COSMO ELECTRONICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REVIEW REPORT

JUNE 30, 2025 AND 2024

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

Independent Auditors' Review Report Translated from Chinese

To the Board of Directors and Shareholders of Cosmo Electronics Corporation

Introduction

We have reviewed the accompanying consolidated financial statements of Cosmo Electronics Corporation and its subsidiaries, which comprise the consolidated balance sheets as at June 30, 2025 and 2024, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three-month and six-month periods ended June 30, 2025 and 2024, respectively, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" as endorsed and issued into effect by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion, we conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As explained in Notes 4(3) to the consolidated financial statements, the financial statements of certain non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed by independent auditors. Those statements reflect total assets of NT$201,561 thousand, constituting 5% of the consolidated total assets, and total liabilities of NT$82,947 thousand, constituting 4% of the consolidated total liabilities as at June 30, 2025, respectively, and total comprehensive income (loss) of NT$(387,232) thousand and NT$(412,528) thousand, constituting 81% and 75% of the consolidated total comprehensive income for the three-month and six-month periods then ended, respectively.

Qualified Conclusion

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries been reviewed by independent auditors, that we might have become aware of had it not been for the situation described above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Cosmo Electronics Corporation and its subsidiaries as at June 30, 2025 and 2024, and of its consolidated financial performance for the three-month and six-month periods then ended, and of its consolidated cash flows for the six-month periods then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed and issued into effect by the Financial Supervisory Commission.

Other Matter

The financial statements of Cosmo Electronics Corporation for the three months ended June 30, 2024, were reviewed by another auditor, who expressed a qualified conclusion on those statements in their report dated August 12, 2024.

Lee, Ting Yi   Chen, Yu Hsun

For and on behalf of Candor Taiwan CPAs

August 14, 2025

The accompanying consolidated financial statements are not intended to present to financial position and results of operations and cash flow in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such consolidated financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

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

COSMO ELECTRONICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

JUNE 30, 2025, DECEMBER 31, 2024 AND JUNE 30, 2024

(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	June 30, 2025 Amount	%	December 31, 2024 Amount	%	June 30, 2024 Amount	%
	Current assets							
1100	Cash and cash equivalents	4(6) and 6(1)	$ 155,604	4	$ 105,101	2	$ 355,317	9
1136	Financial assets at amortised cost-current	4(7), 6(2) and 8	18,072	-	30,285	1	20,941	1
1170	Accounts receivable, net	4(7) and 6(3)	132,735	3	140,093	3	172,480	4
1180	Accounts receivable from related parties	4(7) and 7	113,729	3	137,004	3	177,674	4
1200	Other receivables	4(7)	4,313	-	5,386	-	7,024	-
1210	Other receivables from related parties	4(7) and 7	15	-	-	-	12,446	-
1220	Current income tax assets	4(16) and 6(15)	1,135	-	343	-	978	-
130X	Inventories	4(8), 5(1) and 6(4)	516,260	13	501,437	13	720,799	16
1470	Other current assets		69,792	2	109,692	3	63,193	1
11XX	**Total current assets**		1,011,655	25	1,029,341	25	1,530,852	35
	Non-current assets							
1535	Financial assets at amortized cost-non current	4(7), 6(2) and 8	4,482	-	4,482	-	36,754	-
1600	Property, plant and equipment	4(9),(12) ,6(5) and 8	700,891	18	776,284	18	715,339	16
1755	Right-of-use assets	4(13) and 6(6)	160,870	4	186,463	4	191,722	4
1760	Investment property, net	4(10), 5(2), 6(7) and 8	1,927,650	49	2,168,692	50	1,908,692	42
1780	Intangible assets	4(11),(12) and 6(8)	8,917	-	10,575	-	11,154	-
1840	Deferred income tax assets	4(16) and 6(15)	73,094	2	80,720	2	81,025	2
1915	Prepayments for equipment		2,785	-	17,364	-	10,588	-
1990	Other non-current assets		66,390	2	50,429	1	38,661	1
15XX	**Total non-current assets**		2,945,079	75	3,295,009	75	2,993,935	65
1XXX	**Total assets**		$ 3,956,734	100	$ 4,324,350	100	$ 4,524,787	100

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COSMO ELECTRONICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

JUNE 30, 2025, DECEMBER 31, 2024 AND JUNE 30, 2024

(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	June 30, 2025 Amount	%	December 31, 2024 Amount	%	June 30, 2024 Amount	%
	Current liabilities							
2100	Short-term borrowings	4(14) and 6(9)	$ 1,099,916	28	$ 408,000	9	$ 577,943	13
2110	Short-term bills payable	6(9)	-	-	29,971	1	99,869	2
2130	Contract liabilities-current	6(13) and 7	739	-	47,786	1	5,951	-
2150	Notes payable		26,640	1	-	-	56	-
2170	Accounts payable		169,733	4	108,268	3	163,328	4
2180	Accounts payable to related parties	7	16,840	-	32,909	1	34,537	1
2200	Other payables		90,265	2	94,834	2	71,937	2
2220	Other payables to related parties	7	7,145	-	7,009	-	6,964	-
2230	Current income tax liabilities	4(16) and 6(15)	462	-	1,592	-	137	-
2280	Lease liabilities-current	4(13)	6,797	-	8,791	-	8,700	-
2320	Long-term liabilities-current portion	4(14) and 6(10)	64,663	2	1,027,337	24	1,214,075	27
2399	Other current liabilities		1,696	-	3,135	-	3,998	-
21XX	**Total current liabilities**		1,484,896	37	1,769,632	41	2,187,495	49
	Non-current liabilities							
2540	Long-term borrowings	4(14), 6(10) and 7	225,166	6	238,014	6	215,185	5
2570	Deferred income tax liabilities	4(16) and 6(15)	252,917	6	260,164	6	236,530	5
2580	Lease liabilities-non current	4(13)	24,575	1	27,016	1	28,271	1
2640	Net defined benefit liability-non current	4(15), 6(11) and 7	11,944	-	16,340	-	15,146	-
2622	Long-term payables to related parties	6(10) and 7	327,955	8	22,000	-	-	-
2670	Others non-current liabilities	6(7)	26,786	1	17,997	-	423	-
25XX	**Total non-current liabilities**		869,343	22	581,531	13	495,555	11
2XXX	**Total liabilities**		2,354,239	59	2,351,163	54	2,683,050	60

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COSMO ELECTRONICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

JUNE 30, 2025, DECEMBER 31, 2024 AND JUNE 30, 2024

(Expressed in thousands of New Taiwan dollars)

			June 30, 2025		December 31, 2024		June 30, 2024	
	Liabilities and Equity	Notes	Amount	%	Amount	%	Amount	%
	Equity attributable to owners of the parent							
3110	Common stock	6(12)	$ 1,734,587	44	$ 1,714,587	40	$ 1,714,587	38
3200	Capital surplus	6(12)	303,838	8	143,838	3	143,838	3
3300	Retained earnings							
3310	Legal reserve		22,495	1	22,495	1	22,495	-
3320	Special reserve		171,472	4	171,472	4	171,472	4
3350	Accumulated deficit		(245,490)	(6)	(24,294)	(1)	(95,491)	(2)
3400	Other equity interest		(384,407)	(10)	(54,911)	(1)	(115,164)	(3)
3XXX	**Total equity**		1,602,495	41	1,973,187	46	1,841,737	40
2-3XXX	**TotalL liabilities and equity**		$ 3,956,734	100	$ 4,324,350	100	$ 4,524,787	100

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

COSMO ELECTRONICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except for deficit per share amounts)

			For the three months ended June 30,				For the six months ended June 30,			
			2025		2024		2025		2024	
	Items	Notes	Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue	4(17),(18), 6(13) and 7	$ 243,970	100	$ 317,599	100	$ 447,530	100	$ 446,667	100
5000	Operating costs	6(4) and 7	(247,398)	(101)	(265,525)	(84)	(444,145)	(99)	(393,840)	(88)
5900	Gross profit (loss)		(3,428)	(1)	52,074	16	3,385	1	52,827	12
	Operating expenses									
6100	Selling expenses		(18,651)	(8)	(16,521)	(5)	(31,291)	(7)	(26,013)	(6)
6200	General and administrative expenses		(61,373)	(25)	(50,787)	(15)	(114,195)	(26)	(101,656)	(24)
6300	Research and development expenses		(3,376)	(1)	(1,344)	-	(6,035)	(1)	(2,218)	-
6450	Expected credit impairment (loss) gain	6(3)	(4,222)	(2)	(270)	-	(1,413)	-	(345)	-
6000	Total operating expenses		(87,622)	(34)	(68,922)	(20)	(152,934)	(34)	(130,232)	(30)
6900	Operating loss		(91,050)	(35)	(16,848)	(4)	(149,549)	(33)	(77,405)	(18)
	Non-operating income and expenses									
7100	Interest income	6(14)	349	-	2,953	1	578	-	7,196	3
7010	Other income	6(14)	8,733	4	1,462	-	10,905	2	3,961	1
7020	Other gains and losses	6(14)	(50,532)	(21)	2,369	-	(50,340)	(11)	6,247	1
7050	Finance costs	6(14) and 7	(12,913)	(5)	(22,089)	(7)	(31,685)	(7)	(44,949)	(10)
7000	Total non-operating income and expenses		(54,363)	(22)	(15,305)	(6)	(70,542)	(16)	(27,545)	(5)
7900	**Loss before income tax**		(145,413)	(57)	(32,153)	(10)	(220,091)	(49)	(104,950)	(23)
7950	Income tax (expenses) benefit	4(16) and 6(15)	5,691	2	2,361	1	(1,105)	-	9,459	2
8200	**Profit (loss) for the period**		($ 139,722)	(55)	($ 29,792)	(9)	($ 221,196)	(49)	($ 95,491)	(21)
	Other comprehensive income (loss)									
	Components of other comprehensive income (loss) that will be reclassified to profit or loss									
8361	Financial statements translation differences of foreign operations	6(12)	(339,396)	(139)	(25,630)	(8)	(329,496)	(74)	55,056	12
8300	**Other comprehensive income (loss) for the period**		($ 339,396)	(278)	($ 25,630)	(16)	($ 329,469)	(74)	$ 55,056	12
8500	**Total comprehensive income (loss) for the period**		($ 479,118)	(194)	($ 55,422)	(17)	($ 550,692)	(123)	($ 40,435)	(9)
	Losses attributable to:									
8610	Owners of the parent		($ 139,722)	(57)	($ 29,792)	(9)	($ 221,196)	(49)	($ 95,491)	(21)
8700	Comprehensive income (loss) attributable to :									
8710	Owners of the parent		($ 479,118)	(196)	($ 55,422)	(17)	($ 550,692)	(124)	($ 40,435)	(9)
	Deficit per share									
9750	Basic deficit per share	6(16)	($ 0.81)		($ 0.17)		($ 1.29)		($ 0.56)	

