)	8,816
Loss (gain) on fair value changes of investment property	(209,927)	(241,679)
Changes in assets and liabilities relating to operating activities		
Decrease (increase) in notes receivable	3,140	248
Decrease (increase) in accounts receivable	(63,721)	212,127
Decrease (increase) in accounts receivable from related parties	(63,113)	(73,891)
Decrease (increase) in other receivables	168	19,508
Decrease (increase) in other receivables from related parties	13,846	3,786
Decrease (increase) in inventories	53,211	61,064
Decrease (increase) in prepayments	(60,054)	51,577
Decrease (increase) in other current assets	(2,132)	1,882
Decrease (increase) in other non-current assets	(914)	7,501
Decrease (increase) in net defined benefit assets	1,768	(6,060)
Increase (decrease) in contract liabilities-current	46,768	(9,219)
Increase (decrease) in notes payable	(59)	(37)
Increase (decrease) in accounts payable	65,298	(76,782)
Increase (decrease) in accounts payable to related parties	32,475	(15,237)
Increase (decrease) in other payables	24,873	(50,180)
Increase (decrease) in other payables to related parties	490	2,783
Increase (decrease) in other current liabilities	(807)	(4,674)
Cash inflow generated from (used in) operations	19,862	126,344
Interest received	8,050	10,963
Income taxes (paid) refund	(148)	24,009
Net cash flows generated from (used in) operating activities	27,764	161,316

(Continued)

COSMO ELECTRONICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars)

	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of financial assets at amortized cost	$ 17,933	$ 38,064
Acquisitions of property, plant and equipment	(160,320)	(37,848)
Acquisitions and payments for investment properties	(25,641)	(22,701)
Proceeds from disposal of property, plant and equipment	25,786	114
Decrease in refundable deposits	1,211	11,240
Acquisitions of intangible assets	(459)	(893)
Proceeds from disposal of property, plant and equipment		
Decrease (increase) in prepayments for equipment	(16,170)	(18,500)
Net cash flows generated from (used in) investing activities	(157,600)	(30,524)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	1,176,000	1,446,440
Decrease in short-term borrowings	(1,194,000)	(1,416,440)
Increase (decrease) in short-term bills payable	(70,000)	49,922
Repayment for convertible bonds	-	(277,100)
Proceeds from long-term borrowings	217,640	364,520
Repayment for long-term borrowings	(501,369)	(103,600)
Increase (decrease) in guarantee deposits received	17,316	(140)
Increase in other non-current liabilities	293	-
Payment of lease liabilities	(9,448)	(11,758)
Interest paid	(86,976)	(85,537)
Increase in Long-term payables to related parties	22,000	-
Net cash flows generated from (used in) financing activities	(428,544)	(33,693)
Effect due to changes in exchange rate	58,770	(35,382)
Net increase (decrease) in cash and cash equivalents	(499,610)	61,717
Cash and cash equivalents at beginning of year	604,711	542,994
Cash and cash equivalents at end of year	$ 105,101	$ 604,711

The accompanying notes are an integral part of these consolidated financial statements.

COSMO ELECTRONICS CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organization

Cosmo Electronics Corporation ("The Company") was established in May 1981. The Company and its subsidiaries (collectively referred herein as the "Group") are primarily engaged in manufacture and sales of relays, photocouplers and LEDs, biomass energy and land development business, etc. The Company's shares have been traded on the Taipei Exchange (OTC) since January 15, 2000, and were listed on the Taiwan Stock Exchange (TWSE) on September 17, 2001.

2. The Date of Authorization for Issuance of the Consolidated Financial Statements and Procedures for Authorization

These consolidated financial statements were authorized for issuance by the Board of Directors on March 28, 2025.

3. Application of New and Revised International Financial Reporting Standards

(1) Application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Company's accounting policies.

(2) The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 21 'Lack of Exchangeability'	January 1, 2025 (Note 1)

Note 1: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

As of the date the accompanying consolidated financial statements were issued, the Group continues in evaluating other impacts of the above amended standards and on its financial position and financial performance from the aforementioned standards or interpretations and amendments. The related impact will be disclosed when the Group completes its evaluation.

(3) Effect of IFRSs issued by IASB but not yet endorsed by the FSC

New Standards, Interpretations and Amendments	Effective date by IASB (Note 1)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

As of the date the accompanying consolidated financial statements were issued, the Group continues in evaluating other impacts of the above amended standards and on its financial position and financial performance from the aforementioned standards or interpretations and amendments. The related impact will be disclosed when the Group completes its evaluation.

4. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, International Financial Reporting Standards, International Accounting Standards, IFRIC

Interpretations, and SIC Interpretations as endorsed and issued into effect by the FSC (collectively referred herein as the “IFRSs”).

(2) Basis of preparation

The accompanying consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values, for assets, it refers to the fair value of the cash, cash equivalents, or other consideration paid to acquire the asset; for liabilities, it refers to the amount received when the obligation is incurred or the amount expected to be paid to settle the liability.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in a parent’s ownership interest in a subsidiary do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

			Ownership (%)		
Name of Investor	Name of Subsidiary	Main Business Activities	December 31, 2024	December 31, 2023	Description
Cosmo Electronics Corporation	Cosmo Electronics Samoa	Investment activities	100	100	
	Cosmo Electronics (HK) Company Limited	Trading of electronic products	100	100	
	Grand Concept Group Limited	Investment activities	100	100	
	Grandway International Limited.	Investment activities	100	100	
	PT Cosmo Technology (PT Cosmo)	Manufacturing and selling of LED lighting	14	14	Note 1
	Cosmo Green Power Limited (Cosmo Green)	Manufacturing and selling of material of biomass energy	100	100	
Cosmo Electronics Samoa	Cosmo Electronics Technology Co., Ltd.	Investment activities	100	100	
Cosmo Electronics Technology Co., Ltd.	Cosmo Electronics Technology (KunShan) Co., Ltd.	Manufacturing and selling of new electronic parts	100	100	
Cosmo Electronics (HK) Company Limited	Cosmo Lighting Inc.	Selling of LED lighting	100	100	
Grand Concept Group Limited	True Glory Investments Limited	Investment activities and processing and trading of PCBs	100	100	
	Real Bonus Limited	Selling of LED lighting	100	100	
Grandway International Limited	Truly Top Investments Limited	Investment activities	100	100	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%) December 31, 2024	Ownership (%) December 31, 2023	Description
	Renown Boom Limited	Investment activities and processing and selling of routers	100	100	
True Glory Investments Limited	PT Cosmo Technology (PT Cosmo)	Manufacturing and selling of LED lighting	13	13	Note 1
	PT Cosmo Green Technology (PT Cosmo Green)	Manufacturing and selling of material of biomass energy	50	50	Note 1
	PT Cijambe Indah (PT Cijambe)	Land development	95	95	Note 1
	PT Cosmo Electronics Indonesia ("PT Electronics")	Manufacturing and selling of new electronic parts	100	100	
Truly Top Investments Limited	PT Cosmo Technology (PT Cosmo)	Manufacturing and selling of LED lighting	73	73	Note 1
	PT Cosmo Green Technology (PT Cosmo Green)	Manufacturing and selling of material of biomass energy	50	50	Note 1
Renown Boom Limited	Dong Guan Guan Zhen Xing Trading Limited	Manufacturing and selling of material of biomass energy	100	100	
	PT Cijambe Indah (PT Cijambe)	Land development	5	5	Note 1
Dong Guan Guan Zhen Xing Trading Limited	Guizhou Guanwang International Digicrown Electronic Technology Co., Ltd	Developing, manufacturing and selling of electronic products	-	100	Note 2
	Dongguan Guanwang Electronic Technology Co., Ltd.	Developing, manufacturing and selling of electronic products	100	100	

Note 1: The total Group's investment in this subsidiary is 100%.

Note 2: Completed liquidation in August 2024.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Foreign currency

In preparing the consolidated financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Such exchange differences are recognized in profit or loss in the year in which they arise. Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the year except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income. Non-monetary items that are measured in terms of historical cost in foreign currencies are not retranslated.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Company's foreign operations are translated into NT$ using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

(5) Classification of Current and Noncurrent Assets and Liabilities

Current assets include cash and cash equivalents (unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.), assets held primarily for the purpose of trading, assets expected to be realized within 12 months after the reporting period, or assets expected to be realized, sold, or consumed from operating activities. Assets that are not classified as current are noncurrent assets.

Current liabilities include liabilities held primarily for trading purposes, liabilities that are expected to be settled within twelve months after the reporting period or within the entity's normal operating cycle, and liabilities for which the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period. Liabilities that that are not classified as current liabilities are classified as non-current liabilities.

(6) Cash and Cash Equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value. Time deposits that meet the above criteria and are held to meet short-term cash commitments for operating purposes are classified as cash equivalents.

(7) Financial Instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

A. Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

(a) Measurement category

Financial assets are classified into financial assets at amortized cost.

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows.

ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, accounts receivable at amortized cost, other receivable, and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

The Group’s time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable).

The Group always recognizes lifetime expected credit losses (ECLs) for accounts receivable and other receivable. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

(c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

B. Financial liabilities

(a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

(b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognized in profit or loss.

(8) Inventories

Inventories consist of raw materials, finished goods and work in process. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads. It excludes borrowing costs. Inventories are stated at the lower of cost and net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses. Inventories are recorded at weighted-average cost.

(9) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment. Cost is measured as the amount of cash or cash equivalents paid, or the fair value of other consideration given, to acquire an asset at the time of its acquisition or construction, including the estimated costs of dismantling and removing the asset. It also includes the initial estimate of the costs of dismantling and removing the asset and restoring the site on which it is located. When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate components and depreciated individually over their respective useful lives.

Depreciation is calculated on the depreciable amount, which is the cost of an asset (or other amount substituted for cost) less its residual value. Depreciation is recognized on a straight-line basis over the estimated useful lives of the individual components of items of property, plant and equipment.

Assets held under finance leases are depreciated on the same basis as owned assets over their expected useful lives. However, if the lease term is shorter than the asset's useful life, depreciation is charged over the lease term.

The estimated useful lives, residual values, and depreciation methods are reviewed at the end of each reporting period. Any changes are accounted for prospectively from the date of the revision.

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the asset if it is probable that the future economic benefits associated with the part will flow to the Group and the cost of the part can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Gains or losses arising from the disposal or retirement of items of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the asset, and are recognized net within other gains and losses in profit or loss.

(10) Investment property

An investment property is stated initially at its cost and measured subsequently using the fair value model. A gain or loss arising from a change in the fair value of investment property is recognized in profit or loss.

(11) Intangible assets

A. Computer software

Computer software is stated at cost and amortized on a straight-line basis over its estimated useful life of 3 to 5 years.

B. Patent

Patent is stated at cost and amortized on a straight-line basis over its useful life of 20 years.

(12) Impairment of Tangible Assets and Intangible Assets

The Company and its subsidiaries assess at the end of each reporting period, whether there is any indication that property, plant and equipment and intangible assets with finite useful lives may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Intangible assets with indefinite useful lives are tested for impairment annually, and whenever there is an indication that the asset may be impaired. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined. For assets that do not generate largely independent cash inflows, the recoverable amount is estimated for the smallest group of cash-generating units that includes the asset and for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

For contracts with customers within the scope of IFRS 15, inventories, property, plant and equipment, and intangible assets recognized in relation to such contracts are first assessed for impairment in accordance with the respective impairment requirements applicable to those assets.

