COSMO ELECTRONICS CORPORATION

PARENT COMPANY ONLY 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 parent company only 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 parent company only financial statements shall prevail.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of Cosmo Electronics Corporation

Opinion

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

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of Cosmo Electronics Corporation as of December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits of the parent company only 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 Parent Company Only Financial Statements section of our report. We are independent of Cosmo Electronics Corporation 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 parent company only 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.
We determined that the following matters should be communicated as key audit matters in the audit report:

Valuation of inventory

Please refer to Note 4(7) 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 has 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.

<u>Assessment the fair value of investment property</u>

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(8) for details of investment property.

Cosmo Electronics Corporation held investment property to earn rent incomes from lease. The investment property was measured using subsequently 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 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 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 parent company only 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.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of the parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Cosmo Electronics Corporation's 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 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's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only 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 the parent company only 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 parent company only 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's 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's 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 parent company only 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 to cease to continue as a going concern.

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

6. Obtain sufficient appropriate audit evidence regarding the parent company only financial information of the entities or business activities within Cosmo Electronics Corporation to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the 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 parent company only 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

Notice to Readers

The accompanying the parent company only financial statements are intended only to present to financial position and 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 parent company only financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying parent company only 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 parent company only financial statements shall prevail.

COSMO ELECTRONICS CORPORATION

PARENT COMPANY ONLY BALANCE SHEET

DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars)

			December 31, 2024		December 31, 2023	
	Assets	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4(5) and 6(1)	$ 20,658	1	$ 145,267	4
1136	Financial assets at amortised cost-current	4(6), 6(2) and 8	30,285	1	3,070	-
1150	Notes receivable, net	4(6) and 6(3)	-	-	3,140	-
1170	Accounts receivable, net	4(6) and 6(3)	37,902	1	33,048	1
1180	Accounts receivable from related parties	4(6) and 7	16,497	-	4,787	-
1200	Other receivables	4(6)	719	-	1,456	-
1210	Other receivables from related parties	4(6) and 7	534	-	634	-
1220	Current income tax assets	4(17) and 6(17)	273	-	194	-
130X	Inventories	4(7), 5(1) and 6(4)	194,033	5	325,761	9
1410	Prepayments		5,953	-	6,779	-
1470	Other current assets		141	-	246	-
11XX	**Total current assets**		306,995	8	524,382	14
	Non-current assets					
1535	Financial assets at amortized cost-non current	4(6)， 6(2) and 8	4,482	-	14,300	-
1550	Investments accounted for under the equity method	4(8) and 6(5)	2,911,691	76	2,662,803	69
1600	Property, plant and equipment	4(9), (12), 6(6) and 8	489,226	13	483,248	13
1760	Investment property, net	4(10), 5(2), 6(8) and 8	95,139	2	92,856	2
1780	Intangible assets	4(11), (12) and 6(9)	2,193	-	2,864	-
1840	Deferred income tax assets	4(17) and 6(17)	16,579	-	23,064	1
1915	Prepayments for equipment		1,023	-	8,620	-
1920	Refundable deposits		136	-	636	-
1975	Net defined benefit assets-non current	4(16) and 6(13)	32,707	1	26,550	1
1990	Other non-current assets		118	-	237	-
15XX	**Total non-current assets**		3,553,294	92	3,315,178	86
1XXX	**Total assets**		$ 3,860,289	100	$ 3,839,560	100
	Current liabilities					
2100	Short-term borrowings	4(14) and 6(10)	$ 408,000	11	$ 426,000	11
2110	Short-term bills payable	6(10)	29,971	1	99,884	3
2130	Contract liabilities	6(15) and 7	61,630	2	37,303	1
2150	Notes payable	6(11)	-	-	59	-
2170	Accounts payable	6(11)	54,296	1	24,000	1
2180	Accounts payable to related parties	7	50,023	1	12,374	-
2200	Other payables		53,038	1	51,574	1
2220	Other payables to related parties	7	116,420	3	-	-
2320	Long-term liabilities-current portion	4(14) and 6(12)	607,656	17	312,646	8
2399	Other current liabilities		2,404	-	3,416	-
21XX	**Total current liabilities**		1,383,438	37	967,256	25
	Non-current liabilities					
2540	Long-term borrowings	4(14), 6(12) and 7	230,078	6	802,274	21
2570	Deferred income tax liabilities	4(17) and 6(17)	203,575	5	179,531	5
2600	Others non-current liabilities		48,011	1	8,327	-
2622	Long-term payables to related parties	6(12) and 7	22,000	-	-	-
25XX	**Total non-current liabilities**		503,664	12	990,132	26
2XXX	**Total liabilities**		1,887,102	49	1,957,388	51
	Equity					
3110	Common stock	6(14)	$ 1,714,587	44	$ 1,714,587	45
3200	Capital surplus		143,838	4	143,838	4
3300	Retained earnings					
3310	Legal reserve		22,495	1	19,061	-
3320	Special reserve		171,472	4	140,561	4
3350	Unappropriated retained earnings / Accumulated deficit		(24,294)	(1)	34,345	1
3400	Other equity		(54,911)	(1)	(170,220)	(5)
3XXX	**Total equity**		1,973,187	51	1,882,172	49
2-3XXX	**TotalL liabilities and equity**		$ 3,860,289	100	$ 3,839,560	100

The accompanying notes are an integral part of these parent company only financial statements.

COSMO ELECTRONICS CORPORATION

PARENT COMPANY ONLY 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(18), 6(15) and 7	$ 515,987	100	$ 376,386	100
5000	Operating costs	6(4) and 7	(481,674)	(93)	(315,726)	(84)
5900	Gross profit		34,313	7	60,660	16
5910	Unrealized profit (loss) from sales		4,929	1	(1,668)	-
5950	Gross profit, net		39,242	8	58,992	16
	Operating expenses					
6100	Selling expenses		(21,781)	(4)	(20,013)	(5)
6200	General and administrative expenses		(77,973)	(15)	(72,169)	(19)
6300	Research and development expenses		(3,977)	(1)	(2,077)	(1)
6450	Expected credit impairment (loss) gain	6(3)	(285)	-	(379)	-
6000	Total operating expenses		(104,016)	(20)	(94,638)	(25)
6900	Operating (loss) profit		(64,774)	(13)	(35,646)	(9)
	Non-operating income and expenses					
7010	Other income	4(18) and 6(16)	4,463	1	5,128	1
7020	Other gains and losses	6(16)	4,376	1	4,458	1
7050	Finance costs	4(14) and 6(16)	(50,232)	(10)	(50,711)	(13)
7070	Share of profit of subsidiaries, associates and joint ventures accounted for under the equity method	4(8) and 6(5)	106,861	21	123,877	33
7000	Total non-operating income and expenses		65,468	13	82,752	22
7900	**Profit before income tax**		694	-	47,106	13
7950	Income tax (expense) benefit	4(17) and 6(17)	(29,652)	(6)	(17,023)	(5)
8200	**Profit (loss) for the year**		($ 28,958)	(6)	$ 30,083	8
	Components of other comprehensive income that will be reclassified to profit or loss					
8311	Gain on remeasurements of defined benefit plans	6(13)	$ 4,387	1	$ 374	-
8330	Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for under the equity method that will not be reclassified to profit or loss		1,154	-	2,643	1
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		(877)	-	(75)	-
8310	Total other comprehensive income(loss) that will not be reclassified to profit or loss		4,664	1	2,942	1
	Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8380	Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for under the equity method that will be reclassified to profit or loss	6(14)	115,309	22	(19,480)	(5)
8360	Total components of other comprehensive income that will be to profit or loss		115,309	22	(19,480)	(5)
8300	**Other comprehensive income for the year**		$ 119,973	23	($ 16,538)	(4)
8500	**Total comprehensive income for the year**		$ 91,015	16	$ 13,545	4
	Earnings per share	6(16)				
9750	Basic earnings (loss) per share		($	0.17)	$	0.18
9850	Diluted earnings (loss) per share		($	0.17)	$	0.18

The accompanying notes are an integral part of these parent company only financial statements.