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

COSMO ELECTRONICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Equity attributable to owners of the parent						
	Share capital		Retained earnings				
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Total equity
For the six months ended June 30, 2024							
Balance at January 1, 2024	$ 1,714,587	$ 143,838	$ 19,061	$ 140,561	$ 34,345	($ 170,220)	$ 1,882,172
Appropriation and Allocation of Earnings:							
Legal reserve	-	-	3,434	-	(3,434)	-	-
Special reserve	-	-	-	30,911	(30,911)	-	-
Loss for the period	-	-	-	-	(95,491)	-	(95,491)
Other comprehensive income (loss) for the period	-	-	-	-	-	55,056	55,056
Balance at June 30, 2024	$ 1,714,587	$ 143,838	$ 22,495	$ 171,472	($ 95,491)	($ 115,164)	$ 1,841,737
For the six months ended June 30, 2025							
Balance at January 1, 2025	$ 1,714,587	$ 143,838	$ 22,495	$ 171,472	($ 24,294)	($ 54,911)	$ 1,973,187
Loss for the period	-	-	-	-	(221,196)	-	(221,196)
Other comprehensive income (loss) for the period	-	-	-	-	-	(329,496)	(329,496)
Capital increase by cash	20,000	160,000	-	-	-		180,000
Balance at June 30, 2025	$ 1,734,587	$ 303,838	$ 22,495	$ 171,472	($ 245,490)	($ 384,407)	$ 1,602,495

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

COSMO ELECTRONICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	For the six month ended June 30, 2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Consolidated loss before tax for the period	($ 220,091)	($ 104,950)
Adjustments		
Income and expenses having no effect on cash flows		
Depreciation expenses	53,344	56,107
Amortization expenses	1,094	997
Expected credit impairment losses	1,413	345
Interest expense	31,685	44,949
Interest income	(578)	(7,196)
(Gain) Loss on disposal and scrap of property, plant and equipment	19,054	-
Changes in assets and liabilities relating to operating activities		
(Increase) Decrease in Notes receivable	-	3,140
(Increase) Decrease in Accounts receivable	6,138	(93,699)
(Increase) Decrease in Accounts receivable from related parties	23,275	(103,783)
(Increase) Decrease in Other receivables	1,073	(1,470)
(Increase) Decrease in Other receivables from related parties	(15)	1,400
(Increase) Decrease in Inventories	(14,823)	(166,364)
(Increase) Decrease in Prepayments	45,782	(21,765)
(Increase) Decrease in Other current assets	(5,882)	(645)
(Increase) Decrease in Other non-current assets	(15,168)	6,968
(Increase) Decrease in Net defined benefit assets	(793)	(1,026)
Decrease (Increase) in Contract liabilities-current	(47,047)	4,933
Decrease (Increase) in Notes payable	26,640	(3)
Decrease (Increase) in Accounts payable	61,465	120,358
Decrease (Increase) in Accounts payable to related parties	(16,069)	34,103
Decrease (Increase) in Other payables	(4,569)	12,500
Decrease (Increase) in Other payables to related parties	136	445
Decrease (Increase) in Other current liabilities	(1,439)	56
Decrease (Increase) in Net defined benefit liability	(4,396)	1,190
Cash outflow used in operations	(59,771)	(213,410)
Interest received	578	7,196
Income taxes (paid) received	12,841	(204)
Net cash flows used in operating activities	(46,352)	(206,418)
CASH FLOWS FROM INVESTING ACTIVITIES		
(Disposal) Acquisition of financial assets at amortized cost	12,213	(6,239)
Acquisitions of property, plant and equipment	(65,966)	(42,957)
Acquisitions of right-of-use assets	-	(6,306)
Acquisitions and payments for investment properties	(5,494)	(13,494)
Proceeds from disposal of property, plant and equipment	50,156	-
Acquisitions of intangible assets	(287)	-
(Increase) Decrease in prepayments for equipment	10,365	(15,126)
Net cash flows generated from (used in) investing activities	987	(84,122)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of new common stocks	180,000	-
Repayment of short-term borrowings	1,051,129	877,943
Decrease in short-term borrowings	((358,000))	(726,000)
Increase (Decrease) in short-term bills payable	(30,000)	-
Proceeds from long-term borrowings	349,172	-
Repayment for long-term borrowings	(994,978)	(114,102)
Increase (Decrease) in other non-current liabilities	8,789	-
Payment of lease liabilities	(1,437)	(1,383)
Interest paid	(32,122)	(45,487)
Net cash flows generated from (used in) financing activities	172,553	(9,029)
Effect due to changes in exchange rate	(76,685)	50,175
Net increase (decrease) in cash and cash equivalents	50,503	(249,394)
Cash and cash equivalents at beginning of period	105,101	604,711
Cash and cash equivalents at end of period	$ 155,604	$ 355,317

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

COSMO ELECTRONICS CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organization

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

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

These consolidated financial statements were authorized for issuance by the Board of Directors on August 14, 2025.

3. Application of New, Amended and Revised Standards and Interpretations

(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 amended/revised IFRSs Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Company's accounting policies.

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

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

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

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

(3) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of classification of financial assets	January 1, 2026 (Note 1)

Note 1: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. It is permitted to apply these amendments for an earlier period beginning on January 1, 2025.

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

(4) The IFRSs Accounting Standards issued by IASB, but not yet endorsed and issued into effect 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" - the amendments to the application guidance of classification of financial assets	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Amendments to IFRS 10 and IAS 28, "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

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

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

4. Summary of Significant Accounting Policies

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

(1) Compliance statement

The accompanying consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34, "Interim Financial Reporting," endorsed and issued into effect by the FSC. The consolidated financial statements do not present all the disclosures required for a complete set of annual consolidated financial statements prepared under the IFRS Accounting Standards endorsed and issued into effect by the FSC.

(2) Basis of preparation

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

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

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

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

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

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

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

B. Subsidiaries included in the consolidated financial statements:

			Ownership (%)			
Name of Investor	Name of Subsidiary	Main Business Activities	June 30, 2025	December 31, 2024	June 30, 2024	Description
Cosmo Electronics Corporation	Cosmo Electronics Samoa	Investment activities	-%	100%	100%	Note 2 and 3
	Cosmo Electronics (HK) Company Limited	Trading of electronic products	100%	100%	100%	Note 2
	Grand Concept Group Limited	Investment activities	100%	100%	100%	Note2
	Grandway International Limited	Investment activities	100%	100%	100%	
	PT Cosmo Technology (PT Cosmo)	Manufacturing and selling of LED lighting	14%	14%	14%	Note 1
	Cosmo Green Power Limited (Cosmo Green)	Manufacturing and selling of material of biomass energy	100%	100%	100%	Note 2
	Cosmo Electronics Technology (KunShan) Co., Ltd.	Manufacturing and selling of new electronic parts	100%	-%	-%	Note 2 and 4
	Juheng Development Corp	Land development	100%	-%	-%	Note 2 and 7

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%) June 30, 2025	December 31, 2024	June 30, 2024	Description
Cosmo Electronics Samoa	Cosmo Electronics Technology Co., Ltd.	Investment activities	-%	100%	100%	Note 2 and 5
Cosmo Electronics Technology Co., Ltd.	Cosmo Electronics Technology (KunShan) Co., Ltd.	Manufacturing and selling of new electronic parts	-%	100%	100%	Note 2 and 4
Cosmo Electronics (HK) Company Limited	Cosmo Lighting Inc.	Selling of LED lighting	100%	100%	100%	Note 2
Grand Concept Group Limited	True Glory Investments Limited	Investment activities and processing and trading of PCBs	100%	100%	100%	Note 2
	Real Bonus Limited	Selling of LED lighting	100%	100%	100%	Note 2
Grandway International Limited	Truly Top Investments Limited	Investment activities	100%	100%	100%	Note 2
	Renown Boom Limited	Investment activities and processing and selling of routers	100%	100%	100%	Note 2
True Glory Investments Limited	PT Cosmo Technology (PT Cosmo)	Manufacturing and selling of LED lighting	13%	13%	13%	Note 1
	PT Cosmo Green Technology (PT Cosmo Green)	Manufacturing and selling of material of biomass energy	50%	50%	50%	Note 1and 2
	PT Cijambe Indah (PT Cijambe)	Land development	95%	95%	95%	Note 1
	PT Cosmo Electronics Indonisia	Manufacturing and selling of new electronic parts	100%	100%	100%	Note 2
Truly Top Investments Limited	PT Cosmo Technology (PT Cosmo)	Manufacturing and selling of LED lighting	73%	73%	73%	Note 1
	PT Cosmo Green Technology (PT Cosmo Green)	Manufacturing and selling of material of biomass energy	50%	50%	50%	Note 1 and 2
Renown Boom Limited	Dong Guan Guan Zhen Xing Trading Limited	Manufacturing and selling of material of biomass energy	100%	100%	100%	
	PT Cijambe Indah (PT Cijambe)	Land development	5%	5%	5%	Note 1
Dong Guan Guan Zhen Xing Trading Limited	Dongguan Guanwang Electronic Technology Co., Ltd.	Developing, manufacturing and selling of electronic products	100%	100%	100%	Note 2
	Guizhou Guanwang International Digicrown Electronic Technology Co., Ltd	Developing, manufacturing and selling of electronic products	-%	-%	100%	Note 6

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

Note 2: The financial statements of the entity as of and for the six-month ended June 30, 2025 was not reviewed by independent auditors as the entity did not meet the definition of a significant subsidiary.

Note 3: The company had been liquidated in February 2025.

Note 4: The organizational structure was changed and is now 100% owned by Cosmo Electronics Corporation in 2025.

Note 5: Defunct company.

Note 6: The company had been liquidated in August 2024.

Note 7: The subsidiary was approved for incorporation on June 5, 2025, and is 100% owned by Cosmo Electronics Corporation.

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

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

E. Significant restrictions: None.

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

G. Among the subsidiaries included in the consolidated financial statements, some are based on their self-prepared financial reports that have not been reviewed by auditors. The total assets of these subsidiaries amounted to NT$201,561 thousand and NT$446,898 thousand as of June 30, 2025 and 2024, respectively. The total liabilities amounted to NT$82,947 thousand and NT$121,693 thousand as of the same dates. The total comprehensive income (loss) for the three-month and six-month period ended June 30, 2025 and 2024 amounted to (NT$387,232) thousand, (NT$34,508) thousand, (NT$412,528) thousand and NT$6,209 thousand, respectively.

(4) Foreign currency

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

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

(5) Classification of Current and Noncurrent Assets and Liabilities

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

(6) Cash and Cash Equivalents

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

(7) Financial Instruments

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

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

A. Financial assets

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

(a) Measurement category

Financial assets are classified into financial assets at amortized cost.

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

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

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

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

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

(b) Impairment of financial assets

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

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

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

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

(c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flow 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 an effective interest method.