Subsequently, an impairment loss is recognized for contract cost assets if the carrying amount of the asset exceeds the remaining amount of consideration expected to be received in exchange for the goods or services to which the asset relates, less the costs that relate directly to fulfilling the contract and have not been recognized as expenses. After the above assessments, if applicable, the carrying amount of contract cost assets is included in the carrying amount of the cash-generating unit to which they belong, and the recoverable amount of the cash-generating unit is assessed for impairment accordingly.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss. When an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

(13)Leasing arrangements (lessee) − right-of-use assets/ lease liabilities

A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company and its subsidiaries. For short-term leases or leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are fixed payments, less any lease incentives receivable.

C. The Company and its subsidiaries subsequently measure the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

D. At the commencement date, the right-of-use asset is stated at cost comprising the following:

(a) The amount of the initial measurement of lease liability;

(b) Any initial direct costs incurred by the lessee.

E. The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.

F. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset and remeasure the lease liability to reflect the partial or full termination of the lease, and recognize the difference in profit or loss.

(14) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

(15) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expense when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company and its subsidiaries in current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.

ii. Remeasurements arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as other equity.

iii. Past service costs are recognized immediately in profit or loss.

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognized as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Company and its subsidiaries calculate the number of shares based on the closing price at the previous day of the board meeting resolution.

(16)Income tax

Income tax expense includes both current and deferred income tax.

Except for income tax related to business combinations or recognized directly in equity or other comprehensive income, both current and deferred income tax expenses are recognized in profit or loss.

Current income tax expense is calculated based on the tax rate that has been enacted or substantively enacted by the end of the reporting period, applied to the taxable income or loss for the year, and any adjustments to income taxes payable or receivable in respect of prior years.

Deferred income tax expense is recognized based on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

Deferred income tax assets and liabilities are measured using the tax rates expected to apply when the temporary differences reverse, based on the tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and liabilities are offset only when there is a legally enforceable right to set off current tax assets against current tax liabilities, and the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity; or if the entities are different, when there is an intention to settle on a net basis, or when the deferred tax assets and liabilities will be realized simultaneously.

Deferred income tax assets are recognized for unused tax losses, tax credits, and deductible temporary differences, to the extent that it is probable that there will be future taxable income available for utilization. These assets are reassessed at the end of each reporting period, and if it is not probable that the related income tax benefits will be realized, they are adjusted accordingly.

An additional tax of the Company is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

(17)Revenue recognition

Sales of goods—wholesale

A. The Company and its subsidiaries manufacture and sell a range of electronic products such as photocouplers and relays. Sales are recognized when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Company and its subsidiaries have objective evidence that all criteria for acceptance have been satisfied.

B. A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(18) Operating segments

An operating segment is a component of the Company and its subsidiaries that engages in activities from which it may earn revenue and incur expenses (including revenues and expenses arising from transactions with other components of the Company and its subsidiaries). The operating results of each segment are regularly reviewed by the Company's chief operating decision maker (the Board of Directors) to assess performance and make decisions about the allocation of resources.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Company and its subsidiaries' accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Valuation of inventories

As inventories are stated at the lower of cost and net realizable value, the Company and its subsidiaries must determine the net realizable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Company and its subsidiaries evaluate the amounts of inventories with normal consumption, obsolescence or no market value on balance sheet date, and writes down the cost of inventories to the net realizable value. The valuation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the valuation.

(2) Assessment the fair value of investment property

As the investment property is subsequently measured at fair value, the investment property held by the Company and its subsidiaries is mainly land and buildings, that experts must be entrusted to use their professional judgements and estimates to determine the fair value on the balance sheet date. The Company and its subsidiaries will adjust the cost to fair value based on the appraisal report issued by the experts. The assessment of investment property is mainly based on the reports issued by experts, so the measurement of fair value may be affected by product demand in a specific period in the future, real estate transaction prosperity and changes in experts' judgments and estimates.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31	
	2024	2023
Cash on hands	$ 1,188	$ 4,628
Checking accounts and demand deposits	103,910	380,681
Demand deposits	3	219,402
	$ 105,101	$ 604,711

A. The Company and its subsidiaries transact with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. Time deposits were pledged as collateral for custom duties of the imported materials and restricted bank accounts for reimbursement of bank loan were classified as financial assets at amortized cost. Details are provided in Note 6(2).

(2) Financial assets at amortized cost

	December 31	
	2024	2023
Current items:		
Restricted bank accounts	$ 30,285	$ -
Time deposits	-	31,055
	$ 30,285	$ 31,055
Non-current items:		
Restricted bank accounts	$ -	$ 9,863
Pledged time deposits	4,460	4,437
Time deposits	22	-
Corporate bonds-CFE	-	6,101
	$ 4,482	$ 20,401

A. The interest rates for time deposits were from 0.92% to 1.69% as of December 31, 2024.

B. On November 4, 2021, the Company and its subsidiaries bought a corporate bond issued by CFE with a coupon rate of 3.875% and a maturity date of July 26, 2033, at a par value of USD 200 thousand. The interest was paid on semi-annual basis. The early redemption was made on July 10, 2024, with a disposal gain of $1,304 thousand.

C. Information about the financial assets at amortized cost that were pledged to others as collateral is provided in Note 8.

(3) Receivables

	December 31	
	2024	2023
Notes receivable	$ -	$ 3,140

	December 31	
	2024	2023
Accounts receivable	$ 145,577	$ 81,860
Less: Allowance for uncollectible accounts	(5,484)	(2,682)
Accounts receivable, net	$ 140,093	$ 79,178

The Company and its subsidiaries grant an average credit period of 30 to 180 days for sales transactions, and no interest is charged on accounts receivable. The Company and its subsidiaries apply the simplified approach under IFRS 9 to recognize an allowance for expected credit losses (ECL) on accounts receivable over their lifetime. The lifetime ECL is estimated by considering the customers' historical default records and current financial condition. Based on the historical experience of credit losses, there is no significant difference in the loss patterns among different customer groups. Therefore, the Company and its subsidiaries determine the credit loss rates solely based on the number of days past due.

The Company and its subsidiaries write off an allowance for impairment loss when there is information indicating that a debtor is experiencing severe financial difficulty, such as when the counterparty is undergoing liquidation, and there is no realistic prospect of recovery of the receivable.

The Company and its subsidiaries measure the allowance for accounts receivable as follows:

A. The ageing analysis of accounts receivable is as follows:

December 31, 2024

	Not past due	Past due 1 to 90 Days	Past due 91 to 180 Days	Past due over 181 Days	Total
Gross carrying amount	$ 107,575	$ 33,259	$ 7	$ 4,736	$145,577
Loss allowance (lifetime expected credit losses)	(610)	(131)	(7)	(4,736)	(5,484)
Amortized cost	$ 106,965	$ 33,128	$ -	$ -	$140,093

December 31, 2023

	Not past due	Past due 1 to 90 Days	Past due 91 to 180 Days	Past due over 181 Days	Total
Gross carrying amount	$ 54,432	$ 23,498	$ 4,792	$ 2,278	$ 85,000
Loss allowance (lifetime expected credit losses)	(56)	(201)	(147)	(2,278)	(2,682)
Amortized cost	$ 54,376	$ 23,297	$ 4,645	$ -	$ 82,318

B. The movements of the loss allowance of notes receivable and accounts receivable were as follows:

	For the year ended December 31	
	2024	2023
Beginning balance	$ 2,682	$ 11,205
Add: Impairment losses recognized (reversed) on trade receivables	2,726	(8,462)
Less: Amounts written off	(4)	-
Foreign exchange gains and losses	80	(61)
Ending balance	$ 5,484	$ 2,682

(4) Inventories

	2024		
	Cost	Allowance Loss	Book Value
Raw materials	$ 185,372	($ 21,725)	$ 163,647
Work in progress	149,854	(4,086)	145,768
Finished goods	214,957	(28,433)	186,524
Merchandise	11,589	(6,091)	5,498
Total	$ 561,772	($ 60,335)	$ 501,437

	2023		
	Cost	Allowance Loss	Book Value
Raw materials	$ 173,893	($ 20,930)	$ 152,963
Work in progress	112,023	(5,107)	106,916
Finished goods	329,370	(41,991)	287,379
Merchandise	7,177	-	7,177
Total	$ 622,463	($ 68,028)	$ 554,435

The cost of inventories recognized as expense (income) for the year:

	For the year ended December 31	
	2024	2023
Inventory reclassified as cost of goods sold	$ 977,932	$ 872,939
Loss on (Gains on reversal of) decline in market value	(7,693)	25,146
Revenue from sale of scraps	(1,116)	(500)
Cost of goods sold, net	$ 969,123	$ 897,585

(5) Property, plant and equipment

	Land	Buildings and structures	Machinery	Transportation equipment	Office equipment	Other equipment	Unfinished construction	Total
Cost								
Balance at January 1, 2024	$ 191,950	$ 474,153	$ 1,174,362	$ 19,533	$ 45,077	$ 245,924	$ -	$ 2,150,999
Additions	102	19,625	102,538	93	4,840	14,082	19,775	161,055
Disposals	-	-	(65,518)	-	(1,915)	(6,952)	-	(74,385)
Transfers	-	-	-	-	-	-	(213)	(213)
Transfers from prepayment	-	-	8,620	-	-	-	-	8,620
Net exchange differences	-	19,441	69,969	629	1,853	1,330	-	93,222
Balance at December 31, 2024	$ 192,052	$ 513,219	$ 1,289,971	$ 20,255	$ 49,855	$ 254,384	$ 19,562	$ 2,339,298
Balance at January 1, 2024	$ -	$ 244,947	$ 941,817	$ 14,196	$ 37,078	$ 193,023	$ -	$ 1,431,061
Depreciation	-	21,408	61,606	1,639	1,911	10,810	-	97,374
Disposals	-	-	(41,057)	-	(1,911)	(6,951)	-	(49,919)
Transfers	-	-	-	-	-	-	-	-
Net exchange differences	-	69,060	10,540	479	1,406	3,013	-	84,498
Balance at December 31, 2024	$ -	$ 335,415	$ 972,906	$ 16,314	$ 38,484	$ 199,895	$ -	$ 1,563,014
Carrying amount at December 31, 2024	$ 192,052	$ 177,804	$ 317,065	$ 3,941	$ 11,371	$ 54,489	$ 19,562	$ 776,284

	Land	Buildings and structures	Machinery	Transportation equipment	Office equipment	Other equipment	Unfinished construction	Total
Cost								
Balance at January 1, 2023	$ 191,950	$ 469,550	$ 1,220,622	$ 19,373	$ 42,371	$ 235,662	$ -	$ 2,179,528
Additions	-	3,299	29,720	574	3,239	6,784	-	43,616
Disposals	-	-	(83,200)	(348)	(521)	(2,273)	-	(86,342)
Transfers from prepayment	-	1,350	9,969	-	-	8,200	-	19,519
Net exchange differences	-	(46)	(2,749)	(66)	(12)	(2,449)	-	(5,322)
Balance at December 31, 2023	$ 191,950	$ 474,153	$ 1,174,362	$ 19,533	$ 45,077	$ 245,924	$ -	$ 2,150,999
Balance at January 1, 2023	$ -	$ 223,712	$ 961,405	$ 13,159	$ 35,444	$ 188,090	$ -	$ 1,421,810
Depreciation	-	21,553	59,015	1,445	2,212	9,404	-	93,629
Disposals	-	-	(74,562)	(348)	(520)	(2,205)	-	(77,635)
Net exchange differences	-	(318)	(4,041)	(60)	(58)	(2,266)	-	(6,743)
Balance at December 31, 2023	$ -	$ 244,947	$ 941,817	$ 14,196	$ 37,078	$ 193,023	$ -	$ 1,431,061
Carrying amount at December 31, 2023	$ 191,950	$ 229,206	$ 232,545	$ 5,337	$ 7,999	$ 52,901	$ -	$ 719,938

A. Depreciation is calculated based on the following estimated useful lives:

Buildings and structures	8 ~ 55 Years
Machinery	2 ~ 10 Years
Transportation equipment	5 ~ 8 Years
Office equipment	3 ~ 10 Years
Other equipment	2 ~ 10 Years

B. Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.