COSMO ELECTRONICS CORPORATION
PARENT COMPANY ONLY 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)
Net income for the year ended December 31, 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)	-	-
Net loss for the year ended December 31, 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 parent company only financial statements.

COSMO ELECTRONICS CORPORATION

PARENT COMPANY ONLY 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	$ 694	$ 47,106
Adjustments		
Depreciation expenses	47,844	48,554
Amortization expenses	1,130	1,070
Expected credit impairment (losses) gain	285	379
Interest expense	50,232	50,711
Interest income	(1,384)	(2,369)
Share of profit of subsidiaries, associates and joint ventures accounted for under the equity method	(106,861)	(123,877)
Loss (gian) on disposal and scrap of property, plant and equipment	(2,381)	(1,121)
Unrealized loss (gian) from sales	(4,929)	1,668
Loss (gian) on fair value changes of investment property	(2,283)	(2,268)
Changes in assets and liabilities relating to operating activities		
Decrease (increase) in notes receivable	3,140	248
Decrease (increase) in accounts receivable	(5,139)	45,976
Decrease (increase) in accounts receivable from related parties	(11,710)	96,819
Decrease (increase) in other receivables from related parties	100	(634)
Decrease (increase) in inventories	131,728	8,633
Decrease (increase) in prepayments	826	318
Decrease (increase) in other current assets	104	1,554
Decrease (increase) in other non-current assets	119	126
Decrease (increase) in net defined benefit assets	(1,770)	(1,936)
Increase (decrease) in contract liabilities-current	24,327	28,727
Increase (decrease) in notes payable	(59)	(37)
Increase (decrease) in accounts payable	30,296	(63,004)
Increase (decrease) in accounts payable to related parties	37,649	(29,538)
Increase (decrease) in other payables	116,963	(45,223)
Increase (decrease) in other current liabilities	(1,012)	348
Cash inflow generated from (used in) operations	307,909	62,230
Interest received	1,378	2,369
Income taxes refund (paid)	(79)	(174)
Net cash flows generated from (used in) operating activities	309,208	64,425

(Continued)

COSMO ELECTRONICS CORPORATION

PARENT COMPANY ONLY 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		
Acquisitions of financial assets at amortized cost	($ 17,396)	($ 3,157)
Dividend received from investments accounted for under the equity method	8,157	-
Acquisitions of investments accounted for under the equity method	(28,792)	(27,914)
Acquisitions of property, plant and equipment	(45,092)	(25,682)
Proceeds from disposal of property, plant and equipment	25,857	2,453
Decrease (increase) in other receivables	500	790
Decrease (increase) in refundable deposits	743	1,457
Acquisitions of intangible assets	(459)	(893)
Decrease (increase) in prepayments for equipment	(1,023)	(17,924)
Net cash flows generated from (used in) investing activities	(57,505)	(70,870)
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	199,836	364,520
Repayment for long-term borrowings	(477,022)	(103,600)
Increase (decrease) in guarantee deposits received	17,426	(140)
Increase in other non-current liabilities	-	5,112
Interest paid	(50,552)	(49,352)
Increase in stockholders' current account	22,000	-
Net cash flows generated from (used in) financing activities	(376,312)	19,362
Net increase (decrease) in cash and cash equivalents	(124,609)	12,917
Cash and cash equivalents at beginning of year	145,267	132,350
Cash and cash equivalents at end of year	$ 20,658	$ 145,267

The accompanying notes are an integral part of these parent company only financial statements.

COSMO ELECTRONICS CORPORATION
NOTES TO THE PARENT COMPANY ONLY 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 is 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 Company 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 parent company only financial statements were issued, the Company 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 Company 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 parent company only financial statements were issued, the Company 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 Company completes the 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 parent company only financial statements of the Company have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

(2) Basis of preparation

The a parent company only financial statements of the Company has 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) Foreign currency

In preparing the parent company only 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 NTD 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).

(4) 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.

(5) 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.

(6) 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

The Company's financial assets are classified into financial assets at amortized cost.

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

The Company 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 Company 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 non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(7) 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.

(8) Investments accounted for using equity method / subsidiaries and associates

A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company 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.

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

C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in an subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognize losses proportionate to its ownership.

D. Changes in a parent's ownership interest in a subsidiary that 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 Company loses control of a subsidiary, the Company 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 Company 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.

F. Pursuant to the Regulations Governing the Preparation of Financial Statements by Securities Issuers, profit (loss) of the current period and other comprehensive income in the parent company only financial statements shall equal to the amount attributable to owners of the parent in the consolidated financial statements. Owners' equity in the parent company only financial statements shall equal to equity attributable to owners of the parent in the consolidated financial statements.

(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

Computer software is stated at cost and amortized on a straight-line basis over its estimated useful life of 2 to 10 years.

(12)Impairment of Tangible Assets and Intangible Assets

The Company 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. 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 subsequently measures 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)Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

(16)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 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 calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(17)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 operates and generates 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.

(18) Revenue recognition

Sales of goods—wholesale

A. The Company manufactures and sells 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 has 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.

Interest income

Interest income from financial assets is recognized when it is highly probable that economic benefits will inflow to the company and the amount of income can be reliably measured. Interest income is accrued on a time basis by applying the effective interest rate to the outstanding principal.

(19) Operating segments

An operating segment is a component of the Company 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). 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 of these parent company only financial statements requires management to make critical judgements in applying the Company's 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.

Management continually reviews these estimates and assumptions. If revisions to estimates only affect the current period, they are recognized in the current period. If revisions to accounting estimates affect both the current and future periods, they are recognized in both the current and future periods.

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 must determine the net realizable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Company evaluates 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 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 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	$ 553	$ 436
Checking accounts and demand deposits	20,105	111,045
Demand deposits	-	33,786
	$ 20,658	$ 145,267

A. The Company transacts 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	-	3,070
	$ 30,285	$ 3,070
Non-current items:		
Restricted bank accounts	$ -	$ 9,863
Pledged time deposits	4,460	4,437
Time deposits	22	-
	$ 4,482	$ 14,300

A. The annual interest rates of the time deposits was between 0.92%~1.69% as of December 31, 2024.

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

(3) Trade receivables

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

	December 31	
	2024	2023
Accounts receivable	$ 38,979	$ 33,844
Less: Allowance for uncollectible accounts	(1,077)	(796)
Accounts receivable, net	$ 37,902	$ 33,048

The Company grants an average credit period of 30 to 180 days for sales transactions, and no interest is charged on accounts receivable. The Company applies 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 determines the credit loss rates solely based on the number of days past due.