(b) Derecognition of financial liabilities

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

(8) Inventories

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

(9) Property, plant and equipment

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

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

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

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

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

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

(10)Investment property

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

(11)Intangible assets

A. Computer software

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

B. Patent

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

(12)Impairment of Tangible Assets and Intangible Assets

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

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

For contracts with customers within the scope of IFRS 15, inventories, property, plant and equipment, and intangible assets recognized in relation to such contracts are first assessed for impairment in accordance with the respective impairment requirements applicable to those assets. Subsequently, an impairment loss is recognized for contract cost assets if the carrying amount of the asset exceeds the remaining amount of consideration expected to be received in exchange for the goods or services to which the asset relates, less the costs that relate directly to fulfilling the contract and have not been recognized as expenses. After the above assessments, if applicable, the carrying amount of contract cost assets is included in the carrying amount of the cash-generating unit to which they belong, and the recoverable amount of the cash-generating unit is assessed for impairment accordingly.

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

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

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

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

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

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

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

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

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

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

(14)Borrowings

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

(15)Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of the pension benefits that employees will receive on retirement for their services with the Company and its subsidiaries in current 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 be 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 the amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Company and its subsidiaries calculate the number of shares based on the closing price of the day preceding the board meeting resolution.

(16) Income tax

Income tax expense includes both current and deferred income tax.

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

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

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

The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the Company's unappropriated retained earnings and is recognized as income tax expense in the year following the earnings generation, upon the resolution of the shareholders' meeting to distribute the earnings, based on the actual distribution.

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

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

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

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

(17)Revenue recognition

Sales of goods

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

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

(18) Operating segments

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

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

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

(1) Valuation of inventories

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

(2) Assessment of the fair value of investment property

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

6. Details of Significant Accounts

(1) Cash and cash equivalents

	June 30, 2025	December 31, 2024	June 30, 2024
Cash on hand and petty cash	$ 975	$ 1,188	$ 5,289
Checking accounts and demand deposits	154,629	103,910	310,428
Time deposits	-	3	39,600
	$ 155,604	$ 105,101	$ 355,317

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

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

(2) Financial assets at amortized cost

Items	June 30, 2025	December 31, 2024	June 30, 2024
Current items:			
Restricted bank deposits	$ 18,072	$ 30,285	$ -
Time deposits	-	-	20,941
	18,072	30,285	20,941
Non-current items:			
Pledged time deposits	$ 4,460	$ 4,460	$ 4,437
Time deposits	22	22	-
Restricted bank accounts	-	-	25,869
Corporate bonds-CFE	-	-	6,448
	$ 4,482	$ 4,482	$ 36,754

A. The interest rates for time deposits were 1.08% as of June 30, 2025.

B. On November 4, 2021, the Company and its subsidiaries invested in a corporate bond issued by CFE, with a par value of USD 200 thousand, a coupon rate of 3.875%, and a maturity date of July 26, 2033. Interest was paid semi-annually. The bond was redeemed early on July 10, 2024, resulting in a disposal gain of USD 1,304 thousand.

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

(3) Receivables

Items	June 30, 2025	December 31, 2024	June 30, 2024
Accounts receivable	$ 139,439	$ 145,577	$ 175,559
Less: Allowance for uncollectible accounts	(6,704)	(5,484)	(3,079)
	$ 132,735	$ 140,093	$ 172,480

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

When there is evidence indicating that a counterparty is experiencing severe financial difficulty and the Company and its subsidiaries cannot reasonably expect to recover the amount, such as when the counterparty is undergoing liquidation, the Company and its subsidiaries directly write off the related accounts receivable. However, collection activities will continue, and any amounts subsequently recovered are recognized in profit or loss.

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

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

	June 30, 2025				
	Not past due	Past due 1 to 90 Days	Past due 91 to 180 Days	Past due over 181 Days	Total
Gross carrying amount	$ 117,033	$ 15,904	$ 523	$ 5,979	$ 139,439
Loss allowance (lifetime expected credit losses)	(436)	(121)	(168)	(5,979)	(6,704)
Amortized cost	$ 116,597	$ 15,783	$ 355	$ -	$ 132,735

	December 31, 2024				
	Not past due	Past due 1 to 90 Days	Past due 91 to 180 Days	Past due over 181 Days	Total
Gross carrying amount	$ 107,575	$ 33,259	$ 7	$ 4,736	$ 145,577
Loss allowance (lifetime expected credit losses)	(610)	(131)	(7)	(4,736)	(5,484)
Amortized cost	$ 106,965	$ 33,128	$ -	$ -	$ 140,093

	June 30, 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	$ 154,562	$ 18,512	$ -	$ 2,485	$ 175,559
Loss allowance (lifetime expected credit losses)	(583)	(11)	-	(2,485)	(3,079)
Amortized cost	$ 153,979	$ 18,501	$ -	$ -	$ 172,480

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

	For the six-month ended June 30,	
	2025	2024
Beginning balance	$ 5,484	$ 2,682
Add: Impairment losses recognized (reversed) on trade receivables	1,413	345
Foreign exchange gains and losses	(193)	52
Ending balance	$ 6,704	$ 3,079

(4) Inventories

	June 30, 2025		
	Cost	Allowance Loss	Book value
Raw materials	$ 178,218	($ 32,817)	$ 145,401
Work in progress	155,741	-	155,741
Finished goods	233,992	(20,269)	213,723
Merchandise	7,538	(6,143)	1,395
	$ 575,489	($ 59,229)	$ 516,260

	December 31, 2024		
	Cost	Allowance Loss	Book value
Raw materials	$ 185,372	($ 21,725)	$ 163,647
Work in progress	149,854	(4,086)	145,768
Finished goods	214,957	(28,433)	186,524
Merchandise	11,589	(6,091)	5,498
	$ 561,772	($ 60,335)	$ 501,437

	June 30, 2024		
	Cost	Allowance Loss	Book value
Raw materials	$ 217,671	($ 37,922)	$ 179,749
Work in progress	231,311	(4,390)	226,921
Finished goods	344,160	(31,340)	312,820
Merchandise	7,350	(6,041)	1,309
	$ 800,492	($ 79,693)	$ 720,799

The cost of inventories recognized as expense (revenue) for the period:

	For the three-month ended June 30,	
	2025	2024
Inventory reclassified as cost of goods sold	$ 250,221	$ 258,184
Loss on (gains on reversal of) decline in market value	(2,643)	7,856
Revenue from sale of scraps	(180)	(515)
Cost of goods sold, net	$ 247,398	$ 265,525

	For the six-month ended June 30,	
	2025	2024
Inventory reclassified as cost of goods sold	$ 446,406	$ 382,942
Loss on (gains on reversal of) decline in market value	(1,875	11,665
Revenue from sale of scraps	(386)	(767)
Cost of goods sold, net	$ 444,145	$ 393,840

(5) Property, plant and equipment

Cost	Land	Buildings and structures	Machinery	Transportation equipment	Office equipment	Other equipment	Construction in progress	Total
Balance at January 1, 2025								
Cost	$ 192,052	$ 513,219	$ 1,289,971	$ 20,255	$ 49,855	$ 254,384	$ 19,562	$ 2,339,298
Additions	-	3,346	60,509	-	2,111	-	-	65,966
Disposals	-	-	(276,833)	-	(167)	(8,306)	-	(285,306)
Transfer from prepayment	-	192	4,022	-	-	-	-	4,214
Exchange differences	(13)	(36,612)	(45,745)	(1,239)	(3,727)	(12,534)	(2,395)	(102,265)
Balance at June 30, 2025	$ 192,039	$ 480,145	$ 1,031,924	$ 19,016	$ 48,072	$ 233,544	$ 17,167	$ 2,021,907
Balance at January 1, 2025	$ -	$ 278,392	$ 1,029,929	$ 16,314	$ 38,484	$ 199,895	$ -	$ 1,563,014
Depreciation expense	-	11,644	27,797	757	1,158	4,973	-	46,329
Disposals	-	-	(207,634)	-	(156)	(8,306)	-	(216,096)
Exchange differences	-	(23,878)	(36,016)	(1,051)	(2,649)	(8,637)	-	(72,231)
Balance at June 30, 2025	$ -	$ 266,158	$ 814,076	$ 16,020	$ 36,837	$ 187,925	$ -	$ 1,321,016
Carrying amount at June 30 ,2025	$ 192,039	$ 213,987	$ 217,848	$ 2,996	$ 11,235	$ 45,619	$ 17,167	$ 700,891

	Land	Buildings and structures	Machinery	Transportation equipment	Office equipment	Other equipment	Construction in progress	Total
Cost								
Balance at January 1, 2024	$ 191,951	$ 474,153	$ 1,174,362	$ 19,533	$ 45,077	$ 245,923	$ -	$ 2,150,999
Additions	-	3,694	21,472	-	275	7,726	-	33,167
Disposals	-	-	-	-	-	-	-	-
Transfer from prepayment	-	-	-	-	-	-	-	-
Exchange differences	-	15,844	21,179	501	1,537	2,478	-	41,539
Balance at June 30, 2024	$ 191,951	$ 493,691	$ 1,217,013	$ 20,034	$ 46,889	$ 256,127	$ -	$ 2,225,705
Balance at January, 2024	$ -	$ 244,947	$ 941,817	$ 14,196	$ 37,078	$ 193,023	$ -	$ 1,431,061
Depreciation expense	-	10,808	30,891	797	961	5,462	-	48,919
Disposals	-	-	-	-	-	-	-	-
Exchange differences	-	10,045	16,749	376	1,151	2,065	-	30,386
Balance at June 30, 2024	$ -	$ 265,800	$ 989,457	$ 15,369	$ 39,190	$ 200,550	$ -	$ 1,510,366
Carrying amount at June 30, 2024	$ 191,951	$ 227,891	$ 227,556	$ 4,665	$ 7,699	$ 55,577	$ -	$ 715,339

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

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

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

(6) Leasing arrangements－lessee

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

B. Leases for dormitories and company cars undertaken by the Company and its subsidiaries are short-term leases (not exceeding 12 months) or relate to low-value assets.

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

	June 30, 2025	December 31, 2024	June 30, 2024
Land	$ 131,272	$ 149,090	$ 149,749
Buildings and structures	29,598	37,373	41,973
	$ 160,870	$ 186,463	$ 191,722

	For the three-month ended June 30,	
	2025	2024
	Depreciation	Depreciation
Land	$ 1,037	$ 1,088
Buildings and structures	2,366	2,500
	$ 3,403	$ 3,588

	For the six-month ended June 30,	
	2025	2024
	Depreciation	Depreciation
Land	$ 2,143	$ 2,146
Buildings and structures	4,872	5,042
	$ 7,015	$ 7,188

D. For the six-month periods ended June 30, 2025 and 2024, the additions to right-of-use assets were $0 and $18,326 thousand, respectively.