(6) Leasing arrangements－lessee

A. The Company and its subsidiaries lease various assets including land, buildings and structures. Rental contracts are typically made for periods of 2 to 55 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. Short-term leases with a lease term of 12 months or less and low-value assets comprise company dormitories and cars.

C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31	
	2024	2023
	Carrying amount	Carrying amount
Land	$ 149,090	$ 143,762
Buildings and structures	37,373	27,582
	$ 186,463	$ 171,344

	For the year ended December 31	
	2024	2023
	Depreciation	Depreciation
Land	$ 4,319	$ 4,121
Buildings and structures	9,976	12,792
	$ 14,295	$ 16,913

D. For the years ended December 31, 2024 and 2023, the additions to right-of-use assets were $18,362 thousand and $28,134 thousand, respectively.

E. The information on profit and loss accounts relating to lease contracts is as follows:

	For the year ended December 31	
	2024	2023
Items affecting profit or loss		
Interest expense on lease liabilities	$ 1,030	$ 629
Expense on short-term lease contracts	$ 349	$ 956
Expense on lease of low-value assets	$ 1,361	$ 1,057
Total cash outflow for leases	$ 11,158	$ 13,771

(7) Investment property

	For the year ended December 31	
	2024	2023
At January 1	$ 1,871,983	$ 1,615,691
Additions－from subsequent expenditures	25,641	22,701
Gain on fair value adjustment	209,927	241,679
Net exchange differences	61,141	(8,088)
At December 31	$ 2,168,692	$ 1,871,983

A. Rent income from investment property is shown below:

	For the year ended December 31	
	2024	2023
Rent income from investment property	$ 2,621	$ 3,746

B. Information about the fair value of the investment property is provided in Note 12.

C. Information about the investment property that was pledged to others as collaterals is provided in Note 8.

D. PT Cosmo Technology, a subsidiary of the Group, signed a land right-of-use transfer contract with PT Cijambe Indah on September 28, 2020. The land is still in the process of transfer registration.

E. The fair value of the investment property held by the Company and its subsidiaries was measured on recurring basis. The fair value at December 31, 2024 was based on the valuation carried out on February 7 and March11, 2025 by the independent qualified professional valuers, Ms. Lai, Yi Ting, Certified Real Estate Appraisers in the ROC, from Euro-Asia Real Estate Appraisers Firm and Chang, Shao Chi and Mr. Hsieh, Kun Lung, both Certified Real Estate Appraisers in the ROC, from Zone Tai Real Estate Appraisers Firm, respectively. The fair value of the investment property held by the Group was measured on recurring basis. The fair value at December 31, 2023 was based on the valuation carried out on March 1 and March 5, 2024 by the independent qualified professional valuers, Mr. Hsieh , Zong Ting, Certified Real Estate Appraisers in the ROC, from Euro-Asia Real Estate Appraisers Firm and Chang, Shao Chi and Mr. Hsieh, Kun Lung, both Certified Real Estate Appraisers in the ROC, from Zone Tai Real Estate Appraisers Firm, respectively.

F. The fair value of the investment property held by the Company and its subsidiaries was valued by independent valuers. Valuations were made using the income approach which is categorized within Level 3 in the fair value hierarchy. Unrealized profit or loss from fair value adjustment on investment property in 2024 and 2023 are included in other gains and losses.

G. The fair value of investment properties, except for undeveloped land, was measured using the income approach. The significant assumptions used are stated as follows.

	December 31	
	2024	2023
Expected future cash inflows	$ 138,536	$ 135,616
Expected future cash outflows	(5,718)	(5,839)
Expected future cash inflows, net	$ 132,818	$ 129,777
Discount rate	2.47%~2.72%	2.25%~3.00%

An increase in estimated future net cash inflows or a decrease in discount rates would result in an increase in the fair value.

H. The expected future cash inflows generated by investment properties included rental income and disposal value. The rental income was extrapolated using the Company's current rental rate, while taking into account the annual rental growth rate. The income analysis covers a 10-year period. The disposal value was determined using the direct capitalization method under the income approach and deducted land value increment taxes and agency fee. The expected future cash outflows incurred by investment properties included expenditures such as land value taxes, house taxes, insurance premiums, maintenance costs, replacement and agency fee for investment inviting. These expenditures were extrapolated on the basis of the current level of expenditures, taking into account future adjustments to the government-announced land value, the tax rate promulgated under the House Tax Act. The market rentals in the area where the investment property is located were between $230 to $970 per ping.

I. As of December 31, 2024 and 2023, the discount rate was determined using the interest rate for 2-year time deposits, as posted by Chunghwa Post Co., Ltd. plus 0.75% plus any asset-specific risk premiums between 0.00% to 1.5% and -0.10% to 1.50%, respectively.

J. The fair value of undeveloped land located in area Indonesia was measured using a land development analysis. The significant assumptions used were as follows:

	For the year ended December 31	
	2024	2023
Estimated total sale price	$ 3,929,759	$ 3,430,106
Rate of return	15%	13%
Overall capital interest rate	11.2%	$ 10.49%

The total sale price is estimated on the basis of the most effective use of the land or property available for sale after development is completed, while taking into account the related regulations, optimism of domestic macroeconomic prospects, local land use, and market rates.

K. The Company and its subsidiaries signed a contract on November 5, 2024, to sell 5 hectares of land in Indonesia (recognized as 'Investment property') for a total price of $108,800 thousand (USD$3,400 thousand). An advance payment of $17,280 thousand was received on the signing date. As of December 31, 2024, the transfer of ownership has not yet been completed.

(8) Intangible assets

	For the year ended December 31					
	2024			2023		
	Patent	Computer software	Total	Patent	Computer software	Total
At January 1						
Cost	$ 18,607	$ 5,461	$ 24,068	$ 18,609	$ 7,753	$ 26,362
Accumulated amortization and impairment	(9,813)	(2,596)	(12,409)	(8,869)	(4,711)	(13,580)
At December 31	$ 8,794	$ 2,865	$ 11,659	$ 9,740	$ 3,042	$ 12,782
At January 1	$ 8,794	$ 2,865	$ 11,659	$ 9,740	$ 3,042	$ 12,782
Additions	-	459	459	-	893	893
Amortization	(989)	(1,130)	(2,119)	(958)	(1,070)	(2,028)
Net exchange differences	576	-	576	12	-	12
At December 31	$ 8,381	$ 2,194	$ 10,575	$ 8,794	$ 2,865	$ 11,659
At December 31						
Cost	$ 19,851	$ 5,795	$ 25,646	$ 18,607	$ 5,461	$ 24,068
Accumulated amortization and impairment	(11,470)	(3,601)	(15,071)	(9,813)	(2,596)	(12,409)
	$ 8,381	$ 2,194	$ 10,575	$ 8,794	$ 2,865	$ 11,659

Details of amortization on intangible assets are as follows:

	For the year ended December 31	
	2024	2023
Selling expenses	$ 989	$ 958
General and administrative expenses	1,130	1,070
	$ 2,119	$ 2,028

(9) Short-term borrowings

Type of borrowings	December 31, 2024	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	$ 269,000	2.41%~2.94%	Note 8
Secured borrowings	139,000	2.38%~2.94%	Note 8
	$ 408,000		
Short-term bills payable			
Commercial paper	$ 30,000		None
Less: Unamortized discounts on bills payable	(29)	3.89%	
	$ 29,971		

Type of borrowings	December 31, 2023	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	$ 333,000	2.21%~2.57%	None
Secured borrowings	93,000	2.25%~2.30%	Property, plant and equipment and investment property
	$ 426,000		
Short-term bills payable			
Commercial paper	$ 100,000		
Less: Unamortized discounts on bills payable	(116)	1.61%~2.01%	
	$ 99,884		

As of December 31, 2024, the facility of short-term borrowings of the Company and its subsidiaries was $508,000 thousand.

The chairman of the Company, Hsieh, Shu Chuan and substantive related parties, Tsai, Nai Chen and Tsai, Chi Hu, were the sureties of the above unsecured and secured borrowings agreements in their personal names.

(10) Long-term borrowings

Type of borrowings	December 31 2024	December 31 2023
Long-term bank borrowings		
Revolving unsecured borrowings (Tranche A)	$ 546,800	$ 831,400
Revolving unsecured borrowings (Tranche B)	409,813	383,812
Secured borrowings-buildings	197,104	156,000
Other unsecured borrowings	91,798	127,520
	1,245,515	1,498,732
Loans to others		
Esteemed Glory Holdings Limited	9,836	-
Guan Hong Energy Co., Ltd.	10,000	-
Tsai, Nai Chen	22,000	-
Fairsky International Limited	-	20,765
	1,287,351	1,519,497
Less: Current portion	(1,027,337)	(312,646)
Less: long-term notes payable to related parties	(22,000)	-
	$ 238,014	$ 1,206,851

A. Revolving unsecured borrowings

(a) On March 18, 2022, the Company and PT Cosmo entered into a 3-year syndicated loan agreement with bank group, O-Bank as the lead bank and obtained a credit line in the amount of $1,326,000 thousand, and the credit period was 3 years from the first drawdown date (March 25, 2022).

The condition of borrowings are as follows:

i. Revolving unsecured borrowings (Tranche A)

The borrower was the Company, and the credit line was $926,000 thousand that could be used revolving during the contract period. The period of each use was 3 months or 6 months, but the maximum limit was 6 months and shall not exceed the expiry date of the credit period. The credit line shall be reduced by 10% from the first drawdown date by 18 months; by 10% by the date of full 24 months; by 20% by the date of full 30 months; by 60% by the date of full 36 months. For each use, the expiry date of the credit period was the maturity date. Interest would be paid one month from drawdown date, and the interest rate would be re-negotiated every 3 months. As of December 31, 2024 and 2023 rest rate was 3.8191% to 3.8192% and 3.6261% to 3.6690%, respectively.

ii. Revolving unsecured borrowings (Tranche B)

The borrower was PT Cosmo, and the credit line was USD 12,500 thousand that could be used revolving during the contract period. The period of each use was 3 months or 6 months, but the maximum limit was 6 months and shall not exceed the expiry date of the credit period. Interest would be paid monthly, and the interest rate would be re-negotiated every 3 months. As at December 31, 2024 and 2023, the interest rate was 6.85% and 7.79%, respectively.

(b) The Company promised to maintain the following financial ratios in the annual and semi-annual consolidated financial statements of the Company before all borrowings were repaid during the duration of the syndicated loan which signed on March 18, 2022.

i. Current ratio (current assets divided by current liabilities) shall not be lower than 100%.

ii. Tangible net equity shall not be lower than $1,500,000 thousand. Tangible net equity is calculated as shareholders' equity less intangible assets.

iii. Net financial debt ratio shall not be higher than 100%. Net financial debt ratio is calculated as financial debt less cash and cash equivalent divided by tangible net equity. Net financial debt is calculated as the sum of long-term and short-term bank borrowings, short-term bills and domestic and foreign bonds (including convertible bonds).

iv. The interest coverage ratio shall not be lower than 120% in each first half of the year. The annual ratios shall not be lower than 150%, 180% and 200% in 2022, 2023 and 2024. The interest coverage ratio is calculated as the ratio of the sum of net profit before tax, finance cost, depreciation and amortization divided by finance cost.