The Company writes 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 measures the allowance for accounts receivable 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	$ 36,516	$ 2,067	$ 7	$ 389	$ 38,979
Loss allowance (lifetime expected credit losses)	(610)	(71)	(7)	(389)	(1,077)
Amortized cost	$ 35,906	$ 1,996	$ -	$ -	$ 37,902

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	$ 36,569	$ 22	$ -	$ 393	$ 36,984
Loss allowance (lifetime expected credit losses)	(402)	(1)	-	(393)	(796)
Amortized cost	$ 36,167	$ 21	$ -	$ -	$ 36,188

The movements of the allowance for impairment losses were as follows:

	For the year ended December 31	
	2024	2023
Balance, beginning of year	$ 796	$ 417
Add: Impairment losses recognized on trade receivables	285	379
Less: Amounts written off	(4)	-
Balance, end of year	$ 1,077	$ 796

(4) Inventory

	December 31					
	2024			2023		
	Cost	Allowance Loss	Book Value	Cost	Allowance Loss	Book Value
Raw materials	$ 62,223	($ 5,356)	$ 56,867	$ 75,150	($ 3,359)	$ 71,791
Work in progress	29,632	(4,086)	25,546	64,263	(5,107)	59,156
Finished goods	122,346	(12,289)	110,057	218,352	(29,495)	188,857
Merchandise	7,654	(6,091)	1,563	5,957	-	5,957
Total	$ 221,855	$ 27,822	$ 194,033	$ 363,722	($ 37,961)	$ 325,761

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

	For the year ended December 31	
	2024	2023
Inventory reclassified as cost of goods sold	$ 492,929	$ 289,864
Loss on (gains on reversal of) decline in market value	(10,139)	26,362
Revenue from sale of scraps	(1,116)	(500)
Cost of goods sold, net	$ 481,674	$ 315,726

(5) Investments accounted for using equity method

	December 31	
	2024	2023
At January 1	$ 2,662,803	$ 2,529,517
Addition of investments accounted for using equity method	28,792	27,914
Share of profit or loss of investments accounted for using equity method	106,861	123,877
Change in other equity items	116,463	(16,837)
Others	(3,228)	(1,668)
At December 31	$ 2,911,691	$ 2,662,803

	December 31	
Subsidiaries	2024	2023
Cosmo Electronics Samoa	$ 160,680	$ 202,716
Cosmo Electronics (HK) Company Limited (Cosmo Electronics (HK))	157,524	145,097
Grand Concept Group Limited (Grand Concept)	1,687,139	1,394,261
Grandway International Limited. (Grandway)	801,576	812,574
PT Cosmo Technology (PT Cosmo)	95,141	98,638
Cosmo Green Power Limited (Cosmo Green)	9,631	9,517
	$ 2, 911,691	$ 2,662,803

A. Details of the Company's subsidiaries are provided in Note 4(3) of the Company's 2024 consolidated financial statements.

B. The total investment in PT Cosmo by the Company and its subsidiaries is 100% so that the investment accounted for using equity method.

C. The Company increased the investment of Grand Concept in 2024, and the total investment was $28,792 thousand.

D. The Company increased the investment of Grand Concept in 2023, and the total investment was $27,914 thousand.

E. The company repatriated earnings from subsidiary profits of Cosmo Electronics Samoa, and the total was $8,157 thousand.

F. Details of Share of profit or loss of investments accounted for using equity method as follows:

	December 31	
	2024	2023
Cosmo Electronics Samoa	($ 39,419)	($ 11,056)
Cosmo Electronics (HK) Company Limited (Cosmo Electronics (HK))	(467)	1,920
Grand Concept Group Limited (Grand Concept)	210,738	186,176
Grandway International Limited. (Grandway)	(53,808)	(49,315)
PT Cosmo Technology (PT Cosmo)	(10,183)	(3,848)
	$ 106,861	$ 123,877

(6) Property, plant and equipment

	December 31, 2024	December 31, 2023
Private Use	$ 489,226	$ 483,248

Cost	Land	Buildings and structures	Machinery	Transportation equipment	Office equipment	Other equipment	Total
Balance at January 1, 2024	$ 191,950	$ 173,622	$ 775,023	$ 7,976	$ 12,857	$ 121,274	$ 1,282,702
Additions	-	-	41,154	-	-	5,266	46,420
Disposals	-	-	(90,881)	-	(1,916)	(6,952)	(99,749)
Transfers from prepayment	-	-	8,620	-	-	-	8,620
Balance at December 31, 2024, net	$ 191,950	$ 173,622	$ 733,916	$ 7,976	$ 10,941	$ 119,588	$ 1,237,993

Accumulated Depreciation	Land	Buildings and structures	Machinery	Transportation equipment	Office equipment	Other equipment	Total
Balance at January 1, 2024	$ 191,950	$ 54,297	$ 626,452	$ 5,832	$ 12,081	$ 100,792	$ 799,454
Depreciation	-	3,851	38,218	446	261	5,068	47,844
Disposals	-	-	(89,668)	-	(1,911)	(6,952)	(98,531)
Balance at December 31, 2024	$ -	$ 58,148	$ 575,002	$ 6,278	$ 10,431	$ 98,908	$ 748,767
Balance at December 31, 2024, net	$ 191,950	$ 115,474	$ 158,914	$ 1,698	$ 510	$ 20,680	$ 489,226

Cost	Land	Buildings and structures	Machinery	Transportation equipment	Office equipment	Other equipment	Total
Balance at January 1, 2023	$ 191,950	$ 172,172	$ 751,648	$ 7,402	$ 12,737	$ 107,681	$ 1,243,590
Additions	-	101	25,212	574	120	5,568	31,575
Disposals	-	(1)	(11,806)	-	-	(8,025)	(3,782)
Transfers from prepayment	-	1,350	9,969	-	-	-	11,319
Balance at December 31, 2023, net	$ 191,950	$ 173,622	$ 775,023	$ 7,976	$ 12,857	$ 121,274	$ 1,282,702

Accumulated Depreciation	Land	Buildings and structures	Machinery	Transportation equipment	Office equipment	Other equipment	Total
Balance at January 1, 2023	$ -	$ 50,453	$ 597,085	$ 5,400	$ 11,412	$ 97,199	$ 761,549
Depreciation	-	3,845	39,840	432	669	3,768	48,554
Disposals	-	(1)	(10,473)	-	-	(175)	(10,649)
Balance at December 31, 2023	$ -	$ 54,297	$ 626,452	$ 5,832	$ 12,081	$ 100,792	$ 799,454
Balance at December 31, 2023, net	$ 191,950	$ 119,325	$ 148,571	$ 2,144	$ 776	$ 20,482	$ 483,248

A. Depreciation is 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.

(7) Leasing arrangements－lessee

A. For the years ended December 31, 2024 and 2023, there were no additions to right-of-use assets.

B. Other leasing information:

	For the year ended December 31			
	2024		2023	
Expense on short-term lease contracts	$	349	$	956
Expense on lease of low-value assets		420		123
Variable lease payments not included in the measurement of lease liabilities	$	769	$	1,079
Total cash (outflow) for leases	($	769)	($	1,079)

(8) Investment property

	For the year ended December 31			
	2024		2023	
At January 1	$	92,856	$	90,588
Gain on fair value adjustment		2,283		2,268
At December 31	$	95,139	$	92,856

A. Rent income from investment property is shown below:

	For the year ended December 31			
	2024		2023	
Rent income from investment property	$	2,596	$	2,463

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

C. The fair value of the investment property held by the Company was measured on recurring basis. The fair value at December 31, 2024 was based on the valuation carried out on February 7 and March 11, 2025 by the independent qualified professional valuers, Miss Yi Ting, Lai, Certified Real Estate Appraisers in the ROC, from Euro-Asia Real Estate Appraisers Firm, and Mr. Hsieh, Kun Lung and Miss Chang, Shao Chi, both Certified Real Estate Appraisers in the ROC, from Zone Tai Real Estate Appraisers Firm, respectively. The fair value at December 31, 2023 was based on the valuation carried out on March 1and 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 Mr. Hsieh, Kun Lung and Miss Chang, Shao Chi, both Certified Real Estate Appraisers in the ROC, from Zone Tai Real Estate Appraisers Firm, respectively.