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

Items affecting profit or loss	For the three-month ended June 30, 2025	2024
Interest expense on lease liabilities	$ 223	$ 257
Expense of short-term lease contracts	$ 605	$ 100
Expense on lease of low-value assets	$ 25	$ 383
Total Cash Outflows for Leases	$ 1,331	$ 1,178

Items affecting profit or loss	For the six-month ended June 30, 2025	2024
Interest expense on lease liabilities	$ 466	$ 523
Expense of short-term lease contracts	$ 1,028	$ 201
Expense on lease of low-value assets	$ 296	$ 720
Total Cash Outflows for Leases	$ 2,761	$ 2,304

(7) Investment property

	June 30, 2025	June 30, 2024
At January 1	$ 2,168,692	$ 1,871,983
Additions－from subsequent expenditures	5,490	13,494
Net exchange differences	(246,532)	23,215
At June 30	$ 1,927,650	$ 1,908,692

A. Rental income from investment property is shown below:

	For the three-month ended June 30, 2025	2024
Rental income from investment property	$ 648	$ 639

	For the six-month ended June 30, 2025	2024
Rental income from investment property	$ 1,338	$ 1,344

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

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

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

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

   Similarly, the fair value at December 31, 2023, was based on the valuation carried out on March 1 and March 5, 2024, by the independent qualified professional valuers: Mr. Hsieh, Zong Ting (Certified Real Estate Appraiser in the ROC), from Euro-Asia Real Estate Appraisers Firm, and Ms. Chang, Shao Chi and Mr. Hsieh, Kun Lung (both Certified Real Estate Appraisers in the ROC), from Zone Tai Real Estate Appraisers Firm.

F. The fair value of the investment property is measured using Level 3 inputs in the fair value hierarchy. Unrealized profit or loss from fair value adjustment on investment property for the three months ended June 30, 2025 and 2024 are included in other gains and losses.

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

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

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

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

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

J. The fair value of undeveloped land held by the Company and its subsidiaries in Indonesia was measured using a land development analysis. The significant assumptions used were as follows:

	For the year ended December 31, 2024	For the year ended December 31, 2023
Estimated total sale price	$ 3,929,759	$ 3,430,106
Rate of return	15%	13%
Overall capital interest rate	11.2%~66.96%	10.44%~62.64%

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

K. The Company and its subsidiaries signed a contract on November 5, 2024, to sell 5 hectares of land in Indonesia (recognized as 'Investment property') for a total price of $108,800 thousand (USD$3,400 thousand). An advance payment of $17,280 thousand (classified as Other noncurrent liabilities) was received on the signing date. As of June 30, 2025, the transfer of ownership has not yet been completed.

(8) Intangible assets

	June 30, 2025			June 30, 2024		
	Patent	Computer software	Total	Patent	Computer software	Total
At January 1						
Cost	$ 19,851	$ 5,795	$ 25,646	$ 18,607	$ 5,461	$ 24,068
Accumulated amortization and impairment	(11,470)	(3,601)	(15,071)	(9,813)	(2,596)	(12,409)
Balance at January 1	$ 8,381	$ 2,194	$ 10,575	$ 8,794	$ 2,865	$ 11,659
At January 1	$ 8,381	$ 2,194	$ 10,575	$ 8,794	$ 2,865	$ 11,659
Additions	-	287	287	-	-	-
Amortization	(490)	(604)	(1,094)	(491)	(506)	(997)
Net exchange differences	(851)	-	(851)	492	-	492
Balance at June 30	$ 7,040	$ 1,877	$ 8,917	$ 8,795	$ 2,359	$ 11,154
At June 30						
Cost	$ 17,766	$ 6,067	$ 23,833	$ 19,651	$ 5,467	$ 25,118
Accumulated amortization and impairment	(10,726)	(4,190)	(14,916)	(10,855)	(3,109)	(13,964)
Balance at June 30	$ 7,040	$ 1,877	$ 8,917	$ 8,796	$ 2,358	$ 11,154

Details of amortization on intangible assets are as follows:

	For the three month ended June 30,	
	2025	2024
Selling expenses	$ 237	$ 249
General and administrative expenses	288	253
	$ 525	$ 502

	For the six month ended June 30,	
	2025	2024
Selling expenses	$ 490	$ 491
General and administrative expenses	604	506
	$ 1,094	$ 997

(9) Short-term borrowings

Type of borrowings	June 30, 2025	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	$ 960,916	2.41%~5.82%	Note 8
Secured borrowings	139,000	2.38%~2.94%	Note 8
	$ 1,099,916		

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%	None
Less: Unamortized discounts on bills payable	(29)		
	$ 29,971		

Type of borrowings	June 30, 2024	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	$ 468,943	2.35%~2.72%	None
Secured borrowings	109,000	2.38%~2.48%	Note 8
	$ 577,943		
Short-term bills payable			
Commercial paper	$ 100,000	1.80%~2.15%	None
Less: Unamortized discounts on bills payable	(131)		
	$ 99,869		

As at June 30, 2025, the total short-term borrowing facilities of the Company and its subsidiaries amounted to $1,122,550 thousand.

The Chairman of the Company, Hsieh, Shu Chuan, and related parties, Tsai, Nai Chen and Tsai, Chi Hu, served as joint guarantors for the above-mentioned bank credit facilities and secured borrowings in their personal capacities.

(10) Long-term borrowings

Type of borrowings	June 30, 2025	December 31, 2024	June 30, 2024
Long-term bank borrowings			
Real estate secured borrowings	$ 186,948	$ 197,104	$ 151,500
Other unsecured borrowings	58,600	91,798	116,820
Revolving unsecured borrowings (Tranche A)	-	546,800	734,550
Revolving unsecured borrowings (Tranche B)	-	409,813	405,625
	245,548	1,245,515	1,408,495
Loans from related parties			
Esteemed Glory Holdings Limited	34,281	9,836	-
Guan Hong Energy Co., Ltd.	10,000	10,000	-
Tsai, Nai Chen	180,000	22,000	-
Song, Min Kui	7,500	-	-
Digicrown Technologies Ltd.	140,455	-	-
Fairsky International Limited	-	-	20,765
	617,784	1,287,351	1,429,260
Less: Current portion of long-term borrowings	(64,663)	(1,027,337)	(1,214,075)
Less: Non-current amounts due to related parties	(327,955)	(22,000)	-
	$ 225,166	$ 238,014	$ 215,185

A. Unsecured borrowings

(a) The repayment was completed on March 25, 2025, and the Company obtained a loan facility in the amount of NT$700,000 thousand from a bank. The funds were used to repay the remaining balance of the syndicated loan facility with O-Bank.

The interest rate for this facility will be renegotiated every three months starting from the first drawdown date, with an increase of 0.5% in the spread. The medium-term loan is intended to repay the short-term credit facility.

(b) Prior to the drawdown, 90% of the equity interest in PT Cijambe must be pledged to the bank Pledgor True Glory Investments Ltd. Additionally, the land use right certificate in Indonesia held by PT Cijambe must be obtained before the facility can be drawn down.

(c) The facility will be structured into six tranches, with the first tranche due six months after the first drawdown date, and each subsequent tranche also having a six-month term. The credit facility will decrease by 7.5% in each of the first five tranches and by 62.5% in the final tranche.

During periodic reviews, compliance with the agreed-upon financial ratios will be assessed. If the Company fails to meet these financial covenants, the margin on the new drawdowns will increase by 0.25%. If, upon subsequent review, the covenants are met, the original terms of the facility may be reinstated.

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) On September 20, 2024, the Company's subsidiary, Cosmo Electronics Technology (Kunshan) Co., Ltd., entered into a finance lease agreement for property, plant and equipment with SCSB Leasing (China) Co., Ltd. The lease financing was provided for a loan amount of RMB 4,500 thousand, equivalent to the purchase price of the underlying asset.

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

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

C. Other unsecured borrowings

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

(b) The expiry date of the credit period was the maturity date. Interest would be paid one month from drawdown date, and the interest rate would be negotiated by the fund situation. As at June 30, 2025, the interest rate was 5.21%.

(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. Loans from related parties

Please refer to Note 7.

(11)Net defined benefit assets

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, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

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

(b) The pension costs under defined contribution pension plans of the Company and its subsidiaries for the three-month and six-month periods ended June 30, 2025 and 2024, were \$652 thousand, \$1,155 thousand, \$1,501 thousand and \$ 2,259 thousand, respectively.

(c) Expected contributions to the defined benefit pension plans of the Company and its subsidiaries for the year ended December 31, 2025 amount to \$0.

B.

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

Guanwang Electronic Technology Co., Ltd. had a defined contribution plan are based on certain percentage of employees' monthly salaries and wages.

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

(c) The pension costs recognized under the Group's defined contribution pension plans for the three-month periods ended June 30, 2025 and 2024, and for the six-month periods ended June 30, 2025 and 2024, amounted to $1,017 thousand, $1,238 thousand, $2,189 thousand and $2,458 thousand, respectively.

(12) Equity

A. Common stock

	June 30, 2025	December 31, 2024	June 30, 2024
Authorized capital	$ 2,500,000	$ 2,000,000	$ 2,000,000
Paid-in capital	$ 1,734,587	$ 1,714,587	$ 1,714,587

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

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

(c) The authorized capital was amended by a resolution of the extraordinary shareholders' meeting held on March 14, 2025, and the registration of the amendment was completed on April 15, 2025.

(d) On April 29, 2025, the Company completed its second private placement by issuing 2,000 thousand common shares. The issuance was subsequently approved by the competent authority, and the registration of the capital increase was completed on June 13, 2025.