The above financial ratios were calculated based on its annual consolidated financial statements audited by independent auditors and semi-annual consolidated financial statements reviewed by independent auditors and reviewed after agreement signed. If it did not meet the above financial ratios, the Company shall as soon as possible provides specific improvement plans and related explanations from the date of notification by the management bank. If it did not meet one of the above financial ratios and agreements, only the above financial ratio restrictions were met before next review date, it did not breached of the agreement. Until the date of declaration which is stated the period breaches the financial promise and all financial promise has been met, the interest would be calculated according to the agreed interest rate plus 0.25% by the balance of outstanding principals.

(c) The chairman of the Company, Hsieh, Shu Chuan and substantive related parties, Tsai, Nai Chen and Tsai, Chi Hu, were the sureties of the above syndicated loan agreements in their personal names.

(d) As of March 2025, the Company and its subsidiaries fully repaid the revolving credit facilities (Tranche A and Tranche B) on March 25, 2025, through financing from financial institutions and capital injections from shareholders and other private sources.

B. Loan secured by real estate

(a) On November 1, 2024, the Company entered into a 7-year secured loan agreement with Sunny Bank Ltd. and obtained a credit line in the amount of $180,000 thousand, and could not be used revolving during the contract period. The credit period was 7 years from the first drawdown date (November 1, 2024).

(b) The Company provided land and buildings as collateral (please refer to Note 8 for pledge details).

(c) The chairman of the Company, Hsieh, Shu Chuan and substantive related parties, Tsai, Nai Chen, were the sureties of the above secured loan agreements in their personal names.

C. Other unsecured borrowings

(a) On July 17, 2023, the Company entered into a 3-year secured loan agreement with Shanghai Commercial & Savings Bank and obtained a credit line in the amount of USD 4,000 thousand could not be used revolving during the contract period. The credit period was 3 years from the first drawdown date (August 28, 2023).

(b) The expiry date of the credit period was the maturity date. Interest would be paid one month from drawdown date, and the interest rate would be negotiated by the fund situation. As at December 31, 2024, the interest rate was 5.4%.

(c) The chairman of the Company, Hsieh, Shu Chuan and substantive related parties, Tsai, Nai Chen and Tsai, Chi Hu, were the sureties of the above unsecured loan agreements in their personal names.

D. Loan to others

Please refer to Note 7.

(11) Net defined benefit assets

A. Defined benefit pension plan

(a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

PT Cosmo and PT Cosmo Green had a defined benefit pension plan.

(b) The amounts recognized in the balance sheet are as follows:

	December 31	
	2024	2023
Present value of defined benefit obligations	$ 32,063	$ 29,811
Fair value of plan assets	(48,430)	(42,405)
Net defined benefit assets	($ 16,367)	($ 12,594)
Net defined benefit assets	$ 32,707	$ 26,550
Net defined benefit obligations	$ 16,340	$ 13,956

(c) Movements in net defined benefit (assets) liabilities are as follows:

	2024		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit assets
At January 1	$ 37,358	($ 42,405)	($ 5,047)
Interest (expense) income	1,166	(531)	635
Past service cost	2,127	-	2,127
	40,651	(42,936)	(2,285)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	(3,724)	(3,724)
Change in financial assumptions	(219)	-	(219)
Experience adjustments	(11,727)	-	(11,727)
	(11,946)	(3,724)	(15,670)
Pension fund contribution	-	(1,770)	(1,770)
Paid pension	(413)	-	(413)
Exchange difference	3,771	-	3,771
At December 31	$ 32,063	($ 48,430)	($ 16,367)

	2023		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit assets
At January 1	$ 37,228	($ 40,001)	($ 2,773)
Current service cost	3,265	-	3,265
Interest (expense) income	1,784	(500)	1,284
Past service cost	(8,843)	-	(8,843)
	33,434	(40,501)	(7,067)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	(353)	(353)
Experience adjustments	(11,316)	-	(11,316)
	(11,316)	(353)	(11,669)
Pension fund contribution	-	(1,633)	(1,633)
Paid pension	(865)	82	(783)
Exchange difference	8,558	-	8,558
At December 31	$ 29,811	($ 42,405)	($ 12,594)

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from 2-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company and domestic subsidiaries have no right to participate in managing and operating that fund and hence the Company and domestic subsidiaries are unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2024 and 2023 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	The year ended December 31	
	2024	2023
Discount rate	1.50%~7.25%	1.25%~7.00%
Future salary increases	2.75%~8.00%	2.75%~8.00%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%~1%	Decrease 0.25%~1%	Increase 1%	Decrease 1%
At December 31, 2024				
Effect on present value of defined benefit obligation	($ 1,734)	$ 1,606	$ 2,158	($ 2,664)
At December 31, 2023				
Effect on present value of defined benefit obligation	($ 1,668)	$ 1,669	$ 2,528	($ 2,442)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analyzing sensitivity and the method of calculating net pension liability in the balance sheet are the same. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(f) Expected contributions to the defined benefit pension plans of the Company for the year ended December 31, 2024 amount to zero.

(g) As of December 31, 2024, the weighted average duration of the retirement plan is 7.7 years.

B. Defined contribution pension plan

(a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The Company’s subsidiaries, Cosmo Electronics Technology (KunShan) Co., Ltd., Cosmo Green Power Limited, Dong Guan Guan Zhen Xing Trading Limited., Dongguan Guanwang Electronic Technology Co., Ltd., and Guizhou Guanwang International Digicrown Electronic Technology Co., Ltd. had a defined contribution plan are based on certain percentage of employees’ monthly salaries and wages.

(b) Other overseas companies, in accordance with the retirement regulations stipulated by the local government, make provision for endowment insurance or retirement benefits based on the wages of local employees. Other than the monthly contributions, the Group has no further obligations.

(c) The pension costs under defined contribution pension plans of the Company for the years ended December 31, 2024 and 2023, were $4,840 thousand and $4,486 thousand, respectively.

(12) Equity

A. Common stock

	December 31	
	2024	2023
Authorized capital	$ 2,000,000	$ 2,000,000
Paid-in capital	$ 1,714,587	$ 1,714,587

(a) Issued common stock, which have a par value of $10, entitle their holders to one vote per share and a right to dividends.

(b) There were 3,000 thousand shares reserved for employee stock options in authorized capital.

(c) The annual stockholders' meeting on June 15, 2023 had resolved that the capital surplus arising from paid-in capital in excess of par value on issuance of ordinary stocks used in the issuance of 3,361,935 ordinary shares, with par value of $10 per share, amounting to $33,619. The shares were issued on October 5, 2023, and the relevant statutory registration procedures have been completed.

(d) For the years ended February 27, 2023, the Company issued 8 thousand shares of ordinary shares because of conversion of convertible bonds.

B. Capital surplus

	December 31	
	2024	2023
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital		
Issuance of ordinary shares	$ 98,542	$ 98,542
Conversion of bonds	18,701	18,701
Options expired	25,199	25,199
Employee share options	1,396	1,396
	$ 143,838	$ 143,838

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of ordinary stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

C. Retained earnings and dividend policy

Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. The remainder, if any, to be retained or to be appropriated shall be resolved by the stockholders at the stockholders' meeting.

Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

On June 15, 2023, the stockholders' meeting resolved that the dividend of $0.19 per ordinary share, amounting to $31,938 or the distribution of earnings for the year of 2022. The record date is September 19, 2023.

On June 26, 2024, the stockholders' meeting resolved that no dividends for the distribution of earnings for the year of 2023.

The appropriation of earnings for 2024 is subject to the resolution of the stockholders in the stockholders' meeting which is to be held in June 2025.

For information regarding employee compensation and directors' remuneration, please refer to Note 6(14).

D. Other equity items

(a) Exchange differences on translating the financial statements of foreign operations

	For the year ended December 31	
	2024	2023
Balance, beginning of year	($ 170,220)	($ 150,740)
Exchange differences arising on translation of foreign operations	115,309	(19,480)
Balance, end of year	($ 54,911)	($ 170,220)

(13) Revenue

	For the year ended December 31	
	2024	2023
Revenue from contract with customers		
Operating revenue	$ 1,107,072	$ 1,053,420

A. Disaggregation of revenue from contracts with customers

The Company and its subsidiaries derive revenue from the transfer of goods over time and at a point in time in the following major business. The related information is provided in Note 14.

B. Contract liabilities

The Company and its subsidiaries have recognized the following revenue-related contract liabilities:

	December 31, 2024	December 31, 2023	January 1, 2023
Contract liabilities	$ 47,786	$ 1,018	$ 10,237

Revenue recognized that was included in the contract liability balance at the beginning of the period:

	For the year ended December 31	
	2024	2023
Revenue recognized that was included in the contract liability balance at the beginning of the year	$ 1,018	$ 10,237

(14) Profit (loss) of the year

The items included in consolidated net income (loss) are as follows:

A. Interest income

	For the year ended December 31	
	2024	2023
Bank deposit	$ 6,588	$ 8,334
Financial assets measured at amortized cost	825	2,012
Other interest income	637	617
	$ 8,050	$ 10,963

B. Other income

	For the year ended December 31	
	2024	2023
Rent income	$ 2,621	$ 3,746
Handling charge income	33	32
Other income, others	5,116	10,248
	$ 7,770	$ 14,026

C. Other gains and losses

	For the year ended December 31	
	2024	2023
Gains (losses) on disposal of property, plant and equipment	$ 1,320	($ 8,816)
Net foreign exchange (losses) gains	(786)	9,385
Gain on fair value adjustment of investment property	209,927	241,679
Other gains and losses, net	(10,655)	(12,847)
	$ 199,806	$ 229,401

D. Finance costs

	For the year ended December 31	
	2024	2023
Bank borrowings	$ 81,390	$ 81,357
Short-term bills payable	1,939	1,747
Lease liabilities	1,030	629
Convertible bonds payable	-	559
Financial expenses, others	1,674	1,175
	$ 86,033	$ 85,467

E. Depreciation and amortization

	For the year ended December 31	
	2024	2023
Property, plant and equipment	$ 97,374	$ 93,629
Right-of-use assets	14,295	16,913
Other intangible assets	2,119	2,028
Operating costs and operating expenses	$ 113,788	$ 112,570

F. Analysis of employee benefit expense, depreciation and amortization by function

	For the year ended December 31	
	2024	2023
Wages and salaries	$ 258,921	$ 242,818
Labor and health insurance fees	31,003	29,409
Pension		
Defined contribution pension plan	4,840	4,486
Defined benefit pension plan	7,979	11,879
Other personnel expenses	13,080	11,454
	$ 315,823	$ 300,046
Operating costs	166,675	146,460
Operating expenses	149,148	153,586
	$ 315,823	$ 300,046

Employees’ compensation and directors’ remuneration

According to the Company’s Articles, the Company accrued employees’ compensation and remuneration of directors at rates of 5% to 12% and no higher than 3%, respectively, of net profit before income tax, employees’ compensation, and remuneration of directors. However, the Company has to first offset losses from the previous years.

For the years ended December 31, 2024 and 2023, employees’ compensation was accrued at $35 thousand and $2,506 thousand, respectively; while directors’ remuneration was accrued at $7 thousand and $501 thousand, respectively. The aforementioned amounts were recognized in salary expenses.

The employees’ compensation and directors’ and supervisors’ remuneration were estimated and accrued based on 5% and 1% of distributable profit of current year as of the end of the reporting period. On March 14, 2024, the employees’ compensation and directors’ remuneration resolved by the Board of Directors consisted with accrual amount, and the employees’ compensation will be distributed in the form of cash.