D. The fair value of the investment property held by the Company 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.

E. The fair value of investment properties was measured using the income approach. The significant assumptions used are stated as follows.

	December 31	
	2024	2023
Expected future cash inflows	$ 124,762	$ 120,074
Expected future cash outflows	4,755	4,599
Expected future cash inflows, net	$ 120,007	$ 115,475
Discount rate	2.47%~2.72%	2.25%~2.75%

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

F. 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 $550 to $970 per ping.

G. As at 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% and plus any asset-specific risk premiums 0.05% to 0.25% and -0.10% to 0.40%, respectively.

H. Information about the investment property of the Company, that were pledged to others as collaterals is provided in Note 8.

(9) Intangible assets

	For the year ended December 31	
	2024	2023
	Computer software	Computer software
At January 1		
Cost	$ 5,180	$ 7,473
Accumulated amortization and impairment	(2,316)	(4,432)
	$ 2,864	$ 3,041
At January 1	$ 2,864	$ 3,041
Additions	459	893
Amortization	(1,130)	(1,070)
At December 31	$ 2,193	$ 2,864
At December 31		
Cost	5,506	5,180
Accumulated amortization and impairment	(3,313)	(2,316)
	$ 2,193	$ 2,864

For the years ended December 31, 2024 and 2023, the amounts of amortization on intangible assets was $1,130 thousand and $1,070 thousand, within general and administrative expenses, respectively.

(10) 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	3.89%	
Less: Unamortized discounts on bills payable	(29)		
	$ 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		

Type of borrowings	December 31, 2023	Interest rate range	Collateral
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 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.

(11)Notes and accounts payable

Type of borrowings	December 31 2024	December 31 2023
Notes payable	$ -	$ 59

	December 31 2024	December 31 2023
Accounts payable	$ 54,006	$ 23,950
Estimated accounts payable	290	50
	$ 54,296	$ 24,000

(12)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
Secured borrowings-buildings	179,300	156,000
Other unsecured borrowings	91,798	127,520
	817,898	1,114,920
Loans to others		
Esteemed Glory Holdings Limited	9,836	-
Guan Hong Energy Co., Ltd.	10,000	-
Tsai, Nai Chen	22,000	-
	859,734	1,114,920
Less: Current portion	(607,656)	(312,646)
Less: long-term payables to related parties	(22,000)	-
	$ 230,078	$ 802,274

A. Revolving unsecured borrowings

(a) On March 18, 2022, the Company and its subsidiary, 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 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, the interest 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 fully repaid the revolving credit facilities (Tranche A) 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, and 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.

(13)<u>Net defined benefit assets</u>

A.(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.

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

	December 31 2024	December 31 2023
Present value of defined benefit obligations	$ 15,723	$ 15,855
Fair value of plan assets	(48,430)	(42,405)
Net defined benefit assets	($ 32,707)	($ 26,550)

(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	$ 15,855	($ 42,405)	($ 26,550)
Interest (expense) income	197	(531)	(334)
Past service cost	334	-	334
	16,386	(42,936)	(26,550)
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	(444)	-	(444)
	(663)	(3,724)	(4,387)
Pension fund contribution	-	(1,770)	(1,770)
Paid pension	-	-	-
At December 31	$ 15,723	($ 48,430)	($ 32,707)

	2023		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit assets
At January 1	$ 15,761	($ 40,001)	($ 24,240)
Interest (expense) income	197	(500)	(303)
	15,958	(40,501)	(24,543)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	(353)	(353)
Experience adjustments	(21)	-	(21)
	(21)	(353)	(374)
Pension fund contribution	-	(1,633)	(1,633)
Paid pension	(82)	82	-
At December 31	$ 15,855	($ 42,405)	($ 26,550)

(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:

	For the year ended December 31	
	2024	2023
Discount rate	1.5%	1.25%
Future salary increases	2.75%	2.75%

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%	Decrease 0.25%	Increase 1%	Decrease 1%
At December 31, 2024				
Effect on present value of defined benefit obligation	($ 212)	$ 219	$ 896	($ 819)
At December 31, 2023				
Effect on present value of defined benefit obligation	($ 235)	$ 242	$ 988	($ 896)

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 ending December 31, 2025 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.

(b)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.

(14)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 common stock used in the issuance of 3,361,935 ordinary shares, with par value of $10 per share, amounting to $33,619 thousand. The shares were issued on October 5, 2023, and the relevant statutory registration procedures have been completed.

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.

The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate-1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land.

On June 15, 2023, the stockholders' meeting resolved that the dividend of $0.19 per ordinary share, amounting to $31,938 thousand for 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 appropriations from the 2024 earnings will be approved in the shareholders' meetings in June 2025.

For information regarding employee compensation and directors' remuneration, please refer to Note 6(16).

D. Others

(a) Financial statements translation differences 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)

(15) Revenue

	For the year ended December 31	
	2024	2023
Revenue from contract with customers		
Operating revenue	$ 515,987	$ 376,386

A. Revenue from contract with customers

Please refer to Note 4 (18).

B. Contract liabilities

The Company has recognized the following revenue-related contract liabilities:

	December 31, 2024	December 31, 2023	January 1, 2023
Contract liabilities	$ 61,630	$ 37,303	$ 8,576

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

	For the year ended December 31	
	2024	2023
Revenue recognized that was included in the contract liability balance at the beginning of the year	$ 37,303	$ 8,576

(16)Profit (loss) of the year

Profit (loss) of the year included the following items:

A. Other income

	For the year ended December 31	
	2024	2023
Bank deposit interest income	$ 1,384	$ 2,369
Rent income	2,596	2,463
Other income, others	483	296
	$ 4,463	$ 5,128

B. Other gains and losses

	For the year ended December 31	
	2024	2023
Net foreign exchange (losses) gains	($ 187)	$ 1,069
Gains on disposal of property, plant and equipment	2,381	1,121
Gain on fair value adjustment of investment property	2,283	2,268
Other gains and losses, net	(101)	-
	$ 4,376	$ 4,458

C. Financial costs

	For the year ended December 31	
	2024	2023
Bank borrowings	$ 48,088	$ 48,404
Short-term bills payable	1,940	1,747
Loans from related parties	197	-
Other interest expense	7	-
Convertible bonds payable	-	560
	$ 50,232	$ 50,711

D. Depreciation and amortization

	For the year ended December 31	
	2024	2023
Property, plant and equipment	$ 47,844	$ 48,554
Other intangible assets	1,130	1,070
Operating costs and operating expenses	$ 48,974	$ 49,624

E. Employee benefit expense, depreciation and amortization by function as follows:

	For the year ended December 31					
	2024			2023		
Function Items	Classified as Operating Cost	Classified as Operating Expense	Total	Classified as Operating Cost	Classified as Operating Expense	Total
Employee benefit expense						
Salaries and Wages	$ 39,516	$ 57,936	$ 97,452	$ 38,630	$ 53,230	$ 91,860
Labor and health insurance	4,980	5,666	10,646	4,912	5,769	10,681
Pension	1,702	3,138	4,840	1,621	2,562	4,183
Directors' remuneration	-	1,140	1,140	-	1,861	1,861
Others	1,827	2,706	4,533	1,012	1,535	2,547
Depreciation	45,955	1,889	47,844	46,339	2,215	48,554
Amortization	-	1,130	1,130	-	1,070	1,070

(a) As of December 31, 2024 and 2023, the Company had 167 and 157 employees, respectively, both including 4 and 4 non-employee directors, and the calculating basic is the same as employee benefit expenses.