B. Capital surplus

	June 30, 2025	December 31, 2024	June 30, 2024
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital			
Issuance of ordinary shares	$ 258,542	$ 98,542	$ 98,542
Conversion of bonds	18,701	18,701	18,701
Options expired	25,199	25,199	25,199
Employee share options	1,396	1,396	1,396
	$ 303,838	$ 143,838	$ 143,838

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

C. Retained earnings and dividend policy

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

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

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

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

On June 26, 2025, the stockholders' meeting resolved that no dividends for the distribution of earnings for the year of 2024

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

D. Other equity items

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

	For the six months ended June 30,	
	2025	2024
At January 1	($ 54,911)	($ 170,220)
Exchange differences arising on translation of foreign operations	(329,496)	55,056
At June 30	($ 384,407)	($ 115,164)

(13) Operating revenue

	For the three months ended June 30,	
	2025	2024
Revenue from contract with customers		
Operating revenue	$ 243,970	$ 317,599

	For the six months ended June 30,	
	2025	2024
Revenue from contract with customers		
Operating revenue	$ 447,530	$ 446,667

A. Disaggregation of revenue from contracts with customers

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

B. Contract liabilities

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

	June 30, 2025	December 31, 2024	June 30, 2024	January 1, 2024
Contract liabilities	$ 739	$ 47,786	$ 5,951	$ 1,018

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

	For the three months ended June 30, 2025		For the three months ended June 30, 2024	
Revenue recognized	$	-	$	-

	For the six months ended June 30, 2025		For the six months ended June 30, 2024	
Revenue recognized	$	47,786	$	1,018

(14) Profit (loss) of the year

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

A. Interest income

	For the three months ended June 30, 2025		For the three months ended June 30, 2024	
Bank deposit	$	304	$	2,278
Financial assets measured at amortized cost		13		408
Other interest income		32		267
	$	349	$	2,953

	For the six months ended June 30, 2025		For the six months ended June 30, 2024	
Bank deposit	$	397	$	5,743
Financial assets measured at amortized cost		26		727
Other interest income		155		726
	$	578	$	7,196

B. Other income

	For the three months ended June 30, 2025		For the three months ended June 30, 2024	
Rent income	$	648	$	639
Handling charge income		7		8
Other income, others		8,078		815
	$	8,733	$	1,462

	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Rent income	$ 1,338	$ 1,344
Handling charge income	16	15
Other income, others	9,551	2,602
	$ 10,905	$ 3,961

C. Other gains and losses

	For the three months ended June 30, 2025	For the three months ended June 30, 2024
Loss on disposal of property, plant and equipment	($ 19,037)	$ -
Net foreign exchange (losses) gains	(31,459)	2,586
Other gains and losses, net	(36)	(217)
	($ 50,532)	$ 2,369

	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Loss on disposal of property, plant and equipment	($ 19,054)	$ -
Net foreign exchange (losses) gains	(31,362)	6,923
Other gains and losses, net	76	(676)
	($ 50,340)	$ 6,247

D. Finance costs

	For the three months ended June 30, 2025	For the three months ended June 30, 2024
Bank borrowings	($ 11,965)	($ 20,750)
Other borrowings	(721)	-
Short-term bills payable	-	(781)
Lease liabilities	(223)	(257)
Financial expenses, others	(4)	(301)
	($ 12,913)	($ 22,089)

	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Bank borrowings	($ 30,301)	($ 42,425)
Other borrowing	(820)	-
Short-term bills payable	(66)	(1,410)
Lease liabilities	(466)	(523)
Financial expense, others	(32)	(591)
	($ 31,685)	($ 44,949)

E. Depreciation and amortization

	For the three months ended June 30,	
	2025	2024
Property, plant and equipment	$ 21,282	$ 24,031
Right-of-use assets	3,403	3,588
Other intangible assets	525	502
Operating costs and operating expenses	$ 25,210	$ 28,121

	For the six months ended June 30,	
	2025	2024
Property, plant and equipment	$ 46,329	$ 48,919
Right-of-use assets	7,015	7,188
Other intangible assets	1,094	997
Operating costs and operating expenses	$ 54,438	$ 57,104

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

	For the three months ended June 30,	
	2025	2024
Wages and salaries	$ 101,271	$ 88,366
Labor and health insurance fees	6,860	11,223
Pension		
Defined contribution pension plan	1,017	1,238
Defined benefit pension plan	652	1,155
Other personnel expenses	3,549	3,304
	$ 113,349	$ 105,286
Operating costs	$ 65,189	$ 69,138
Operating expenses	48,160	36,148
	$ 113,349	$ 105,286

	For the six months ended June 30,	
	2025	2024
Wages and salaries	$ 151,616	$ 141,787
Labor and health insurance fees	12,254	17,628
Pension		
Defined contribution pension plan	2,189	2,458
Defined benefit pension plan	1,501	2,259
Other personnel expenses	20,520	6,461
	$ 188,080	$ 170,593
Operating costs	$ 104,317	$ 94,978
Operating expenses	83,763	75,615
	$ 188,080	$ 170,593

Employees' compensation and directors' remuneration

According to the Company's Articles, the Company accrued employees' compensation and remuneration of directors at rates of 5% to 12% and no higher than 3%, respectively, of profit before tax and before appropriations for employees' compensation and directors' remuneration. However, accumulated losses shall be offset first.

For the six months ended June 30, 2025 and 2024, employees' compensation was accrued at $0 thousand and $0 thousand, respectively; while directors' remuneration was accrued at $0 thousand and $0 thousand, respectively. The aforementioned amounts were recognized in salary expenses.

For 2024, the employees' compensation and directors' remuneration were estimated and accrued based on 5% and 1%, respectively, of the current year's distributable profit as of the end of the reporting period. On March 28, 2025, the amounts of employees' compensation and directors' remuneration approved by the Board of Directors were consistent with the accrued amounts. The employees' compensation will be distributed in cash.

Employees' compensation of 2024 as resolved by the Board of Directors was consistent with the amounts recognized in the 2024 consolidated financial statements.

Information about employees' compensation and directors' remuneration is available on the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(15) Income tax

A. Income tax expense

The major components of tax expense were as follows:

	For the three months ended June 30, 2025	For the three months ended June 30, 2024
Current tax:		
Current tax on profits for the period	($ 135)	$ 811
Total current tax	(135)	811
Deferred tax:		
Origination and reversal of temporary differences	(5,556)	(3,172)
Income tax expense (benefit)	($ 5,691)	($ 2,361)

	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Current tax:		
Current tax on profits for the period	$ 726	$ 2,184
Total current tax	726	2,184
Deferred tax:		
Origination and reversal of temporary differences	379	(11,643)
Income tax expense (benefit)	$ 1,105	($ 9,459)

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

B. Current tax assets

	June 30, 2025	December 31, 2024	June 30, 2024
Current tax assets	$ 1,135	$ 343	$ 978

C. Current tax liability

	June 30, 2025	December 31 ,2024	June 30, 2024
Current tax liabilities	$ 462	$ 1,592	$ 137

D. Income tax assessment

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

(16) Losses per share

	For the three months ended June 30	
	2025	2024
Basic earnings (losses) per share (in dollars)	($ 0.81)	($ 0.17)

	For the six months ended June 30	
	2025	2024
Basic earnings (losses) per share (in dollars)	($ 1.29)	($ 0.56)

The losses and weighted average number of ordinary shares outstanding used in the computation of losses per share were as follows:

Net losses of the period

	For the three months ended June 30	
	2025	2024
Earnings (losses) used in the computation of basic earnings (losses) per share	($ 139,722)	($ 29,792)

	For the six months ended June 30	
	2025	2024
Earnings (losses) used in the computation of basic earnings (losses) per share	($ 221,196)	($ 95,491)

Shares

	For the three months ended June 30	
	2025	2024
Weighted average number of common shares outstanding used in the computation of basic losses per share	171,859	171,459

	For the six months ended June 30	
	2025	2024
Weighted average number of common shares outstanding used in the computation of basic losses per share	171,659	171,459

(17) Non-cash transactions

Investing activities with partial cash payments:

	For the six months ended March 31, 2025	2024
Purchase of property, plant and equipment	$ 65,966	$ 33,167
Add: Opening balance of payable on equipment	10,900	10,165
Less: Ending balance of payable on equipment	(10,900)	(375)
Cash paid during the period	$ 65,966	$ 42,957

(18) Changes in liabilities from financing activities

For the six months ended June 30, 2025

	Balance as of January 1, 2025	Cash Flows	Impact of Foreign Exchange Rate	Non-cash Changes	Balance as of June 30, 2025
Short-term borrowings	$ 408,000	$ 693,129	($ 1,213)	$ -	$ 1,099,916
Short-term bills payable	29,971	(30,000)	-	29	-
Long-term borrowings	1,265,351	(951,761)	(23,761)	-	289,829
Long-term payables to related parties	22,000	305,955	-	-	327,955
Lease liabilities	35,807	(1,437)	(2,532)	(466)	31,372
Liabilities from financing activities	$ 1,761,129	$ 15,886	($ 27,506)	($ 437)	$ 1,749,072

For the six months ended June 30, 2024

	Balance as of January 1, 2024	Cash Flows	Impact of Foreign Exchange Rate	Non-cash Changes	Balance as of June 30, 2024
Short-term borrowings	$ 426,000	$ 151,943	$ -	$ -	$ 577,943
Short-term bills payable	99,884	-	-	(15)	99,869
Long-term borrowings	1,519,497	(114,102)	23,865	-	1,429,260
Lease liabilities	25,912	(1,383)	945	11,497	36,971
Liabilities from financing activities	$ 2,071,293	$ 36,458	$ 24,810	$ 11,482	$ 2,144,043

7. Related Party Transactions

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

(1) Names and relationships of related parties

Names of related parties	Relationship with the Company and its subsidiaries
Ding Wang Electronics Technology Co., Ltd	Substantive related parties
Ever Merit Trading Limited	Substantive related parties
Evermerit Technology Electronic Co., Ltd.	Substantive related parties
Fairsky International Limited	Substantive related parties
Starlite Creations Inc	Substantive related parties
Esteemed Glory Holdings Limited	Substantive related parties
Guan Hong Energy Co., Ltd	Substantive related parties
Tsai, Nai Chen	Substantive related parties
Song, Min Kui	Substantive related parties
Digicrown Technologies Ltd	Substantive related parties

(2) Significant transactions and balances with related parties

A. Operating revenue

	For the three months ended June 30, 2025	2024
Sales of goods		
Starlite Creations Inc.	$ 93,181	$ 139,600
Evermerit Technology Electronic Co., Ltd.	-	132
	$ 93,181	$ 139,732

	For the six months ended June 30, 2025	2024
Sales of goods		
Starlite Creations Inc.	$ 148,007	$ 166,830
Evermerit Technology Electronic Co., Ltd.	-	132
	$ 148,007	$ 166,962

The transaction prices and payment terms for sales of goods to related parties were not significantly different from those with unrelated parties.

B. Purchases of goods

	For the three months ended June 30, 2025	2024
Purchases of raw material:		
Ever Merit Trading Limited	$ 6,181	$ 29,330

	For the six months ended June 30,	
	2025	2024
Purchases of raw material:		
Ever Merit Trading Limited	$ 15,188	$ 62,936

The transaction prices and payment terms for purchases of goods from related parties were not significantly different from those with unrelated parties.

C. Financial cost

	For the three months ended June 30,	
	2025	2024
Interest expense on borrowings from related parties:		
Esteemed Glory Holdings Limited	$ 45	$ -
Guan Hong Energy Co., Ltd.	50	-
Digicrown Technologies Ltd.	626	-
	$ 721	$ -

	For the six months ended June 30,	
	2025	2024
Interest expense on borrowings from related parties:		
Esteemed Glory Holdings Limited	$ 94	$ -
Guan Hong Energy Co., Ltd.	100	-
Digicrown Technologies Ltd.	626	-
	$ 820	$ -

D. Receivables from related parties

	June 30, 2025	December 31, 2024	June 30, 2024
Aggregate receivables from related parties:			
Starlite Creations Inc.	$ 113,915	$ 137,004	$ 177,674
Loss allowance	(186)	-	-
Accounts receivable from related parties, net	$ 113,729	$ 137,004	$ 177,674
Other receivables from related parties:			
Digicrown Technologies Ltd.	$ 15	$ -	$ -
Evermerit Technology Electronic Co., Ltd.	-	-	12,446
Total	$ 15	$ -	$ 12,446

The receivables from related parties arise mainly from sale transactions and other receivables transactions. Sales transaction payment is due two to five 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. Loss allowance on related party receivables was provided in accordance with the Company's accounting policies for the current period.