Employees’ compensation of 2023 as resolved by the Board of Directors were in agreement with those amounts recognized in the 2023 consolidated financial statements.

Information about employees’ compensation and directors’ remuneration of the Company will be posted in the “Market Observation Post System” at the website of the Taiwan Stock Exchange.

(15) Income tax

A. Income tax expense

(a) The major components of tax expense were as follows:

	For the year ended December 31	
	2024	2023
Current tax:		
Current tax on profits for the year	$ 148	$ 468
Prior year income tax underestimation	3,332	1,781
Total current tax	3,480	2,249
Deferred tax:		
Origination and reversal of temporary differences	12,157	23,867
Income tax expense	$ 15,637	$ 26,116

(b) The income tax relating to components of other comprehensive income is as follows:

	For the year ended December 31	
	2024	2023
Remeasurement of defined benefit obligations	($ 877)	($ 821)

The basis for computing the applicable tax rate is 25% for subsidiaries in China, the basis for computing the applicable tax rate is 22% for subsidiaries in Indonesia, others are the rates applicable in the respective countries where the Company and its subsidiaries entities operate.

B. Current income tax assets

	December 31	
	2024	2023
Current income tax assets	$ 343	$ 2,191

C. Current income tax liabilities

	December 31	
	2024	2023
Current income tax liabilities	$ 1,592	$ 105

D. A reconciliation of accounting profit and income tax expense is as follows:

	For the year ended December 31	
	2024	2023
Tax calculated based on the Company's statutory tax rate	$ 7,809	$ 24,762
Expenses disallowed by tax regulation	4,087	(38,162)
Taxable loss not recognized as deferred tax assets	-	37,341
Change in assessment of realization of deferred tax assets	409	394
Prior year income tax underestimation	3,332	1,781
Income tax expense recognized in profit or loss	$ 15,637	$ 26,116

E. Deferred tax assets and liabilities

	2024			
Deferred tax assets	Balance, January 1	Recognized in profit or loss	Recognized in other comprehensive income	Balance, December 31
Temporary differences:				
Unrealized losses on investments accounted for using the equity method	$ 45,836	$ 2,766	$ -	$ 48,602
Defined benefit liabilities	3,056	230	-	3,286
Interest expenses on convertible bonds payable	1,993	(1,993)	-	-
Allowance for uncollectible accounts	181	29	-	210
Unrealized inventory losses	8,161	2,067	-	10,228
Others	6,918	1,026	-	7,944
Loss carryforwards	13,404	(2,954)	-	10,450
Subtotal	$ 79,549	$ 1,171	$ -	$ 80,720

	2024			
	Balance, January 1	Recognized in profit or loss	Recognized in other comprehensive income	Balance, December 31
Deferred tax liabilities				
Temporary differences:				
Investment property	($ 55,379)	$ 3,843	$ -	($ 51,536)
Unrealized gains on investments accounted for using the equity method	(164,618)	(21,372)	-	(185,990)
Defined benefit assets	(5,412)	(354)	(877)	(6,643)
Unrealized gross profit from sales	(2,567)	(985)	-	(3,552)
Others	(17,983)	5,540	-	(12,443)
Subtotal	($ 245,959)	($ 13,328)	($ 877)	($ 260,164)
Total	($ 166,410)	($ 12,157)	($ 877)	($ 179,444)

	2023			
	Balance, January 1	Recognized in profit or loss	Recognized in other comprehensive income	Balance, December 31
Deferred tax assets				
Temporary differences:				
Unrealized losses on investments accounted for using the equity method	$ 35,731	$ 10,105	$ -	$ 45,836
Defined benefit liabilities	4,731	(929)	(746)	3,056
Interest expenses on convertible bonds payable	1,881	112	-	1,993
Allowance for uncollectible accounts	83	98	-	181
Unrealized inventory losses	6,649	1,512	-	8,161
Others	5,769	1,149	-	6,918
Loss carryforwards	14,339	(935)	-	13,404
Subtotal	$ 69,183	$ 11,112	($ 746)	$ 79,549
Deferred tax liabilities				
Temporary differences:				
Investment property	($ 43,747)	($ 11,632)	$ -	($ 55,379)
Unrealized gains on investments accounted for using the equity method	(143,074)	(21,544)	-	(164,618)
Defined benefit assets	(4,875)	(462)	(75)	(5,412)
Unrealized gross profit from sales	(1,183)	(1,384)	-	(2,567)
Others	(18,026)	43	-	(17,983)
Subtotal	($ 210,905)	($ 34,979)	($ 75)	($ 245,959)
Total	($ 141,722)	($ 23,867)	($ 821)	($ 166,410)

F. The tax loss is deductible from the current year's taxable profit in accordance with the Income Tax Act and as approved by the tax authority for losses incurred in the previous ten years, prior to the assessment of income tax. A portion of such tax losses has not been recognized as deferred tax assets because it is not probable that sufficient taxable profit will be available in the future against which the deductible temporary differences can be utilized.

As of December 31, 2024, the expiration dates of unused taxable loss and amounts of unrecognized deferred tax assets of the Company and its subsidiaries are as follows:

Company Name	Year incurred	Unused amount	Unrecognized deferred tax assets	Expiry Year
The Company	2015	$ 80,283	$ 80,283	2025
	2016	52,729	52,729	2026
	2017	154,071	141,385	2027
	2018	35,773	22,173	2028
	2019	48,676	48,676	2029
	2020	100,873	100,873	2030
	2023	10,178	10,178	2033
	2024	110,008	110,008	2034
		$ 592,591	$ 566,305	
PT Cosmo Electronics Indonesia	2022	$ 2,910	$ -	2027
	2023	35,088	35,088	2028
	2024	41,578	41,578	2029
		$ 79,576	$ 76,666	
Cosmo Green	2020	$ 2,083	$ 2,083	2025
	2021	2,104	2,104	2026
		$ 4,187	$ 4,187	
PT Cijambe	2020	$ 33,759	$ 33,759	2025
	2021	6,317	6,317	2026
	2022	15,565	15,565	2027
	2023	7,451	7,451	2028
	2024	14,089	14,089	2029
		$ 77,181	$ 77,181	

G. Income tax assessments

The Company's income tax returns through 2022 have been assessed and approved by the Tax Authority.

(16) Earnings (Loss) per share

	For the year ended December 31	
	2024	2023
Basic earnings (losses) per share (in dollars)	($ 0.17)	$ 0.18
Diluted earnings (losses) per share (in dollars)	($ 0.17)	$ 0.18

The earnings (loss) and weighted average number of ordinary shares outstanding used in the computation of earnings (loss) per share were as follows:

Net Income (losses) of the year

(Unit: shares in dollar)

	For the year ended December 31 2024	For the year ended December 31 2023
Earnings (losses) used in the computation of basic earnings (losses) per share	($ 28,958)	$ 30,083

Shares

	For the year ended December 31 2024	For the year ended December 31 2023
Weighted average number of common shares outstanding used in the computation of basic earnings (losses) per share	$ 171,457	$ 171,457
Effects of all dilutive potential common shares		
Employees' compensation	-	66
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 171,457	$ 171,523

(17) Non-cash transactions

Investing activities with partial cash payments:

	For the year ended December 31 2024	For the year ended December 31 2023
Purchase of property, plant and equipment	$ 161,055	$ 43,616
Add: Opening balance of payable on equipment	10,165	4,397
Less: Ending balance of payable on equipment	(10,900)	(10,165)
Cash paid during the year	$ 160,320	$ 37,848

(18) Changes in liabilities from financing activities

For the year ended December 31, 2024

	Balance as of January 1, 2024	Cash Flows	Impact of Foreign Exchange Rate	Non-cash Changes New Leases	Non-cash Changes Other Changes (Note)	Balance as of December 31, 2024
Short-term borrowings	$ 426,000	($ 18,000)	$ -	$ -	$ -	$ 408,000
Short-term bills payable	99,884	(70,000)	-	-	87	29,971
Long-term borrowings	1,519,497	(283,729)	29,583	-	-	1,265,351
Long-term payables to related parties	-	22,000	-	-	-	22,000
Lease liabilities	25,912	(9,448)	586	18,757	-	35,807
Deposits received	388	17,316	-	-	-	17,704
Liabilities from financing activities	$ 2,071,681	($ 341,861)	$ 30,169	$ 18,757	$ 87	$ 1,778,833

For the year ended December 31, 2023

	Balance as of January 1, 2023	Cash Flows	Impact of Foreign Exchange Rate	Non-cash Changes: Additions of Leases	Non-cash Changes: Other Changes (Note)	Balance as of December 31, 2023
Short-term borrowings	$ 396,000	$ 30,000	$ -	$ -	$ -	$ 426,000
Short-term bills payable	49,962	49,922	-	-	-	99,884
Long-term borrowings	1,258,640	260,920	(63)	-	-	1,519,497
Lease liabilities	19,862	(11,758)	(3,967)	21,775	-	25,912
Bonds payable	276,841	(277,100)	-	-	259	-
Deposits received	528	(140)	-	-	-	388
Liabilities from financing activities	$ 2,001,833	$ 51,844	($ 4,030)	$ 21,775	$ 259	$ 2,071,681

Note: Other changes include interest of bonds payable, discount price of convertible corporate bonds converting to common stocks and short-term bills.

7. Related Party Transactions

Transactions between the Company and its subsidiaries and other related parties are disclosed as follows:

(1) Names and relationships of related parties

Names of related parties	Relationship with the Group
Ding Wang Electronics Technology Corporation	Substantive related parties
Ever Merit Trading Limited	Substantive related parties
Evermerit Technology Electronic Co., Ltd.	Substantive related parties
Fairsky International Limited	Substantive related parties
Starlite Creations Inc.	Substantive related parties (Note 1)
Esteemed Glory Holdings Limited	Substantive related parties (Note 2)
Guan Hong Energy Co., Ltd.	Substantive related parties (Note 2)
Tsai, Nai Chen	Substantive related parties

Note1: Starlite Creations Inc. and PT Cosmo Technology, which the Company's subsidiary, appointed directors to each other on December 29, 2023, then Starlite Creations Inc. became a substantive related party.

Note2: Esteemed Glory Holdings Limited and Guan Hong Energy Co., Ltd. became substantially related to the Company and its subsidiaries, as its management teams have a kinship relationship within the second degree of consanguinity.

(2) Significant transactions and balances with related parties

A. Operating revenue

	For the year ended December 31	
	2024	2023
Sales of goods:		
Starlite Creations Inc	$ 415,423	$ -
Ever Mert Trading Limited	133	349
Evermerit Technology Electronic Co., Ltd.	-	33
	$ 415,556	$ 382

There is no material difference between the transaction price and payment terms for the sale of goods and those of non-related parties.

B. Purchases of goods

	For the year ended December 31	
	2024	2023
Purchases of raw material:		
Ever Mert Trading Limited	$ 80,481	$ 36,710
Evermerit Technology Electronic Co., Ltd.	-	19,343
Ding Wang Electronics Technology Corporation	-	5,443
	$ 80,481	$ 61,496

There is no material difference between the transaction price and payment terms for the purchase of goods and those of non-related parties.

C. Receivables from related parties

	December 31	
	2024	2023
Accounts receivable:		
Starlite Creations Inc	$ 137,004	$ 73,547
Ever Merit Trading Limited	-	344
	$ 137,004	$ 73,891
Other receivable from related parties:		
Evermerit Technology Electronic Co., Ltd.	$ -	$ 13,846

The receivables from related parties arise mainly from sale transactions and other receivables transactions. Sales transaction payment is due two months after the date of sales. The receivables are unsecured in nature and bear no interest. There are no allowances for uncollectible accounts held against receivables from related parties.