(b) For the years ended December 31, 2024 and 2023, the average employee benefit expenses were $721 thousand and $713 thousand, respectively.

(c) For the years ended December 31, 2024 and 2023, average employee salaries were $598 thousand and $600 thousand, respectively.

(d) Adjustments of average employee salaries were 0%.

Employees' compensation and remuneration of directors

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 and supervisors. 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' remuneration were estimated and accrued based on 5% and 1% of distributable profit of current year as of the end of 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 Company 2023 parent company only 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.

(17)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	$ -	$ -
Deferred tax		
Current temporary differences recognized in the current year	29,652	17,023
Total income tax expense	$ 29,652	$ 17,023

(b) Income tax expense related to other comprehensive income

	For the year ended December 31	
	2024	2023
Remeasurement of defined benefit obligations	($ 877)	($ 75)

B. Adjustments between accounting profit and income tax expense as follows:

	For the year ended December 31	
	2024	2023
Profit before tax	$ 694	$ 47,106
Tax calculated based on the Company's statutory tax rate	$ 139	$ 9,421
Expenses disallowed by tax regulation	-	2
Taxable loss not recognized as deferred tax assets	29,715	9,824
Change in assessment of realization of deferred tax assets	(202)	(2,224)
Income tax expense recognized in profit or loss	$ 29,652	$ 17,023

C. 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:				
Loss carryforwards	$ 12,769	($ 7,512)	$ -	$ 5,257
Unrealized inventory losses	7,594	2,026	-	9,620
Allowance for uncollectible accounts	181	29	-	210
Others	2,520	(1,028)	-	1,492
	$ 23,064	($ 6,485)	$ -	$ 16,579
Deferred tax liabilities				
Temporary differences:				
Unrealized gains on investments accounted for using the equity method	($ 164,619)	($ 21,371)	$ -	($ 185,990)
Defined benefit assets	(5,411)	(354)	(877)	(6,642)
Unrealized gross profit from sales	(2,567)	(985)	-	(3,552)
Investment property	(6,934)	(457)	-	(7,391)
	($ 179,531)	($ 23,167)	($ 877)	($ 203,575)
	($ 156,467)	($ 29,652)	($ 877)	($ 186,996)

	2023			
Deferred tax assets	Balance, January 1	Recognized in profit or loss	Recognized in other comprehensive income	Balance, December 31
Temporary differences:				
Loss carryforwards	$ 10,544	$ 2,225	$ -	$ 12,769
Unrealized inventory losses	3,515	4,079	-	7,594
Allowance for uncollectible accounts	83	98	-	181
Others	2,100	420	-	2,520
	$ 16,242	$ 6,822	$ -	$ 23,064

	2023			
Deferred tax liabilities	Balance, January 1	Recognized in profit or loss	Recognized in other comprehensive income	Balance, December 31
Temporary differences:				
Unrealized gains on investments accounted for using the equity method	($ 143,074)	($ 21,545)	$ -	($ 164,619)
Defined benefit assets	(4,874)	(462)	(75)	(5,411)
Unrealized gross profit from sales	(1,183)	(1,384)	-	(2,567)
Investment property	(6,480)	(454)	-	(6,934)
	($ 155,611)	($ 23,845)	($ 75)	($ 179,531)
	($ 13,369)	($ 17,023)	($ 75)	($ 156,467)

D. 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 Company's expiration dates of unused taxable loss and amounts of unrecognized deferred tax assets are as follows:

Year incurred	Amount filed/assessed	Unused amount	Unrecognized deferred tax assets	Expiry Year
2015	Amount assessed	$ 80,283	$ 80,283	2025
2016	Amount assessed	52,729	52,729	2026
2017	Amount assessed	154,071	141,385	2027
2018	Amount assessed	35,773	22,173	2028
2019	Amount assessed	48,676	48,676	2029
2020	Amount assessed	100,873	100,873	2030
2023	Amount filed	10,178	10,178	2033
2024	Amount filed	110,008	110,008	2034
		$ 592,591	$ 566,305	

E. Current income tax assets

	December 31	
	2024	2023
Current income tax assets	$ 273	$ 194

F. Income tax assessments

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

(18)Earnings (losses) 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

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

Shares

(Unit: in thousands of shares)

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

(19)Non-cash transactions

Investing activities with partial cash payments:

	For the year ended December 31	
	2024	2023
Purchase of property, plant and equipment	$ 46,420	$ 31,575
Add: Opening balance of payable on equipment	9,572	3,679
Less: Ending balance of payable on equipment	(10,900)	(9,572)
Cash paid during the year	$ 45,092	$ 25,682

(20) Changes in liabilities from financing activities

For the year ended December 31, 2024

	Balance as of January 1, 2024	Cash Flows	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 and long-term payables to related parties	1,114,920	(255,186)	-	-	859,734
Deposits received	278	17,426	-	-	17,704
Liabilities from financing activities	$ 1,641,082	($ 325,760)	$ -	$ 87	$ 1,315,409

For the year ended December 31, 2023

	Balance as of January 1, 2023	Cash Flows	Non-cash Changes: New 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	854,000	260,920	-	-	1,114,920
Bonds payable	276,841	(277,100)	-	259	-
Deposits received	418	(140)	-	-	278
Liabilities from financing activities	$ 1,577,221	$ 63,602	$ -	$ 259	$ 1,641,082

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

The transactions between the Company and its related parties are summarized as follows:

(1) Names and relationships of related parties

Names of related parties	Relationship with the Corporation
Cosmo Electronics Technology (KunShan) Co., Ltd.	Subsidiaries
Cosmo Electronics (HK) Company Limited	Subsidiaries
PT Cosmo Technology	Subsidiaries
Real Bonus Limited	Subsidiaries
Ding Wang Electronics Technology Corporation	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.