E. Payables to related parties and Other Payables to related parties

	June 30, 2025	December 31, 2024	June 30, 2024
Accounts payable:			
Ever Merit Trading Limited	$ 16,840	$ 32,909	$ 34,537
Other payables to related parties:			
Ding Wang Electronics Technology Corporation	$ 6,088	$ 6,812	$ 6,742
Evermerit Technology Electronic Co., Ltd.	41	-	222
Esteemed Glory Holdings Limited	194	101	-
Guan Hong Energy Co., Ltd.	196	96	-
Digicrown Technologies Ltd.	626	-	-
Total	$ 7,145	$ 7,009	$ 6,964

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

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

F. Loans from related parties

	June 30, 2025	December 31, 2024	June 30, 2024
Borrowing form related parties			
Long-tern borrowing:			
Esteemed Glory Holdings Limited	$ 34,281	$ 9,836	$ -
Guan Hong Energy Co., Ltd.	10,000	10,000	-
Fairsky International Limited	-	-	20,765
	44,281	19,836	20,765
Long-term payables to related parties:			
Tsai, Nai Chen	180,000	22,000	-
Song, Min Kui	7,500	-	-
Digicrown Technologies Ltd.	140,455	-	-
	$ 372,236	$ 41,836	$ 20,765

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

(b) The Company and its subsidiaries obtained loans with an interest rate of 2% from Guan Hong Energy Co., Ltd. on July 10, 2024, from Esteemed Glory Holdings Limited on September 25, 2024, and from Esteemed Glory Holdings Limited again on March 21, 2025. These loans were recognized as "Long-term borrowings".

(c) Since August 15, 2024, the Company has obtained a series loans from shareholder Tsai, Nai Chen, with an interest rate of 0%. The loans were expressed in "Long-term payables from related parties" and are primarily used for working capital purposes.

(d) The Company obtained loans from shareholder Song, Min Kui on March 6, 2025, with an interest rate of 0%. The loans were expressed in "Long-term payables from related parties" and are primarily used for working capital purposes.

(e) The Company obtained a series loans from shareholder Digicrown Technologies Ltd since March 20, 2025, with an interest rate of 2%. The loans were expressed in "Long-term payables from related parties" and are primarily used for working capital purposes.

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

(3) Key management compensation

	For the three months ended June 30,	
	2025	2024
Short-term employee benefits	$ 1,996	$ 1,784
Post-employment benefits	76	89
Total	$ 2,072	$ 1,873

	For the six months ended June 30,	
	2025	2024
Short-term employee benefits	$ 4,805	$ 4,329
Post-employment benefits	150	179
Total	$ 4,955	$ 4,508

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 Group's assets pledged as collateral are as follows:

Asset item	Book value June 30, 2025	Book value December 31, 2024	Book value June 30, 2024	Purpose
Restricted bank deposits (classified as financial assets measured at amortized cost)	$ 18,072	$ 30,285	$ 25,869	Repayment account for bank borrowings
Pledged time deposits (classified as financial assets measured at amortized cost)	4,460	4,460	4,437	Collateral for import duties
Land use rights (classified as right-of-use assets)	-	-	98,545	Credit facility for bank borrowings
Property, plant and equipment	315,292	336,731	411,495	Credit facility for bank borrowings
Investment property	106,842	107,949	92,855	Credit facility for bank borrowings
	$ 444,666	$ 497,425	$ 633,201	

On October 18, 2024, because of the requirements of the lead bank for a syndicated loan, the Company and its subsidiaries provided full collateral by pledging the shares of True Glory Investments Limited, the parent company of PT Cijambe (which holds investment property). The pledged shares amounted to IDR 184,809,000 thousand , and the pledging process was completed on the same date. On June 28, 2025, the pledge was released and re-established as full collateral in accordance with the requirements of the lending bank.

9. Significant Contingent Liabilities And Unrecognized Contract Commitments

None.

10. Significant Casualty Loss

None.

11. Significant Events After The Balance Sheet Date

(1) On July 8, 2025, the Board of Directors of the Company resolved that, in view of the rapid development of artificial intelligence ("AI") technologies in recent years and their broad applications in manufacturing, healthcare, energy, and smart city sectors, the Company and Aeon Lighting Technology Inc. entered into a memorandum of understanding ("MOU"). Strategically, the parties will leverage Aeon Lighting Technology Inc.'s containerized AI data center technology. The Company plans to invest in future data center construction and jointly operate and manage such facilities with Aeon Lighting Technology Inc. In terms of sales, both parties will expand the market based on their existing customers and market presence. Subsequently, the Company and Aeon Lighting Technology Inc. entered into a formal agreement for the purchase of CDC containerized data centers and planned to establish AI modular server rooms and a physical equipment demonstration area.

(2) On July 30, 2025, the Company received an official notification from Super Micro Computer, Inc. (NASDAQ: SMCI, hereinafter referred to as "Supermicro") confirming that the Company was admitted into its sales chain as a strategic partner. Through the designated channel assigned by Supermicro, the Company may directly procure Supermicro's product lines and related equipment and, in response to customer demand in the AI market, engage in the sales and leasing of such products and related equipment.

12. Others

(3) Financial instruments

A. Financial instruments by category

	June 30, 2025	December 31, 2024	June 30, 2024
Non-derivative financial instruments			
Financial assets			
Cash and cash equivalents	$ 155,604	$ 105,101	$ 355,317
Financial assets at amortized cost	22,554	34,767	57,695
Accounts receivable (including related parties)	246,464	277,097	350,154
Other receivables (including related parties)	4,328	5,386	19,470
Refundable deposits	711	674	676
	$ 429,661	$ 423,025	$ 783,312

	June 30, 2025	December 31, 2024	June 30, 2024
Non-derivative financial instruments			
Financial liabilities			
Short-term borrowings	$ 1,099,916	$ 408,000	$ 577,943
Short-term bills payable	-	29,971	99,869
Notes payable	26,640	-	56
Accounts payable (including related parties)	186,573	141,177	197,865
Other payables (including related parties)	97,410	101,843	78,901
Long-term borrowings and Long-term payables to related parties (including current portion and related parties)	617,784	1,287,351	1,429,260
Lease liabilities	31,372	35,807	36,971
	$ 2,059,695	$ 2,004,149	$ 2,420,865

B. Financial risk management policies

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

C. Market risk

(a) Foreign exchange risk

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

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

	June 30, 2025				
(Foreign currency: functional currency)		Foreign currency amount	Exchange rate		Book value in NTD
Financial assets					
Monetary items					
USD:NTD	$	1080	29.300	$	31,644
RMB:NTD		548	4.091		2,242
USD:RMB		140	7.162		4,102
USD:IDR		630	16,460.674		18,459
USD:VND		243	26,515.837		7,120
Financial liabilities					
Monetary items					
USD:NTD	$	2,409	29.300	$	70,584
USD:RMB		265	7.162		7,765

	December 31, 2024				
(Foreign currency: functional currency)		Foreign currency amount	Exchange rate		Book value in NTD
Financial assets					
Monetary items					
USD:NTD	$	2,902	32.785	$	95,142
USD:RMB		771	7.321		25,277
USD:IDR		83	16,150.246		2,721
USD:VND		248	25,916.996		8,131
Financial liabilities					
Monetary items					
USD:NTD	$	364	32.785	$	11,934
USD:RMB		51	7.321		1,672
USD:IDR		2	16,150.246		66

(Foreign currency: functional currency)	June 30, 2024 Foreign currency amount	Exchange rate	Book value in NTD
Financial assets			
Monetary items			
USD:NTD	$ 1,129	32.45	$ 36,636
USD:RMB	470	7.30	15,252
USD:IDR	274	16,388.89	8,891
USD:VND	250	25,753.97	8,113
Financial liabilities			
Monetary items			
USD:NTD	$ 181	32.45	$ 5,873
USD:RMB	67	7.30	2,174
USD:IDR	2	16,388.89	65

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

	June 30, 2025		
	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%	$ 1,582	$ -
RMB:NTD	5%	112	-
USD:RMB	5%	205	-
USD:IDR	5%	923	-
USD:VND	5%	356	-
Financial liabilities			
Monetary items			
USD:NTD	5%	$ 3,529	-
USD:RMB	5%	388	-

(Foreign currency: functional currency)	December 31, 2024		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss before tax	Effect on other comprehensive profit or loss
Financial assets			
Monetary items			
USD:NTD	5%	$ 4,757	$ -
USD:RMB	5%	1,264	-
USD:IDR	5%	136	-
USD:VND	5%	407	-
Financial liabilities			
Monetary items			
USD:NTD	5%	$ 597	-
USD:RMB	5%	84	-
USD:IDR	5%	3	-

(Foreign currency: functional currency)	June 30, 2024		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss before tax	Effect on other comprehensive profit or loss
Financial assets			
Monetary items			
USD:NTD	5%	$ 4,130	$ -
USD:RMB	5%	1,546	-
USD:IDR	5%	227	-
USD:VND	5%	408	-
Financial liabilities			
Monetary items			
USD:NTD	5%	$ 326	-
USD:RMB	5%	165	-
USD:IDR	5%	3	-

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

iii. Total exchange gains (losses), including realized and unrealized amounts, arising from significant foreign exchange fluctuations on the monetary items held by the Group for the three-month and six-month periods ended June 30, 2025 and 2024, amounted to ($31,459) thousand, $2,586 thousand, ($31,362) thousand and $6,923 thousand, respectively.

(b) Cash flow and fair value Interest rate risk

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

ii. As at June 30, 2025 December 31, 2024 and June 30, 2024, if the interest rate increases or decreases by 50 basis point, with all other variables held constant, profit, net of tax would have decreased or increased by $ 6,949 thousand, $8,410 thousand and $10,790 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 clients or counterparties of financial instruments on their contractual obligations. This risk primarily arises from counterparties' inability to repay contractual cash flows from accounts receivable, notes receivable, and financial assets measured at amortized cost in accordance with the agreed payment terms.

(b) For banks and financial institutions, the Company only accepts those with good credit ratings as counterparties. 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 that if contract payments are past due over 180 days based on the agreed terms, the credit risk on that financial asset is considered to have significantly increased since initial recognition. If there is evidence that the counterparty is facing severe financial difficulties and the Company cannot reasonably expect to recover the amount, for example, the counterparty is in liquidation, the Company will directly write off the related accounts receivable, but will continue collection activities, and any amounts subsequently recovered 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 groups its accounts receivable by geographical region, product type, and customer rating characteristics, and uses a simplified approach based on a provision matrix and loss rate method to estimate expected credit losses.