D. Payables to related parties and Other Payable to related parties

	December 31 2024		December 31 2023	
Accounts payable:				
Ever Merit Trading Limited	$	32,909	$	434
Other payable to related parties:				
Ding Wang Electronics Technology Corporation	$	6,812	$	6,399
Evermerit Technology Electronic Co., Ltd.		-		120
Esteemed Glory Holdings Limited		101		-
Guan Hong Energy Co., Ltd.		96		-
	$	7,009	$	6,519

The payables to related parties arise mainly from purchase transactions and are due 2 months after the date of purchase. The payables bear no interest.

Other payable to related parties primarily consist of loans granted by subsidiaries and interest payable arising from long-term borrowings from related parties.

E. Prepayments

	December 31 2024		December 31 2023	
Ever Merit Trading Limited	$	-	$	2,706

F. Loans from related parties

	December 31 2024		December 31 2023	
Loans from related parties				
Long-term Borrowings:				
Esteemed Glory Holdings Limited	$	9,836	$	-
Guan Hong Energy Co., Ltd.		10,000		-
Fairsky International Limited		-		20,765
	$	19,836	$	20,765
Long-term payables to related parties:				
Tsai, Nai Chen		22,000		-
	$	41,836	$	20,765

(a) PT Cijambe began to be included in the Company and its subsidiaries' consolidated financial statement from October 1, 2019. Since that date, the Company and its subsidiaries have acquired the loans from Fairsky International Limited which were recognized initially as 'related party loans', and such loans were fully repaid in July 2024.

(b) The Company obtained loans with an interest rate of 2% from Guan Hong Energy Co., Ltd. and Esteemed Glory Holdings Limited on July 10, 2024 and September 25, 2024, respectively. The loans were expressed in "Long-term borrowings".

(c) The Company obtained loans from shareholder Tsai, Nai Chen on September 23, 2024, with an interest rate of 0%. The loans were expressed in “Long-term payables from related parties”.

Endorsements and guarantees：Please refer to Notes 6 (9) and 6 (10).

(3) Key management compensation

	For the year ended December 31	
	2024	2023
Short-term employee benefits	$ 9,349	$ 10,107
Post-employment benefits	351	359
Total	$ 9,700	$ 10,466

The remuneration of directors and other key management levels is determined by the Remuneration Committee in accordance with individual performance and market trends.

8. Pledged Assets

The Company’s assets pledged as collateral are as follows:

	Book Value		
	December 31		
Assets items	2024	2023	Collateral
Restricted bank accounts (shown as financial assets at amortized cost)	$ 30,285	$ 9,863	Reimbursement account of bank loan
Pledged time deposits (shown as financial assets at amortized cost)	4,460	4,437	Collateral for import duties
Land use right	-	94,842	Credit facility
Property, plant and equipment	336,731	415,647	Credit facility
Investment property	107,949	92,855	Credit facility
	$ 479,425	$ 617,644	

On October 18, 2024, because of the requirements of the lead bank for a syndicated loan, the Company and its subsidiaries provided full collateral by pledging the shares of True Glory Investments Limited, the parent company of Cijambe, which holds investment property. The pledged shares amount to IDR 184,809,000 thousand and the collateralization process has been completed on October 18, 2024.

9. Significant Contingent Liabilities And Unrecognized Contract Commitments

None

10. Significant Casualty Loss

None

11. Significant Events After The Balance Sheet Date

None

12. Others

(1) Financial instruments

A. Financial instruments by category

	December 31	
	2024	2023
Non-derivative financial instruments		
Financial assets		
Cash and cash equivalents	$ 105,101	$ 604,711
Financial assets at amortized cost	34,767	51,456
Notes receivable	-	3,140
Accounts receivable (including related parties)	277,097	153,069
Other receivables (including related parties)	5,386	19,400
Refundable deposits	674	1,885
	$ 423,025	$ 833,661

	December 31	
	2024	2023
Non-derivative financial instruments		
Financial liabilities		
Short-term borrowings	$ 408,000	$ 426,000
Short-term bills payable	29,971	99,884
Notes payable	-	59
Accounts payable (including related parties)	141,177	43,404
Other payable (including related parties)	101,843	75,745
Long-term borrowings and Long-term payables (including current portion and related parties)	1,265,351	1,519,497
Lease liabilities	35,807	25,912
	$ 1,982,149	$ 2,190,501

B. Financial risk management objectives

The Company and its subsidiaries' activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. Risk management is carried out by the Company and its subsidiaries treasury under policies approved by the Board of Directors. The Company and its subsidiaries treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units.

C. Market risk

(a) Foreign exchange risk

i. The Company and its subsidiaries operate internationally and are exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currencies, primarily with respect to the USD and RMB.

Exchange rate risk arises from future commercial transactions and recognized assets and liabilities.

ii. The Company and its subsidiaries' businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD and RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2024		
(Foreign currency: functional currency)	Foreign currency amount	Exchange rate	Book value in NTD
Financial assets			
Monetary items			
USD:NTD	$ 2,902	32.785	$ 95,142
USD:RMB	771	7.321	5,645
USD:IDR	83	16,150.246	2,721
USD:VND	248	25,916.996	8,131
Financial liabilities			
Monetary items			
USD:NTD	$ 364	32.785	$ 11,934
USD:RMB	51	7.321	1,672
USD:IDR	2	16,150.246	66

	December 31, 2023		
(Foreign currency: functional currency)	Foreign currency amount	Exchange rate	Book value in NTD
Financial assets			
Monetary items			
USD:NTD	$ 2,289	31.71	$ 70,284
USD:RMB	649	7.10	19,928
USD:IDR	280	15,507.58	8,597
USD:VND	262	24,564.00	8,045
Financial liabilities			
Monetary items			
USD:NTD	$ 75	30.71	$ 2,303
USD:RMB	352	7.10	10,808
USD:IDR	2	15,507.58	61

An analysis of foreign exchange market risk, including the impact of significant exchange rate fluctuations, is as follows:

(Foreign currency: functional currency)	For the year ended December 31, 2024		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss before tax	Effect on other comprehensive profit or loss
Financial assets			
Monetary items			
USD:NTD	5%	$ 4,757	$ -
USD:RMB	5%	282	-
USD:IDR	5%	136	-
USD:VND	5%	407	-
Financial liabilities			
Monetary items			
USD:NTD	5%	$ 597	$ -
USD:RMB	5%	84	-
USD:IDR	5%	3	-

(Foreign currency: functional currency)	For the year ended December 31, 2023		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss before tax	Effect on other comprehensive profit or loss
Financial assets			
Monetary items			
USD:NTD	5%	$ 3,514	$ -
USD:RMB	5%	996	-
USD:IDR	5%	430	-
USD:VND	5%	402	-
Financial liabilities			
Monetary items			
USD:NTD	5%	$ 115	$ -
USD:RMB	5%	540	-
USD:IDR	5%	3	-

The 5% sensitivity ratio is used internally by the Company in reporting exchange rate risk to key management personnel and also represents management's assessment of a reasonably possible range of changes in foreign exchange rates.

iii. Total exchange gain, including realized and unrealized, arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2024 and 2023 amounted to ($786) thousand and $9,385 thousand, respectively.

(b) Cash flow and fair value Interest rate risk

i. The Company and its subsidiaries' borrowings are measured at amortized cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.

ii. As at December 31, 2024 and 2023, if the interest rate increases or decreases by 50 basis points, with all other variables held constant, profit, net of tax would have decreased or increased by $8,410 thousand and $10,227 thousand, respectively. The main factor is that changes in interest expense result from floating rate borrowings.

D. Credit risk

(a) Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full accounts receivable, notes receivable and financial assets at amortized cost, that based on the agreed terms, and the contract cash flows of debt instruments stated at amortized cost.

(b) The Company for banks and financial institutions, only well rated parties are accepted. According to the Company's credit policy, each local entity in the Company is responsible for managing and analyzing the credit risk for each of their new clients before standard delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilization of credit limits is regularly monitored.

(c) The Company assumes if the contract payments are past due over 180 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition. If there is evidence that the counterparty is facing serious financial difficulties and the Company cannot reasonably expect the recoverable amount, for example, the counterparty is in liquidation, the Company will directly write off the relevant accounts receivable, but will continue to pursue activities to recover the recovered amount that are recognized in profit or loss.

(d) The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

i. It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;

ii. The disappearance of an active market for that financial asset because of financial difficulties;

iii. Default or delinquency in interest or principal repayments;

iv. Adverse changes in national or regional economic conditions that are expected to cause a default.

(e) The Company classifies customer's accounts receivable in accordance with geographic area, product types and credit rating of customer. The Company applies the simplified approach using the provision matrix based on the loss rate methodology to estimate expected credit loss.

(f) The Company uses the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2024 and 2023, the provision matrix and loss rate methodology are as follows:

	Not past due	1-90 days past due	91-180 days Past due	Over 180 days past due	Total
December 31, 2024					
Expected loss rate	0.38%	1.02%	0%	100%	
Total book value	$ 107,575	$ 33,259	$ 7	$ 4,736	$ 145,577
Loss allowance	($ 610)	($ 131)	($ 7)	($ 4,736)	($ 5,484)

	Not past due	1-90 days past due	91-180 days Past due	Over 180 days past due	Total
December 31, 2023					
Expected loss rate	0.11%	0.86%	3.07%	100%	
Total book value	$ 54,432	$ 23,498	$ 4,792	$ 2,278	$ 85,000
Loss allowance	($ 56)	($ 201)	($ 147)	($ 2,278)	($ 2,682)

E. Liquidity risk

(a) Cash flow forecasting is performed in the operating entities of the Company and aggregated by Company treasury. Company treasury monitors rolling forecasts of the Company’s liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Company’s debt financing plans, covenant compliance, and compliance with internal balance sheet ratio targets.

(b) The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year	1 to 5 years	Over 5 years	Total	Book value
December 31, 2024					
Non-derivative financial liabilities					
Short-term borrowings	$ 411,568	$ -	$ -	$ 411,568	$ 408,000
Short-term bills payable	30,000	-	-	30,000	29,971
Accounts payable (including related parties)	141,177	-	-	141,177	141,177
Other payables (including related parties)	101,843	-	-	101,843	101,843
Lease liabilities	10,368	20,410	9,970	40,748	35,807
Long-term borrowings and Long-term payables (including current portion and related parties)	1,036,477	137,029	154,916	1,328,421	1,287,351

	Less than 1 year	1 to 5 years	Over 5 years	Total	Book value
December 31, 2023					
Non-derivative financial liabilities					
Short-term borrowings	$ 427,761	$ -	$ -	$ 427,761	$ 426,000
Short-term bills payable	100,000	-	-	100,000	99,884
Notes payable	59	-	-	59	59
Accounts payable (including related parties)	43,404	-	-	43,404	43,404
Other payables (including related parties)	75,745	-	-	75,745	75,745
Lease liabilities	3,782	13,592	13,141	30,515	25,912
Long-term borrowings (including current portion and related parties)	321,018	1,429,438	172,399	1,922,855	1,519,497

F. Fair value of financial instruments

(a) The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Company and its subsidiaries' investment in beneficiary certificates is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Company and its subsidiaries' investment in unconvertible bonds is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Company and its subsidiaries' investment in investment property is included in Level 3.