Note 2: 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:		
Dongguan Guanwang Electronic Technology Co., Ltd.	$ 84,081	$ 52,760
Cosmo Electronics Technology (KunShan) Co., Ltd.	69,457	22,568
PT Cosmo Technology	49,949	13,217
Starlite Creations Inc	34,003	-
	$ 237,490	$ 88,545

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

B. Purchases of goods

	For the year ended December 31	
	2024	2023
Operation costs - processing costs:		
Cosmo Electronics Technology (KunShan) Co., Ltd.	$ -	$ 79,573
Purchases of inventories:		
Cosmo Electronics Technology (KunShan) Co., Ltd.	40,215	-
PT Cosmo Technology	33,206	308
Dongguan Guanwang Electronic Technology Co., Ltd.	-	2,357
	$ 73,421	$ 82,238

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

C. Receivables from related parties

	December 31	
	2024	2023
Accounts receivable:		
PT Cosmo Technology	$ 5,341	$ 4,787
Dongguan Guanwang Electronic Technology Co., Ltd.	11,156	-
	16,497	4,787
Other receivable from related parties:		
Cosmo Electronics Technology (KunShan) Co., Ltd.	534	-
Real Bonus Limited	-	634
	534	634
	$ 17,031	$ 5,421

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. Other receivables from related parties arise mainly from selling property, plant and equipment.

D. Payables to related parties

	December 31	
	2024	2023
Accounts payable:		
Cosmo Electronics Technology (KunShan) Co., Ltd.	$ 32,751	$ 12,374
PT Cosmo Technology	17,272	-
	50,023	12,374
Other payables to related parties:		
Real Bonus Limited	98,191	-
Cosmo Electronics (HK) Company Limited	18,032	-
Esteemed Glory Holdings Limited	101	-
Guan Hong Energy Co., Ltd.	96	-
	116,420	-
	$ 166,443	$ 12,374

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. Other receivables to related parties arise mainly from loans from subsidiaries and interest payable on long-term borrowings from related parties.

E. Loans from related parties

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

The details of the aforementioned fund financing are as follows:

	For the year ended December 31,2024		
Categories of related parties	Balance, end of year	Maximum outstanding balance	Interest Expense
Esteemed Glory Holdings Limited	$ 9,836	$ 47,670	$ 101
Guan Hong Energy Co., Ltd.	10,000	10,000	96
Tsai, Nai Chen	22,000	80,000	-
	$ 41,836		$ 197

F. Contract liabilities

	December 31	
	2024	2023
Cosmo Electronics Technology (KunShan) Co., Ltd.	$ 17,838	$ 25,583
Dongguan Guanwang Electronic Technology Co., Ltd.	-	10,940
	$ 17,838	$ 36,523

G. Equity transactions

Please refer to Note 6(5).

(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
	$ 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:

Assets items	Book Value December 31 2024	Book Value December 31 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
Property, plant and equipment	307,424	311,275	Credit facility
Investment property	95,139	92,856	Credit facility
	$ 437,308	$ 418,431	

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	December 31 2023
Non-derivative financial instruments		
Financial assets		
Financial assets at amortized cost		
Cash and cash equivalents	$ 20,658	$ 145,267
Financial assets at amortized cost	34,767	17,370
Accounts receivable and Other receivables	55,652	43,065
Refundable deposits	136	636
	$ 111,213	$ 206,338

	December 31	
	2024	2023
Non-derivative financial instruments		
Financial liabilities		
Financial liabilities at amortized cost		
Short-term borrowings	$ 408,000	$ 426,000
Short-term bills payable	29,971	99,884
Accounts payable and Other payable	273,777	88,007
Long-term borrowings and Long-term payables to related parties (including current portion)	859,734	1,114,920
	$ 1,571,482	$ 1,728,811

B. Financial risk management objectives

The Company's 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 treasury under policies approved by the Board of Directors. The Company treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units.

C. Market risk

(a) Foreign exchange risk

i. The Company operates internationally and is 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's 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
Financial assets			
Monetary items			
USD:NTD	$ 1,424	32.785	$ 46,686
RMB:NTD	1,478	4.478	6,619

(Foreign currency: functional currency)	December 31, 2024 Foreign currency amount	Exchange rate	Book value
Financial liabilities			
Monetary items			
USD:NTD	$ 364	32.785	$ 11,934

(Foreign currency: functional currency)	December 31, 2023 Foreign currency amount	Exchange rate	Book value
Financial assets			
Monetary items			
USD:NTD	$ 2,288	31.71	$ 70,552
Financial liabilities			
Monetary items			
USD:NTD	$ 406	31.71	$ 12,874

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%	$ 2,334	$ -
RMB:NTD	5%	331	-
Financial liabilities			
Monetary items			
USD:NTD	5%	$ 597	$ -

	For the year ended December 31, 2023		
	Sensitivity analysis		
(Foreign currency: functional currency)	Degree of variation	Effect on profit or loss before tax	Effect on other comprehensive profit or loss
Financial assets			
Monetary items			
USD:NTD	5%	$ 3,528	$ -
Financial liabilities			
Monetary items			
USD:NTD	5%	$ 664	$ -

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 ($187) thousand and $1,069 thousand, respectively.

(b) Cash flow and fair value Interest rate risk

i. The Company's 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 $6,489 thousand and $8,204 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	1.67%	3.41%	100%	100%	
Total book value	$ 36,516	$ 2,067	$ 7	$ 389	$ 38,979
Loss allowance	($ 610)	($ 71)	($ 7)	($ 389)	($ 1,077)

	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	1.2%	2.32%	0.00%	100%	
Total book value	$ 33,429	$ 22	$ -	$ 393	$ 33,844
Loss allowance	($ 402)	($ 1)	$ -	($ 393)	($ 769)

(g) Movements in relation to the Company applying the simplified approach to provide loss allowance for accounts receivable are referred to Note 6(3).

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	$ 408,000	$ -	$ -	$ 408,000	$ 408,000
Short-term bills payable	30,000	-	-	30,000	29,971
Accounts payable	104,319	-	-	104,319	104,319
Other payables	169,458	-	-	169,458	169,458
Long-term borrowings and Long-term payables to related parties (including current portion)	621,360	132,653	143,882	897,895	859,734

	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
Accounts payable	36,433	-	-	36,433	36,433
Other payables	51,574	-	-	51,574	51,574
Long-term borrowings (including current portion)	321,018	987,999	172,399	1,481,416	1,114,920

(c) The Company's current liabilities on parent company only balance sheet were \$1,383,438 thousand, which were greater than current assets of \$306,995 thousand on December 31, 2024. The Company can request the subsidiaries to transfer back to the Company when its working capital exceeds the needs of the subsidiaries, and through the loan line with the bank to solve the Company's short-term cash needs. As of December 31, 2024, the total of bank deposit balance in each subsidiary was \$84,443 thousand, and the amount of the Company's undrawn borrowing facilities was \$100,000 thousand.

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’s 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’s investment in unconvertible bonds is included in Level 2.

Level 3:Unobservable inputs for the asset or liability. The fair value of the Company’s investment in investment property is included in Level 3.

(b) Financial instruments not measured at fair value

The management of the Company believes 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	$ -	$ -	$ 95,139	$ 95,139

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Investment property	$ -	$ -	$ 92,856	$ 92,856

(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:

	For the year ended December 31	
	2024	2023
	Investment property	Investment property
At January 1	$ 92,856	$ 90,588
Recorded as other gains and losses	2,283	2,268
At December 31	$ 95,139	$ 92,856

(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	$ 95,139	Discounted cash flow method	Discount rate	2.47%~2.72%	The higher discount rate, the lower 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	$ 92,856	Discounted cash flow method	Discount rate	2.25%~2.75%	The higher discount rate, the lower fair value

(2) Capital management

The Company's objectives when managing capital are to safeguard the Company's 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 may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Company monitors 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 parent company only balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the parent company only balance sheet plus net debt. The gearing ratios were as follows:

	December 31	
	2024	2023
Total borrowings	$ 1,297,705	$ 1,640,804
Less: Cash and cash equivalents	(20,658)	(145,267)
Net debt	1,277,047	1,495,537
Total equity	1,973,187	1,882,172
Total capital	$ 3,250,234	$ 3,377,709
Gearing ratio	39%	44%

(3) 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

The Company has disclosed segment information in the consolidated financial statements in accordance with IFRS 8. Therefore, the parent company only financial statements is not required to disclose segment information.