E. Liquidity risk

(a) Cash flow forecasting is performed in the operating entities of the Company and aggregated by the Company's Treasury Department. 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. 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
June 30, 2025					
Non-derivative financial liabilities					
Short-term borrowings	$ 1,111,689	$ -	$ -	$ 1,111,689	$ 1,099,916
Notes payable	26,640	-	-	26,640	26,640
Accounts payable (including related parties)	186,573	-	-	186,573	186,573
Other payables (including related parties)	97,410	-	-	97,410	97,410
Lease liabilities	9,280	18,770	7,400	35,450	31,372
Long-term borrowings (including current portion and related parties)	66,055	581,276	148,798	796,129	617,784

	Less than 1 year		1 to 5 years		Over 5 years		Total		Book value
December 31, 2024									
Non-derivative financial liabilities									
Short-term borrowings	$	411,568	$	-	$	-	$	411,568	$ 408,000
Short-term bills payable		30,000		-		-		30,000	29,971
Accounts payable (including related parties)		141,177		-		-		141,177	141,177
Other payables (including related parties)		101,843		-		-		101,843	101,843
Lease liabilities		10,368		20,410		9,970		40,748	35,807
Long-term borrowings (including current portion and related parties)		1,036,477		137,029		154,916		1,328,422	1,287,351

	Less than 1 year		1 to 5 years		Over 5 years		Total		Book value
June 30, 2024									
Non-derivative financial liabilities									
Short-term borrowings	$	582,639	$	-	$	-	$	582,639	$ 577,943
Short-term bills payable		100,000		-		-		10,000	99,869
Notes payable		56		-		-		56	56
Accounts payable (including related parties)		197,865		-		-		197,865	197,865
Other payables (including related parties)		75,989		-		-		75,989	78,901
Lease liabilities		10,465		20,215		11,696		42,376	36,971
Long-term borrowings (including current portion and related parties)		1,229,658		241,896		-		1,471,554	1,429,260

F. Fair value information

(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 transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Company and its subsidiaries' investment in beneficiary certificates is included in Level 1.

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

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

(b) Financial instruments not measured at fair value

June 30, 2025	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at amortized cost				
Corporate bonds	$ -	$ -	$ -	$ -

December 31, 2024	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at amortized cost				
Corporate bonds	$ -	$ -	$ -	$ -

June 30, 2024	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at amortized cost				
Corporate bonds	$ -	$ 6,448	$ -	$ 6,448

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

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

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

June 30, 2025	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Investment property	$ -	$ -	$ 1,927,650	$ 1,927,650

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

June 30, 2024	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Investment property	$ -	$ -	$ 1,908,692	$ 1,908,692

(d) For the six months ended June 30, 2025 and 2024, there was no transfer between Level 1 and Level 2.

(e) The following chart is the movement of Level 3 for the six months ended June 30, 2025 and 2024: Please refer to Note 6(7).

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

	Fair value at June 30, 2025	Valuation technique	Significant unobservable input	Range (Weighted average)	Relationship of inputs to fair value
Non-financial instruments					
Investment property	$ 1,927,650	Discounted cash flow method	Discount rate	2.47% ~2.72%	The higher discount rate, the lower fair value
		Land development analysis approach	Rate of return	15%	The higher rate of return, the lower the fair value
			Overall capital interest rate	11.2% ~66.96%	The higher overall capital interest rate, the lower the fair value

	Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Range (Weighted average)	Relationship of inputs to fair value
Non-financial instruments					
Investment property	$ 2,168,692	Discounted cash flow method	Discount rate	2.47% ~2.72%	The higher discount rate, the lower fair value
		Land development analysis approach	Rate of return	15%	The higher rate of return, the lower the fair value
			Overall capital interest rate	11.2% ~66.96%	The higher overall capital interest rate, the lower the fair value

	Fair value at June 30, 2024	Valuation technique	Significant unobservable input	Range (Weighted average)	Relationship of inputs to fair value
Non-financial instruments					
Investment property	$ 1,908,692	Discounted cash flow method	Discount rate	2.25% ~3%	The higher discount rate, the lower fair value
		Land development analysis approach	Rate of return	13%	The higher rate of return, the lower the fair value
			Overall capital interest rate	10.44% ~62.64%	The higher overall capital interest rate, the lower the fair value

(4) Capital management

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

	June 30, 2025	December 31, 2024	June 30, 2024
Total borrowings	$ 1,717,700	$ 1,725,322	$ 2,107,072
Less: Cash and cash equivalents	(155,604)	(105,101)	(355,317)
Net debt	1,562,096	1,620,221	1,751,755
Total equity	1,602,495	1,973,187	1,841,737
Total capital	$ 3,164,591	$ 3,593,408	$ 3,593,492
Gearing ratio	49.36%	45.09%	48.75%

(5) Sound Financial Plan

The Company and its subsidiaries have fully repaid the outstanding balance of the syndicated loan. The pledge procedures in connection with the Company's borrowing of NT$700,000 thousand from its principal banks are expected to be completed in early July 2025. On August 7, 2025, the banks will reclassify this borrowing from short-term borrowings to long-term borrowings. Upon such reclassification, the Company's current assets will exceed its current liabilities.

The management of the Company and its subsidiaries will continue to focus on enhancing operating performance and will adopt the following measures to ensure improvements in the financial position of the Company and its subsidiaries:

A. Operational plan

(a) New business development

The Company is actively deploying AI products and related equipment businesses to diversify its operations. The Company is expected to join the sales network of Super Micro Computer, Inc. as its strategic partner by the end of July 2025.

(b) Production cost control

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

(c) Enhancement of operating efficiency

The Company and its subsidiaries carefully evaluated future order trends and reviewed the current operating conditions of the plants in Taiwan and Mainland China. In June 2025, the production capacity of the Yilan and Kunshan plants was transferred to Indonesia, and operating efficiency is expected to improve significantly.

(d) Financial cost control

In March 2025, upon the maturity and repayment of the syndicated loan agreements, the Company and its subsidiaries adjusted the scale and currency composition of their bank borrowings. Consequently, the monthly financial costs to be paid in the future will decrease significantly.

B. Financing Plan

The Company and its subsidiaries' substantive related parties, Tsai, Chi Hu, Tsai, Nai Chen, and the chairman of the Company, Hsieh, Shu Chuan, have committed to providing funding support for the Group's operating activities and the repayment of obligations within the next year.

(6) 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 (not including subsidiaries, associates and joint ventures): None.

D. 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.

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

F. 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

Basic information: Please refer to table 7.

14. Segment Information

(1) General information

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

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

The reportable operating segments are as follows:

A. Optoelectronics parts

B. LED lighting

C. Energy & Materials

D. Others

E. Industrial Park Development

(2) Segment information

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

	For the three months ended June 30,			
	Segment revenue		Segment income (loss)	
	2025	2024	2025	2024
Optoelectronic parts	$ 114,411	$ 122,952	($ 111,359)	($ 7,755)
LED lighting	118,230	185,712	42,306	11,435
Energy & Materials	11,329	8,935	1,309	1,341
Others	-	-	(540)	(1)
Industrial Park Development	-	-	(2,174)	(2,529)
Total from continuing operations	$ 243,970	$ 317,599	($ 70,458)	$ 2,491
Headquarters management costs			(20,592)	(19,339)
Other income			9,082	4,415
Other gains and losses			(50,532)	2,369
Finance costs			(12,913)	(22,089)
Profit (Loss) before income tax			($ 145,413)	($ 32,153)

	For the six months ended June 30,			
	Segment revenue		Segment income (loss)	
	2025	2024	2025	2024
Optoelectronic parts	$ 237,485	$ 211,677	($ 146,691)	($ 27,272)
LED lighting	187,931	212,942	41,855	(8,816)
Energy & Materials	22,114	22,048	1,958	3,488
Others	-	-	(542)	(2)
Industrial Park Development	-	-	(5,094)	(5,368)
Total from continuing operations	$ 447,530	$ 446,667	($ 108,514)	($ 37,970)
Headquarters management costs			(41,035)	(39,435)
Other income			11,483	11,157
Other gains and losses			(50,340)	6,247
Finance costs			(31,685)	(44,949)
Profit (Loss) before income tax			($ 220,091)	($ 104,950)

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

The external revenue and segment profit or loss provided to the chief operating decision maker are measured on the same basis as those in the financial statements for revenue and profit before tax. Therefore, no reconciliation is required.

Loans to others
For the six months ended June 30, 2025

Table 1

Expressed in thousands of NTD

Number (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the six months ended June 30, 2025	Balance at June 30, 2025	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral Item	Collateral Value	Limit on loans granted to a single party (Note 2)	Aggregate Financing Limit (Note 2)
0	Cosmo Electronics Corporation	PT Cosmo Technology	Other receivables from related parties	Y	$ 182,628	$ 161,150	$ 161,150	3%	Shortterm financing	-	Operations	-	None	$ -	$ 160,249	$ 640,998
		Cosmo Electronics (HK) Company Limited	Other receivables from related parties	Y	179,430	175,800	120,130	-	Shortterm financing	-	Operations	-	None	-	160,249	640,998
1	Dong Guan Guan Zhen Xing Trading Limited	Dongguan Guanwang Electronic Technology Co., Ltd.	Other receivables from related parties	Y	100,606	24,546	23,769	-	Shortterm financing	-	Operations	-	None	-	320,499	334,041
2	Real Bonus Limited	Cosmo Electronics Corporation	Other receivables from related parties	Y	99,449	-	-	-	Shortterm financing	-	Operations	-	None	-	125,203	125,203
		PT Cosmo Technology	Other receivables from related parties	Y	99,615	87,900	87,900	3%	Shortterm financing	-	Operations	-	None	-	125,203	125,203
		Cosmo Electronics (HK) Company Limited	Other receivables from related parties	Y	19,194	17,580	8,790	-	Shortterm financing	-	Operations	-	None	-	125,203	125,203
3	PT Cosmo Green Technology	PT Cjiambe Indah	Other receivables from related parties	Y	33,495	24,030	24,030	3%	Shortterm financing	-	Operations	-	None	-	189,242	189,242
		PT Cosmo Technology	Other receivables from related parties	Y	33,495	17,800	17,800	3%	Shortterm financing	-	Operations	-	None	-	189,242	189,242
4	Renown Boom Limited	PT Cijambe Indah	Other receivables from related parties	Y	21,590	19,051	19,051	-	Shortterm financing	-	Operations	-	None	-	320,499	500,826
5	Cosmo Electronics (HK) Company Limited	Cosmo Electronics Corporation	Other receivables from related parties	Y	31,545	-	-	-	Shortterm financing	-	Operations	-	None	-	275,570	275,570
		PT Cosmo Technology	Other receivables from related parties	Y	49,808	58,600	58,600	3%	Shortterm financing	-	Operations	-	None	-	275,570	275,570

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: The total amount of loans granted by the parent company, Cosmo Electronics Corporation, shall not exceed 40% of its net worth. For loans made to counterparties with business transactions, the individual loan amount shall not exceed the transaction amount between the two parties. For loans made to meet short-term financing needs, the individual loan amount shall not exceed 10% of the net worth.
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, inn 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 six months ended June 30, 2025

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Endorser/guarantor	Party being endorsed/guaranteed: Company name	Party being endorsed/guaranteed: Relationship with the endorser/guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of June 2025	Outstanding endorsement/ guarantee amount as of June 30, 2024	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
0	Cosmo Electronics Corporation	PT Cosmo Technology	(2)	$ 640,998	$ 400,000	$ -	$ -	$ -	-%	$ 801,248	Y	N	N	Note 3
1	PT Cosmo Technology	Cosmo Electronics Corporation	(3)	1,602,495	926,000	-	-	-	-%	1,602,495	N	Y	N	Note 4
2	Dong Guan Guan Zhen Xing Trading Limited	Cosmo Electronics Technology (KunShan) Co., Ltd.	(3)	1,602,495	14,977	13,399	11,848	13,399	0.84%	1,602,495	N	N	Y	Note 4 Note 5
3	True Glory Investments Limited	Cosmo Electronics Corporation	(3)	1,602,495	926,000	700,000	700,000	1,165,262	43.68%	1,602,495	N	Y	N	Note 4 Note 6
3	True Glory Investments Limited	PT Cosmo Technology	(3)	1,602,495	400,000	-	-	-	-%	1,602,495	N	N	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.