(b) Financial instruments not measured at fair value

December 31, 2024	Book value	Level 1	Level 2	Total
Financial assets:				
Financial assets at amortized cost				
Corporate bonds	$ -	$ -	$ -	$ -

December 31, 2023	Book value	Level 1	Level 2	Total
Financial assets:				
Financial assets at amortized cost				
Corporate bonds	$ -	$ 6,101	$ -	$ 6,101

The management of the Company and its subsidiaries believe that the carrying amounts of financial assets and financial liabilities not measured at fair value approximate their fair values.

(c) The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

The related information on the basis of the nature of the assets and liabilities is as follows:

December 31, 2024	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Investment property	$ -	$ -	$ 2,168,692	$ 2,168,692

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Investment property	$ -	$ -	$ 1,871,983	$ 1,871,983

(d) For the years ended December 31, 2024 and 2023, there was no transfer between Level 1 and Level 2.

(e) The following chart is the movement of Level 3 for the years ended December 31, 2024 and 2023: Please refer to Note 6(7).

(f) The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Range (Weighted average)	Relationship of inputs to fair value
Non-financial instruments:					
Investment property	$ 2,168,692	Discounted cash flow method	Discount rate	2.47%~2.72%	The higher discount rate, the lower fair value
		Land development analysis approach	Rate of return	15%	The higher rate of return, the higher the fair value
			Overall capital interest rate	11.2%	The higher overall capital interest rate, the lower the fair value

	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range (Weighted average)	Relationship of inputs to fair value
Non-financial instruments:					
Investment property	$ 1,871,983	Discounted cash flow method	Discount rate	2.25%~3%	The higher discount rate, the lower fair value
		Land development analysis approach	Rate of return	13%	The higher rate of return, the higher the fair value
			Overall capital interest rate	10.49%	The higher overall capital interest rate, the lower the fair value

(2) Capital management

The Company and its subsidiaries' objectives when managing capital are to safeguard the Company and its subsidiaries' ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company and its subsidiaries may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Company and its subsidiaries monitor capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including ‘current and non-current borrowings’ as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as ‘equity’ as shown in the consolidated balance sheet plus net debt. The gearing ratios were as follows:

	December 31	
	2024	2023
Total borrowings	$ 1,725,322	$ 2,045,381
Less: Cash and cash equivalents	(105,101)	(604,711)
Net debt	1,620,221	1,440,670
Total equity	1,973,187	1,882,172
Total capital	$ 3,593,408	$ 3,322,842
Gearing ratio	45.09%	43.36%

(3) Sound Financial Plan

The syndicated loan agreement between the Company and its subsidiaries and the banking syndicate is set to expire in March 2025, resulting in the Company and its subsidiaries' current liabilities of $1,769,632 thousand as of December 31, 2024, exceeding the current assets of $1,029,341 thousand, which may potentially lead to liquidity risks. However, the Company and its subsidiaries' management is committed to improving operational performance and has implemented the following measures. The Company and its subsidiaries’ management assessed that these actions can ensure the Company and its subsidiaries' continued operations and gradual improvement in its financial condition:

A. Operational plan

(a) Business Development

The Company and its subsidiaries continue to engage in negotiations with domestic and international manufacturers for OEM (original equipment manufacturing) business, increases agency authorizations to expand existing market channels, and has signed agency authorization agreements with multiple manufacturers.

(b) Cost Control

The Company and its subsidiaries have relocated part of the production lines to Indonesia since September 2024 and have commenced full-process trial production in December 2024. By selecting more cost-effective suppliers of chips, materials, and packaging, and taking advantage of the lower labor and electricity costs in Indonesia, a reduction in production costs is anticipated.

(c) Asset Activation

To activate the Group's assets, PT Cijambe completed the signing of a sales agreement for 5 hectares of land on November 5, 2024.

B. Financing Plan

(a) Through financing from financial institutions and capital contributions from shareholders, the Company and its subsidiaries fully repaid the outstanding syndicated loan balance on March 25, 2025.

(b) The Company and its subsidiaries have obtained the commitment letters from substantive related parties, Tsai, Chi Hu, Tsai, Nai Chen, and the chairman of the Company, Hsieh, Shu Chuan. They have committed to financially supporting the Group's operational activities and the funds required for obligatory repayment within the next year.

(4) Others

None.

13. Supplementary Disclosures

(1) Significant transactions information

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: Please refer to table 2.

C. Holding of marketable securities at the end of the period: None.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: None.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 3.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 4.

I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Please refer to table 5.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China)：Please refer to table 6.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 7.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

(4) Major shareholders information (Names of shareholders holding 5% or more of equity, number of shares held, and ownership percentage):

Please refer to table 8.

14. Segment Information

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

The Company and its subsidiaries' corporate composition, the basis for segment determined and the basis for measurement of segment information have no significant change during the current year.

The reportable operating segments are as follows:

A. Optoelectronic parts

B. LED lighting

C. Energy & Materials

D. Others

E. Industrial Park Development

(2) Segment information

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	For the year ended December 31			
	Segment revenue		Segment income (loss)	
	2024	2023	2024	2023
Optoelectronic parts	$ 477,106	$ 415,578	($ 76,239)	($ 17,680)
LED lighting	581,468	568,540	16,376	(16,977)
Energy & Materials	48,498	47,630	8,992	1,481
Others	-	21,672	(6)	1,717
Industrial Park Development	-	-	(13,778)	(8,718)
Total from continuing operations	$ 1,107,072	$ 1,053,420	(64,655)	(40,177)
Headquarters management costs			(78,259)	(72,547)
Other income			15,820	24,989
Other gains and losses			199,806	229,401
Finance costs			(86,033)	(85,467)
Profit (loss) before income tax			($ 13,321)	$ 56,199

(3) Information about segment profit or loss, assets and liabilities

2024	Optoelectronic parts	LED lighting	Energy & Materials	Others	Industrial Park Development	Total
Revenue from external customers	$ 477,106	$ 581,468	$ 48,498	$ -	$ -	$ 1,107,072
Segments costs	(495,152)	(437,065)	(36,906)	-	-	(969,123)
Segments gross profit	($ 18,046)	$ 144,403	$ 11,592	$ -	$ -	$ 137,949

2023	Optoelectronic parts	LED lighting	Energy & Materials	Others	Industrial Park Development	Total
Revenue from external customers	$ 415,578	$ 568,540	$ 47,630	$ 21,672	$ -	$ 1,053,420
Segments costs	(374,944)	(460,342)	(42,956)	(19,343)	-	(897,585)
Segments gross profit	$ 40,634	$ 108,198	$ 4,674	$ 2,329	$ -	$ 155,835

(4) Reconciliation for segment income (loss)

Sales between segments are carried out at arm's length. The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income.

A reconciliation of reportable segment income or loss to the income/(loss) before tax from continuing operations for the years ended December 31, 2024 and 2023 is provided as follows:

	For the year ended December 31	
	2024	2023
Reportable segments profit	$ 137,949	$ 155,835
Reportable segments operating expense	(280,863)	(268,559)
Finance costs, net	(86,033)	(85,467)
Others	215,626	254,390
Income (loss) before tax from continuing operations	($ 13,321)	$ 56,199

(5) Information on products and services

Details of revenue from products and services from continuing operations are as follows:

	For the year ended December 31	
	2024	2023
Sales revenue	$ 1,058,574	$ 984,118
Energy & Materials revenue	48,498	47,630
Other revenue	-	21,672
	$ 1,107,072	$ 1,053,420

(6) Geographical information

	For the year ended December 31			
	2024		2023	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	$ 55,128	$ 587,700	$ 58,684	$ 587,824
America	565,534	665	568,675	725
Asia and others	486,410	2,588,061	426,061	2,212,323
	$ 1,107,072	$ 3,176,426	$ 1,053,420	$ 2,800,872

(7) Major customer information

Major customer information of the Group for the years ended December 31, 2024 and 2023 were as follows:

	For the year ended December 31	
	2024	2023
W	$ 415,423	$ 424,039
Y	125,178	83,195

Loans to others
For the year ended December 31, 2024

Table 1 | Expressed in thousands of NTD

Number (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2024	Balance at December 31, 2024	Actual amount drawn down	Interest rate	Nature of loan	Amount of ransactions with borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral Item	Collateral Value	Limit on loans granted to a single party (Note 2)	Ceiling on total loans granted (Note 2)
1	Guizhou Guanwang International Digicrown Electronic Technology Co., Ltd.	Evermerit Technology Electronic Co., Ltd.	Other receivables from related parties	Y	$ 16,569	$ -	$ -	0.00%	Shortterm financing	$ -	Operations	$ -	None	$ -	$ -	$ -
2	Dong Guan Guan Zhen Xing Trading Limited	Evermerit Technology Electronic Co., Ltd.	Other receivables from related parties	Y	12,538	-	-	0.00%	Shortterm financing	-	Operations	-	None	-	65,921	65,921
2	Dong Guan Guan Zhen Xing Trading Limited	Dongguan Guanwang Electronic	Other receivables from related parties	Y	98,516	98,516	86,918	0.00%	Shortterm financing	-	Operations	-	None	-	329,603	329,603
3	Real Bonus Limited	Cosmo Electronics Corporation	Other receivables from related parties	Y	98,191	98,191	98,191		Shortterm financing	-	Operations	-	None	-	153,107	153,107
4	PT Cosmo Green Technology	PT Cijambe Indah	Other receivables from related parties	Y	30,450	30,450	30,450	3.00%	Shortterm financing	-	Operations	-	None	-	209,600	209,600
4	PT Cosmo Green Technology	PT Cosmo Technology	Other receivables from related parties	Y	45,675	30,450	20,300	3.00%	Shortterm financing	-	Operations	-	None	-	209,600	209,600
5	Renown Boom Limited	PT Cijambe Indah	Other receivables from related parties	Y	21,317	21,317	21,317		Shortterm financing	-	Operations	-	None	-	394,637	527,725
6	Cosmo Electronics (HK) Company Limited	Cosmo Electronics Corporation	Other receivables from related parties	Y	31,146	31,146	18,032	0.00%	Shortterm financing	-	Operations	-	None	-	315,048	315,048
7	True Glory Investments	Cosmo Electronics Corporation	Other receivables from related parties	Y	6,229	-	-	0.00%	Shortterm financing	-	Operations	-	None	-	394,637	789,275

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:
(1) The Company is ‘0’.
(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Limit on total loans for financing granted by and to subsidiaries of which the ultimate parent directly or indirectly holds 100% of its voting shares is 200% of the lender's net assets based on the latest audited or reviewed financial statements, and limit on loans to each entity is 200% of the lender's net assets based on the latest audited or reviewed financial statements. However, in accordance with the Operational Procedures for Loans to Others of the Company, the total loans for financing granted by and to subsidiaries of which the ultimate parent directly or indirectly holds 100% of its voting shares must not exceed 40% of the lender's net assets based on the latest audited or reviewed financial statements, and the loans to each entity for financing must not exceed 20% of the lender's net assets based on the latest audited or reviewed financial statements. Therefore, limit on loan is the smaller one of above conditions.