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		Limit on loans granted to a single party (Note 2)	Ceiling on total loans granted (Note 2)
													Item	Value		
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		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
		Company name	Relationship with the endorser/guarantor (Note 2)											
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	45%	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	5%
		PT Cosmo Technology	1	Sales	49,949	Normal transaction terms	6%
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.

COSMO ELECTRONICS CORPORATION

THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

FOR THE YEAR END DECEMBER 31, 2024

COSMO ELECTRONICS CORPORATION

STATEMENT OF CASH AND CASH EQUIVALENTS

DECEMBER 31, 2024

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Item	Description (Note)		Amount
Petty Cash			$ 175
Cash on hand	USD	3 thousand	104
	EUR	5 thousand	162
	SGD	2 thousand	48
	JPY	88 thousand	19
	Others		45
Subtotal			553
Bank accounts	Checking accounts and Demand deposits		13,630
	Foreign currency deposits		
	USD	183 thousand	6,015
	RMB	73 thousand	329
	Others		131
Subtotal			20,105
Total			$ 20,658

Note: Cash on hand and foreign currency deposits are calculated based on closing rate on the date of the balance sheet.

COSMO ELECTRONICS CORPORATION

STATEMENT OF ACCOUNTS RECEIVABLE

DECEMBER 31, 2024

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Client Name	Description	Amount
A		$ 5,221
B		5,208
C		4,438
D		4,395
E		3,943
F		2,155
Others (Note)		13,619
		38,979
Less: Allowance for uncollectible accounts		(1,077)
Balance, net		$ 37,902

Note: None of the balances of each remaining client is greater than 5% of this account balance.

COSMO ELECTRONICS CORPORATION

STATEMENT OF INVENTORIES

DECEMBER 31, 2024

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Item	Description	Amount: Cost	Amount: Net Realizable Value	Note
Raw materials		$ 62,223	$ 56,867	
Work in progress		29,632	25,546	
Finished goods		122,346	110,057	
Merchandise		7,654	1,563	
		221,855	$ 194,033	
Less: Allowance for inventory valuation losses		(27,822)		
Balance, net		$ 194,033		

COSMO ELECTRONICS CORPORATION
STATEMENT OF CHANGES IN INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR END DECEMBER 31, 2024
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS/ SHARE)

	Beginning Balance			Increase		Net profit (loss) recognized by of the investee	Financial statements translation differences of foreign operations	Others	Ending Balance			Market Value or Net Equity		
Name	Shares	Percentage of Ownership	Amount	Shares	Amount	Amount	Amount	Amount	Shares	Percentage of Ownership	Amount	Amount	Collateral	Note
Cosmo Electronics Samoa	5,500,038	100%	$ 202,716	-	$ -	($ 39,419)	$ 5,976	($ 8,593)	5,500,038	100%	$ 160,680	$ 160,680	None	
Cosmo Electronics (HK)Co. Limited	63,180,000	100%	145,097	-	-	(467)	9,819	3,075	63,180,000	100%	157,524	157,524	None	
Grandway Concept Group Limited (Samoa)	9,850,000	100%	1,394,261	900,000	28,792	210,738	48,166	5,182	10,750,000	100%	1,687,139	1,687,139	None	
Grandway International	30,080,000	100%	812,574	-	-	(53,808)	45,758	(2,948)	30,080,000	100%	801,576	801,576	None	
Pt Cosmo Technology	3,000,000	14%	98,638	-	-	(10,183)	6,630	56	3,000,000	14%	95,141	95,141	None	
Cosmo Green Power Limited	-	100%	9,517	-	-	-	114	-	-	100%	9,631	9,631	None	
			$2,662,803		$ 28,792	$ 106,861	$ 116,463	($ 3,228)			$2,911,691	$2,911,691		

Note 1：It is calculated by the audited financial report of the investees for the year end December 31, 2024.
Note 2：Net equity is calculated by the audit financial report and percentage of ownership of the Company.

COSMO ELECTRONICS CORPORATION
STATEMENT OF CHANGES OF PROPERTY, PLANT AND EQUIPMENT
FOR THE YEAR END DECEMBER 31, 2024
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Item	Beginning Balance	Addition	Decrease	Ending Balance	Collateral	Note
Land	$ 191,950	$ -	$ -	$ 191,950	Note	
Buildings and structures	119,325	-	(3,851)	115,474	Note	
Machinery	148,571	49,774	(39,431)	158,914	None	
Transportation equipment	2,144	-	(446)	1,698	None	
Office equipment	776	-	(266)	510	None	
Other equipment	20,482	5,266	(5,068)	20,680	None	
	$ 483,248	$ 55,040	($ 49,062)	$ 489,226		

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

COSMO ELECTRONICS CORPORATION
STATEMENT OF SHORT-TERM BORROWINGS
DECEMBER 31, 2024
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Nature	Ending Balance	Contract Period	Range of Interest Rate	Credit Line	Collateral	Note
Unsecured borrowings						
The Shanghai Commercial & Savings Bank	$ 98,000	2024/05/27~2025/05/26	2.58%	98,000	Note 1	
The Export-Import Bank of the Republic of China	80,000	2024/11/15~2024/09/15	2.41%	80,000	Note 3	
Chang Hwa Commercial Bank	40,000	2024/08/26~2025/02/26	2.61%	50,000	Note 2	Note 6
Hua Nan Commercial Bank	14,000	2024/11/05~2025/02/05	2.94%	14,000	Note 4	
First Commercial Bank	25,000	2024/09/13~2025/03/13	2.72%	25,000	Note 4	Note 7
First Commercial Bank	8,744	2024/11/07~2025/05/06	2.72%	8,744	Note 4	Note 7
First Commercial Bank	3,256	2024/11/14~2025/05/13	2.72%	3,256	Note 4	Note 7
Secured borrowings						
Hua Nan Commercial Bank	16,000	2024/11/05~2025/02/05	2.94%	16,000	Note 5	
Chang Hwa Commercial Bank	10,000	2024/07/19~2025/01/19	2.43%	50,000	Note 2	Note 6
First Commercial Bank	83,000	2024/09/13~2025/03/13	2.38%	83,000	Note 5	Note 7
Sunny Bank	30,000	2024/11/13~2025/05/12	2.75%	30,000	Note 5	Note 8
	$ 408,000					

Note 1: 10% of the amount is reimbursement account as a pledge, and the chairman of the Company, Hsieh, Shu Chuan, Tsai, Nai Chen and Tsai, Chi Hu, were the sureties of the above loan agreements in their personal names.
Note 2: Land and Plant are pledged, and the chairman of the Company, Hsieh, Shu Chuan, Tsai, Nai Chen and Tsai, Chi Hu, were the sureties of the above loan agreements in their personal names.
Note 3: The note of the Company is pledged, and the chairman of the Company, Hsieh, Shu Chuan, was the surety of the above loan agreements in her personal names.
Note 4: The chairman of the Company, Hsieh, Shu Chuan, and Tsai, Nai Chen, were the sureties of the above loan agreements in their personal names.
Note 5: Land and building are pledged, and the chairman of the Company, Hsieh, Shu Chuan, and Tsai, Nai Chen, were the sureties of the above loan agreements in their personal names.
Note 6: The amount of shared credit limit is $50,000 thousand.
Note 7: The amount of shared credit limit is $120,000 thousand.
Note 8: The amount of shared credit limit with long-term borrowing is $210,000 thousand.