Note 5: Dong Guan Guan Zhen Xing Trading Limited pledged its investment property with a fair value of RMB 3,275 thousand as collateral to secure the credit facility of Cosmo Electronics Technology (KunShan) Co., Ltd.

Note 6: True Glory Investments Limited pledged its 90% equity interest in a long-term investment as collateral to secure a credit facility of NT$700 million for Cosmo Electronics Corporation, and provided a joint guarantee.

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

For the six months ended June 30, 2025

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	($ 310,066)	100.00%	According to the terms agreed by both parties	$ -	-	$ 389,477	100.00%	Note
Dong Guan Guan Zhen Xing Trading Limited	Cosmo Electronics (HK) Company Limited	Group	Sales	(281,878)	100.00%	According to the terms agreed by both parties	-	-	194,688	100.00%	Note
PT Cosmo Technology	Starlite Creations Inc.	Substantive related parties	Sales	(148,007)	69.54%	According to the terms agreed by both parties	-	-	113,729	67.25%	

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

June 30, 2025

Table 4

Expressed in thousands of NTD

Purchaser/seller	Counterparty	Relationship	Balance as at	Turnover rate	Overdue Amount	Overdue Action taken	Amounts Received in Subsequent Period	Allowance for Impairment Loss	Footnote
Cosmo Electronics (HK) Company Limited	PT Cosmo Technology	Group	$ 389,477	234.27%	$ -	-	$ -	$ -	Note
Dong Guan Guan Zhen Xing Trading Limited	Cosmo Electronics (HK) Company Limited	Group	194,688	515.51%	-	-	-	-	Note
PT Cosmo Technology	Starlite Creations Inc.	Substantive related parties	113,729	236.12%	-	-	4,464	-	

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

Significant inter-company transactions during the reporting periods

For the six months ended June 30, 2025

Table 5

Expressed in thousands of NTD

				Transaction			
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Cosmo Electronics Corporation	Dongguan Guanwang Electronic Technology Co., Ltd.	(1)	Sales	$ 24,344	Normal transaction terms	5.44%
		Cosmo Electronics Technology (KunShan) Co., Ltd.	(1)	Sales	11,449	Normal transaction terms	2.56%
		PT Cosmo Technology	(1)	Sales	52,466	Normal transaction terms	11.72%
		PT Cosmo Technology	(1)	Accounts receivable	50,304	Normal transaction terms	1.27%
		PT Cosmo Technology	(1)	Other receivable	161,150	Loan	4.07%
		PT Cosmo Technology	(1)	Other receivable	61,909	Normal transaction terms	1.56%
		Cosmo Electronics (HK) Company Limited	(1)	Other receivable	120,130	Loan	3.04%
1	PT Cosmo Technology	Cosmo Electronics Corporation	(2)	Sales	10,232	Normal transaction terms	2.29%
		Real Bonus Limited	(3)	Sales	21,586	Normal transaction terms	4.82%
		Real Bonus Limited	(3)	Accounts receivable	43,564	Normal transaction terms	1.10%
		Cosmo Electronics Technology (KunShan) Co., Ltd.	(3)	Sales	14,833	Normal transaction terms	3.31%
		Cosmo Lightibg Inc.	(3)	Sales	15,564	Normal transaction terms	3.48%
2	Cosmo Electronics (HK) Company Limited	PT Cosmo Technology	(3)	Accounts receivable	389,477	Irregularly payment	9.84%
		PT Cosmo Technology	(3)	Other receivable	58,600	Loan	1.48%
		PT Cosmo Technology	(3)	Sales	310,066	Normal transaction terms	69.28%
3	Dong Guan Guan Zhen Xing Trading Limited	Cosmo Electronics (HK) Company Limited	(3)	Sales	281,878	Normal transaction terms	62.99%
		Cosmo Electronics (HK) Company Limited	(3)	Accounts receivable	194,688	Normal transaction terms	4.92%
4	PT. Cijabme Indah	PT Cosmo Technology	(3)	Other unearned revenue	68,019	Normal transaction terms	1.72%
5	Real Bonus Limited	PT Cosmo Technology	(2)	Other receivable	87,900	Loan	2.22%
6	Cosmo Electronics Technology (KunShan) Co., Ltd.	Cosmo Electronics Corporation	(2)	Sales	19,780	Normal transaction terms	4.42%
		PT Cosmo Technology	(3)	Sales	7,325	Normal transaction terms	1.64%

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 six months ended June 30, 2025

Table 6

Expressed in thousands of NTD per share

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at June 30, 2025	Initial investment amount: Balance as at December 31, 2024	Shares held as at June 30, 2025: Number of shares	Shares held as at June 30, 2025: Ownership (%)	Shares held as at June 30, 2025: Book value	Net profit (loss) of the investee for the six months ended June 30, 2025	Investment income (loss) recognized by the Company for the six months ended June 30, 2025	Footnote
Cosmo Electronics Corporation	Cosmo Electronics Samoa	Samoa	Investment activities	$ -	$ 193,912	-	0%	$ -	$ -	$ -	
	Cosmo Electronics (HK) Company Limited	Hong Kong	Trading of electronic products	269,412	269,412	63,180,000	100%	137,785	(267)	(267)	
	Grand Concept Group Limited	Samoa	Investment activities	340,035	327,230	11,170,000	100%	1,477,247	(16,021)	(16,021)	
	Grandway International Limited	Samoa	Investment activities	941,532	941,532	30,080,000	100%	701,745	(14,168)	(14,168)	
	PT Cosmo Technology	Indonesia	Manufacturing and selling of LED lighting	87,075	87,075	3,000,000	14%	78,912	(45,475)	(6,466)	Note 1
	Cosmo Green Power Limited	Vietnam	Manufacturing and selling of material of biomass energy	31,760	31,760	-	100%	8,413	-	-	Note 2
	Juheng Development Corp	Taiwan	Land development	28,000	-	2,800,000	100%	27,481	(519)	(519)	
Cosmo Electronics Samoa	Cosmo Electronics Technology Co., Ltd.	Mauritius Islands	Investment activities	-	193,912	-	0%	-	-	-	
Cosmo Electronics (HK) Company Limited	Cosmo Lighting Inc	U.S.A	Selling of LED lighting	49,046	49,046	1,620,000	100%	26,918	(1,004)	(1,004)	
Grand Concept Group Limited	True Glory Investments Limited	Samoa Islands	Investment activities and processing and trading of PCBs	340,035	327,230	11,170,000	100%	1,414,646	(9,699)	(9,699)	
	Real Bonus Limited	Samoa	Selling of LED lighting	-	-	-	100%	62,602	(6,322)	(6,322)	Note 2
Grandway International Limited	Truly Top Investments Limited	Samoa	Investment activities	538,516	538,516	16,850,000	100%	451,333	(31,585)	(31,585)	
	Renown Boom Limited	Samoa Islands	Investment activities and processing and selling of routers	402,983	402,983	13,230,000	100%	250,413	17,417	17,417	
True Glory Investments Limited	PT Cosmo Technology	Indonesia	Manufacturing and selling of LED lighting	87,514	87,514	2,750,000	13%	72,382	(45,475)	(5,927)	Note 1
	PT Cosmo Green Technology	Indonesia	Manufacturing and selling of material of biomass energy	44,603	44,603	15,000	50%	47,310	2,994	1,497	Note 1
	PT Cijambe Indah	Indonesia	Land development	429,170	416,363	139,842	95%	1,294,736	(5,513)	(5,249)	Note 1
	PT Cosmo Electronics Indonesia	Indonesia	Manufacturing and selling of new electronic	317	317	10,000	100%	175	-	-	
Truly Top Investments Limited	PT Cosmo Technology	Indonesia	Manufacturing and selling of LED lighting	493,651	493,651	15,350,000	73%	404,022	(45,475)	(33,082)	Note 1
	PT Cosmo Green Technology	Indonesia	Manufacturing and selling of material of biomass energy	44,865	44,865	15,000	50%	47,310	2,994	1,497	Note 1
Renown Boom Limited	PT Cijambe Indah	Indonesia	Land development	266,944	266,944	6,579	5%	60,909	(5,513)	(264)	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 six months ended June 30, 2025

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, 2025	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the six months ended June 30, 2025 — Remitted to Mainland China	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the six months ended June 30, 2025 — Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2025	Net income (loss) of investee for the six-month period ended June 30, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the six months ended June 30, 2025 (Note 2)	Book value of investments in Mainland China as of June 30, 2025	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2025	Footnote
Cosmo Electronics Technology (KunShan)	Manufacturing and selling of new electronic	$ 193,912	(1)	$ 193,912	$ -	$ -	$ 193,912	($ 62,081)	100%	($ 62,081)	$ 88,779	$ 8,157	
Dong Guan Guan Zhen Xing Trading Limited	Selling of LED lighting	187,563	(2)	85,367	-	-	85,367	17,648	100%	17,648	167,021	-	
Dongguan Guanwang Electronic Technology Co., Ltd.	Developing, manufacturing and selling of electronic products	160,001	(2)	-	-	-	-	502	100%	502	18,450	-	

2. Ceiling on investments in Mainland China

Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2025	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(Note 5)
$ 279,279	$ 336,950	$ 961,498

Note 1: Investment methods are classified into the following two categories:
(1)Direct investment 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: Investment amount approved by the Investment Commission of the Ministry of Economic Affairs was US$11,500 thousand.
Note 4:It was calculated by the limit of the combined net asstes in accordance with Order No. MOEA-09704604680.
Note 5:Exchange rate:

NTD:USD	June 30,2025	1 : 29.300	Average	1 : 31.859
NTD:RMB	June 30,2025	1 : 4.091	Average	1 : 4.385