Provision of endorsements and guarantees to others

For the year ended December 31, 2024

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Endorser/guarantor	Party being endorsed/guaranteed: Company name	Party being endorsed/guaranteed: Relationship with the endorser/guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount for the period	Outstanding endorsement/ guarantee amount at the end of the period	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
0	Cosmo Electronics Corporation	PT Cosmo Technology	2	$ 789,275	$ 400,000	$ 400,000	400,000	$ -	20.27%	$ 986,594	Y	N	N	Note 3
0	Cosmo Electronics Corporation	Cosmo Electronics (HK) Company Limited	2	789,275	98,355	-	-	-	-	986,594	Y	N	N	Note 3
1	PT Cosmo Technology	Cosmo Electronics Corporation	3	1,973,187	926,000	926,000	546,800	-	46.93%	1,973,187	N	Y	N	Note 4
2	Dong Guan Guan Zhen Xing Trading Limited	Cosmo Electronics Technology (KunShan) Co., Ltd.	3	1,973,187	14,666	14,666	14,666	14,666	0.74%	1,973,187	N	N	Y	Note 4
3	True Glory Investments Limited	Cosmo Electronics Corporation	3	1,973,187	926,000	926,000	546,800	967,694	46.93%	1,973,187	N	Y	N	Note 4
3	True Glory Investments Limited	PT Cosmo Technology	3	1,973,187	400,000	400,000	400,000	418,010	20.27%	1,973,187	N	Y	N	Note 4

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:
(1) The Company is ‘0’.
(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories:
(1) Having business relationship.
(2) The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
(3) The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.
(4) The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.
(5) Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.
(6) Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
(7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 3: Limit on total endorsements is 50% of the Company's net assets , and limit on endorsements to a single party is 40% of the Company's net assets.

Note 4: When endorser is the Company, limit on total endorsements is 100% of the Company's net assets, and limit on endorsements to a single party is 100% of the Company's net assets.

Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more

For the year ended December 31, 2024

Table 3

Expressed in thousands of NTD

			Transaction				Differences in transaction terms compared to third party		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Cosmo Electronics (HK) Company Limited	PT Cosmo Technology	Group	Sales	$ 399,928	100%	According to the terms agreed by both parties	$ -	-	$ 139,932	100%	Note
Dong Guan Guan Zhen Xing Trading Limited	Cosmo Electronics (HK) Company Limited	Group	Sales	343,413	92%	According to the terms agreed by both parties	-	-	24,031	43%	Note
PT Cosmo Technology	Real Bonus Limited	Group	Sales	102,914	18%	According to the terms agreed by both parties	-	-	31,498	14%	Note
PT Cosmo Technology	Starlite Creations Inc.	Substantive related parties	Sales	381,420	65%	According to the terms agreed by both parties	-	-	137,004	61%	-

Note : These transactions were eliminated in the preparation of consolidated financial statements.

Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more

For the year ended December 31, 2024

Table 4

Expressed in thousands of NTD

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2024	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Cosmo Electronics (HK) Company Limited	PT Cosmo Technology	Group	$ 139,932	502.13%	$ -	-	$ -	$ -
PT Cosmo Technology	Starlite Creations Inc.	Substantive related parties	137,004	383.65%	4,144	-	21,656	-

Significant inter-company transactions during the reporting periods

For the year ended December 31, 2024

Table 5

Expressed in thousands of NTD

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
		Company name		General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	The Company	Dongguan Guanwang Electronic Technology Co., Ltd.	1	Sales	$ 84,081	Normal transaction terms	8%
		Cosmo Electronics Technology (KunShan) Co., Ltd.	1	Sales	69,457	Normal transaction terms	6%
		PT Cosmo Technology	1	Sales	49,949	Normal transaction terms	5%
1	PT Cosmo Technology	Cosmo Electronics Corporation	2	Sales	33,206	Normal transaction terms	3%
		Real Bonus Limited	3	Sales	102,914	Normal transaction terms	9%
		Real Bonus Limited	3	Accounts receivable	31,498	Normal transaction terms	1%
		Cosmo Electronics Technology (KunShan) Co., Ltd.	3	Sales	44,807	Normal transaction terms	4%
		Cosmo Lighting Inc.	3	Sales	23,859	Normal transaction terms	2%
2	Cosmo Electronics (HK) Company Limited	PT Cosmo Technology	3	Accounts receivable	139,932	Irregularly payment	3%
		PT Cosmo Technology	3	Sales	399,928	Normal transaction terms	36%
3	Dong Guan Guan Zhen Xing Trading Limited	Cosmo Electronics (HK) Company Limited	3	Sales	343,413	Normal transaction terms	31%
		Cosmo Electronics (HK) Company Limited	3	Accounts receivable	24,031	Normal transaction terms	1%
		Dongguan Guanwang Electronic Technology Co., Ltd.	3	Other receivable	86,918	Loan	2%
4	PT. Cijabme Indah	PT Cosmo Technology	3	Other unearned revenue	77,509	Normal transaction terms	2%
5	Real Bonus Limited	Cosmo Electronics Corporation	2	Other receivable	98,191	Loan	2%
6	Cosmo Electronics Technology (KunShan) Co., Ltd.	Cosmo Electronics Corporation	2	Sales	40,215	Normal transaction terms	4%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:
(1) The Company is ‘0’.
(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories:
(1) The Company to subsidiary.
(2) Subsidiary to the Company.
(3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

The related information on investees are as follows (not including investees in Mainland China)

For the year ended December 31, 2024

Table 6

Expressed in thousands of NTD per share

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2024			Net profit (loss) of the investee for the nine-month period ended December 31, 2024	Investment income (loss) recognised by the Company for the nine-month period ended December 31, 2024	Footnote
				Balance as at December 31, 2024	Balance as at December 31, 2023	Number of shares	Ownership (%)	Book value			
The Company	Cosmo Electronics Samoa	Samoa	Investment activities	$ 193,912	$ 193,912	5,500,038	100%	$ 160,680	($ 39,419)	($ 39,419)	
	Cosmo Electronics (HK) Company Limited	Hong Kong	Trading of electronic products	269,412	269,412	63,180,000	100%	157,524	(467)	(467)	
	Grand Concept Group Limited	Samoa	Investment activities	327,230	298,438	10,750,000	100%	1,687,139	210,738	210,738	
	Grandway International Limited	Samoa	Investment activities	941,532	941,532	30,080,000	100%	801,576	(53,808)	(53,808)	
	PT Cosmo Technology	Indonesia	Manufacturing and selling of LED lighting	87,075	87,075	3,000,000	14%	95,141	(71,625)	(10,183)	Note 1
	Cosmo Green Power Limited	Vietnam	Manufacturing and selling of material of biomass energy	31,760	31,760	-	100%	9,631	-	-	Note 2
Cosmo Electronics Samoa	Cosmo Electronics Technology Co., Ltd.	Mauritius Islands	Investment activities	193,912	193,912	5,500,038	100%	160,680	(39,419)	(39,419)	
Cosmo Electronics (HK) Company Limited	Cosmo Lighting Inc.	U.S.A	Selling of LED lighting	49,046	49,046	1,620,000	100%	31,153	(2,634)	(2,634)	
Grand Concept Group Limited	True Glory Investments Limited	Samoa Islands	Investment activities and processing and trading of PCBs	327,230	298,438	10,750,000	100%	1,609,900	191,210	191,210	
	Real Bonus Limited	Samoa	Selling of LED lighting	-	-	-	100%	76,554	19,528	19,528	Note 2
Grandway International Limited	Truly Top Investments Limited	Samoa	Investment activities	538,516	538,516	16,850,000	100%	538,521	(48,631)	(48,631)	
	Renown Boom Limited	Samoa Islands	Investment activities and processing and selling of routers	402,983	402,983	13,230,000	100%	263,863	(5,177)	(5,177)	
True Glory Investments Limited	PT Cosmo Technology	Indonesia	Manufacturing and selling of LED lighting	87,514	87,514	2,750,000	13%	87,090	(71,625)	(9,335)	Note 1
	PT Cosmo Green Technology	Indonesia	Manufacturing and selling of material of biomass energy	44,603	44,603	15,000	50%	52,400	6,950	3,475	Note 1
	PT Cijambe Indah	Indonesia	Land development	416,363	381,060	133,544	95%	1,465,800	208,258	197,176	Note 1
	PT Cosmo Electronics Indonesia	Indonesia	Manufacturing and selling of new electronic	317	317	10,000	100%	196	(23)	(23)	
Truly Top Investments Limited	PT Cosmo Technology	Indonesia	Manufacturing and selling of LED lighting	493,651	493,651	15,350,000	73%	486,121	(71,625)	(52,106)	Note 1
	PT Cosmo Green Technology	Indonesia	Manufacturing and selling of material of biomass energy	44,865	44,865	15,000	50%	52,400	6,950	3,475	Note 1
Renown Boom Limited	PT Cijambe Indah	Indonesia	Land development	266,944	266,944	6,579	5%	73,872	208,258	11,082	Note 1

Note 1: The difference between the profit and loss of the investee company and the investment income and loss recognized by the Company is the investment income and loss recognized according to the ownership ratio of the current period.
Note 2: It is limited company.

Information on investments in Mainland China

For the year ended December 31, 2024

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

1. Information on investments in Mainland China

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2024	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the nine-month period ended December 31, 2024: Remitted to Mainland China	Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2024	Net income (loss) of investee for the nine-month period ended December 31, 2024	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine-month period ended December 31, 2024 (Note 2)	Book value of investments in Mainland China a of December 31, 2024	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2024	Footnote
Cosmo Electronics Technology (KunShan) Co., Ltd.	Manufacturing and selling of new electronic parts	$ 193,912	(1)	$ 193,912	$ -	$ -	$ 193,912	($ 39,419)	100%	($ 39,419)	$ 160,677	$ 8,157	
Dong Guan Guan Zhen Xing Trading Limitec	Selling of LED lighting	187,563	(2)	85,367	-	-	85,367	(15,752)	100%	(15,752)	164,801	-	
Guizhou Guanwang International Digicrown Electronic Technology Co., Ltd	Developing, manufacturing and selling of electronic products	-	(2)	-	-	-	-	(6,205)	-%	(6,205)	-	-	Note 3
Dongguan Guanwang Electronic Technology Co., Ltd.	Developing, manufacturing and selling of electronic products	106,409	(2)	-	-	-	-	(18,564)	100%	(18,564)	(34,053)	-	

2. Ceiling on investments in Mainland China

Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2024	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
$ 279,279	$ 377,028	$ 1,183,913

Note 1: Investment methods are classified into the following two categories:

(1)Through investing and establishment in Cosmo Electronics Co., Ltd.(Samoa) and Cosmo Electronics Technology Co., Ltd.(Mauritius) in the third area, which then invested in the investee in Mainland China.

(2)Through investing in an existing company, Renown Boom Limited, in the third area, which then invested in the investee in Mainland China.

Note 2: The company recognised investment income / loss based on the audited financial statements.

Note 3: Guizhou Guanwang International Digicrown Electronic Technology Co., Ltd was liquidated in August, 2024.

Note 4: Investment amount approved by the Investment Commission of the Ministry of Economic Affairs was US$11,500 thousand.

Note 5: It was calculated by the limit of the combined net asstes in accordance with Order No. MOEA-09704604680.

Note 6: Exchange rate: NTD : USD Ending balance 1:32.785 Average 1:32.112

NTD : RMB Ending balance 1:4.478 Average 1:4.4543

Major shareholders information

December 31, 2024

Table 8

Name of major shareholders	Shares	
	No. of shares held	Ownership (%)
Digicrown Technologies Ltd.	15,914,684	9.28%
Da Liang Investment Ltd.	14,422,304	8.41%
Wei Jia Investment Co., Ltd.	14,356,481	8.37%
Hung Yi Investment Ltd.	13,957,367	8.14%
Tsan Hua Investment Co., Ltd.	13,266,627	7.73%
Kuan Che Investment Ltd.	12,936,160	7.54%
Tai Sung Investment Co., Ltd.	12,398,760	7.23%
Kuan Chia Investment Ltd.	12,285,057	7.16%
Flyachieve Limited.	11,223,833	6.54%

Note : The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.