COSMO ELECTRONICS CORPORATION

STATEMENT OF ACCOUNTS PAYABLE

DECEMBER 31, 2024

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Client Name	Description	Amount
A		$ 27,078
B		8,973
C		5,036
D		4,881
Others (Note)		8,328
		$ 54,296

Note: None of the balances of each remaining client is greater than 5% of this account balance.

COSMO ELECTRONICS CORPORATION
STATEMENT OF LONG-TERM BORROWINGS
DECEMBER 31, 2024
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Creditor	Amount	Contract Period	Range of Interest Rate	Current Portion	Collateral	Note
O-Bank	$ 113,890	2022/03/25~2025/03/25	3.8192%	$ 113,890	None	Note 1 and 3
Cathay United Bank	53,786	2022/03/25~2025/03/25	3.8192%	53,786	None	Note 1 and 3
Chang Hwa Commercial Bank	54,140	2022/03/25~2025/03/25	3.8192%	54,140	None	Note 1 and 3
Hua Nan Commercial Bank	78,878	2022/03/25~2025/03/25	3.8192%	78,878	None	Note 1 and 3
Bank of Kaohsiung	38,586	2022/03/25~2025/03/25	3.8192%	38,586	None	Note 1 and 3
The Shanghai Commercial & Savings Bank	54,140	2022/03/25~2025/03/25	3.8192%	54,140	None	Note 1 and 3
KGI Commercial Bank	108,380	2022/03/25~2025/03/25	3.8192%	108,380	None	Note 1 and 3
O-Bank	9,960	2022/03/25~2025/03/25	3.8191%	9,960	None	Note 1 and 3
Cathay United Bank	5,104	2022/03/25~2025/03/25	3.8191%	5,104	None	Note 1 and 3
Chang Hwa Commercial Bank	4,810	2022/03/25~2025/03/25	3.8191%	4,810	None	Note 1 and 3
Hua Nan Commercial Bank	7,292	2022/03/25~2025/03/25	3.8191%	7,292	None	Note 1 and 3
Bank of Kaohsiung	3,504	2022/03/25~2025/03/25	3.8191%	3,504	None	Note 1 and 3
The Shanghai Commercial & Savings Bank	4,810	2022/03/25~2025/03/25	3.8191%	4,810	None	Note 1 and 3
KGI Commercial Bank	9,520	2022/03/25~2025/03/25	3.8191%	9,520	None	Note 1 and 3
Sunny Bank	149,500	2024/11/01~2031/11/01	2.75%	6,000	Note 2	Note 4
Sunny Bank	29,800	2024/11/13~2031/11/13	2.75%	2,400	Note 2	Note 4
The Shanghai Commercial & Savings Bank	91,798	2023/07/17~2026/07/17	6.66%	52,456	None	Note 4
Cosmo Green Power Limited	10,000	2024/07/10~2026/07/09	2%	-	None	Note 5
Esteemed Glory Holdings Limited	9,836	2024/09/25~2026/09/24	2%	-	None	Note 5
	$ 837,734			$ 607,656		

Note 1: Substantive related parties, Tsai, Nai Chen and Tsai, Chi Hu, the chairman of the Company, Hsieh, Shu Chuan were the sureties of the above syndicated loan agreements in their personal names.

Note 2: The net value of property, plant and equipment were pledged is $307,424 and the net value of investment property were pledged is $95,139 thousand.

Note 3: For each use, the expiry date of the credit period was the maturity date(March 24, 2025), but this credit line shall be one period from the date of first drawdown date of 18 months, and thereafter every 6 months shall be a period, and the credit line shall be reduced during 4 periods with a certain proportion, by 5% from the first drawdown date by 18 months; by 5% by the date of full 24 months; by 30% by the date of full 30 months; by 60% by the date of full 36 months. If the drawdown balance exceeds the limit after reduced, the borrower shall repay the excess amount in advance.

Note 4: 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 loan agreements in their personal names.

Note 5: Loan from related party.

COSMO ELECTRONICS CORPORATION

STATEMENT OF OPERATING REVENUE

FOR THE YEAR ENDED DECEMBER 31, 2024

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Item	Volume (thousands)	Amount
Total operating revenue		
Photocouplers	245,932	$ 247,583
Photoelectric relay	13,926	87,992
Reed relay	3,033	41,650
Others (Note)	184,837	140,870
		518,095
Processing income		63
Less: Sales return and allowance		(2,171)
Net operating revenue		$ 515,987

Note: Others are included work in progress ($ 95,272 thousand), raw materials ($ 39,920 thousand), and solid state relay ($ 5,678 thousand).

COSMO ELECTRONICS CORPORATION

STATEMENT OF OPERATING COST

FOR THE YEAR ENDED DECEMBER 31, 2024

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Item	Amount	
	Subtotal	Total
Beginning merchandise inventory	$ 5,957	
Add(Less): Merchandise purchased	57,880	
Raw material to merchandise sales	5,931	
Work in progress to merchandise sales	100,684	
Others	862	
Ending merchandise inventory	(7,654)	163,660
Cost of merchandise inventory sold		163,660
Beginning raw materials	75,150	
Add(Less): Raw materials purchased	143,903	
Raw material to merchandise sales	(5,931)	
Others	378	
Ending raw materials	(62,223)	151,277
Raw materials used		151,277
Direct labor		17,693
Manufacturing expense		115,349
Total manufacturing cost		284,319
Add(Less): Beginning work in progress	64,263	
Work in progress to sales	(100,684)	
Work in progress to merchandise sales	(862)	
Transfer from finished goods	17,815	
Ending work in progress	(29,632)	(49,100)
Cost of finished goods		235,219
Add(Less): Beginning finished goods	218,352	
Finished goods purchased	16,996	
Transfer to work in progress	(17,815)	
Others	(1,446)	
Ending finished good	(122,346)	93,741
Cost of finished goods sold		328,960
Gains on reversal of decline in market value		(10,139)
Inventory surplus		(451)
Revenue from sale of scraps		(1,116)
Others		760
Operating costs		$ 481,674

COSMO ELECTRONICS CORPORATION

STATEMENT OF OPERATING EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2024

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Items	Selling expenses	General and administrative expenses	Research and development expenses	Total
Salaries and Wages (Including post-employment benefits)	$ 13,488	$ 48,093	$ 777	$ 62,358
Insurance expense	1,508	4,483	73	6,064
Import/export(customs) expense	1,947	-	-	1,947
Certification expense	1,101	-	2,505	3,606
Service expense	-	6,428	-	6,428
Research expense	-	-	468	468
Miscellaneous expenses	1,042	5,591	-	6,663
Others (Note)	2,695	13,378	154	16,227
Total	$ 21,781	$ 77,973	$ 3,977	$ 103,731

Note: None of the balances of each item is greater than 5% of this account balance.