

**COSMO ELECTRONICS CORPORATION AND  
SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REVIEW REPORT  
SEPTEMBER 30, 2025 AND 2024**

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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 September 30, 2025, and the related consolidated statement of comprehensive income for the three-month and nine-month periods then ended, and consolidated statements of changes in equity and cash flows for the nine-month period then ended September 30, 2025, 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\$256,071 thousand, constituting 6% of the consolidated total assets, and total liabilities of NT\$72,063 thousand, constituting 3% of the consolidated total liabilities as at September 30, 2025, respectively, and total comprehensive income (loss) of NT\$56,457 thousand and NT\$(356,071) thousand, constituting 13% and 316% of the consolidated total comprehensive income for the three-month and nine-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 September 30, 2025, and of its consolidated financial performance for the three-month and nine-month periods then ended, and of its consolidated cash flows for the nine-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 nine months ended September 30, 2024, were reviewed by another auditor, who expressed a qualified conclusion on those statements in their report dated November 13, 2024.

Lee, Ting Yi

Chen, Yu Hsun

For and on behalf of Candor Taiwan CPAs

November 12, 2025

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*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

SEPTEMBER 30, 2025, DECEMBER 31, 2024 AND SEPTEMBER 30, 2024

(Expressed in thousands of New Taiwan dollars)

Assets		Notes	September 30, 2025		December 31, 2024		September 30, 2024	
			Amount	%	Amount	%	Amount	%
	<b>Current assets</b>							
1100	Cash and cash equivalents	4(6) and 6(1)	\$ 152,800	4	\$ 105,101	2	\$ 146,007	4
1136	Financial assets at amortised cost-current	4(7), 6(2) and 8	17,298	-	30,285	1	-	-
1170	Accounts receivable, net	4(7) and 6(3)	47,941	1	140,093	3	170,691	4
1180	Accounts receivable from related parties	4(7), 6(3) and 7	272,620	6	137,004	3	220,290	5
1200	Other receivables	4(7)	3,163	-	5,386	-	7,357	-
1210	Other receivables from related parties	4(7) and 7	-	-	-	-	12,664	-
1220	Current income tax assets	4(16) and 6(14)	2,473	-	343	-	1,300	-
130x	Inventories	4(8), 5(1) and 6(4)	245,933	6	501,437	13	535,241	13
1470	Other current assets		61,122	1	109,692	2	82,983	2
11xx	<b>Total current assets</b>		<u>803,350</u>	<u>18</u>	<u>1,029,341</u>	<u>24</u>	<u>1,176,533</u>	<u>28</u>
	<b>Non-current assets</b>							
1535	Financial assets at amortized cost-non current	4(7), 6(2) and 8	4,491	-	4,482	-	14,271	-
1600	Property, plant and equipment	4(9),(12) ,6(5) and 8	687,071	16	776,284	18	712,321	17
1755	Right-of-use assets	4(13) and 6(6)	156,574	4	186,463	4	185,190	4
1760	Investment property, net	4(10), 5(2), 6(7) and 8	2,455,750	58	2,168,692	51	1,975,431	46
1780	Intangible assets	4(11) and (12)	8,742	-	10,575	-	10,737	-
1840	Deferred income tax assets	4(16) and 6(14)	74,675	2	80,720	2	79,376	2
1915	Prepayments for equipment		8,748	-	17,364	-	28,351	1
1990	Other non-current assets		68,797	2	50,429	1	58,450	2
15xx	<b>Total non-current assets</b>		<u>3,464,848</u>	<u>82</u>	<u>3,295,009</u>	<u>76</u>	<u>3,064,127</u>	<u>72</u>
1xxx	<b>Total assets</b>		<u>\$ 4,268,198</u>	<u>100</u>	<u>\$ 4,324,350</u>	<u>100</u>	<u>\$ 4,240,660</u>	<u>100</u>

(Continued)

**COSMO ELECTRONICS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**SEPTEMBER 30, 2025, DECEMBER 31, 2024 AND SEPTEMBER 30, 2024**  
**(Expressed in thousands of New Taiwan dollars)**

Liabilities and Equity		Notes	September 30, 2025		December 31, 2024		September 30, 2024	
			Amount	%	Amount	%	Amount	%
	<b>Current liabilities</b>							
2100	Short-term borrowings	4(14) and 6(8)	\$ 391,400	9	\$ 408,000	9	\$ 366,000	9
2110	Short-term bills payable	6(8)	-	-	29,971	1	49,962	1
2130	Contract liabilities	6(12) and 7	533	-	47,786	1	21,794	-
2150	Notes payable		11,370	-	-	-	2,515	-
2170	Accounts payable		34,466	1	108,268	3	153,829	4
2180	Accounts payable to related parties	7	11,242	-	32,909	1	36,381	1
2200	Other payables		76,388	2	94,834	2	73,576	2
2220	Other payables to related parties	7	8,157	-	7,009	-	6,576	-
2230	Current income tax liabilities	4(16) and 6(14)	477	-	1,592	-	154	-
2280	Lease liabilities-current	4(13)	1,060	-	8,791	-	2,298	-
2320	Long-term liabilities-current portion	4(14) and 6(9)	171,958	4	1,027,337	24	1,004,615	24
2399	Other current liabilities		2,116	-	3,135	-	2,610	-
21xx	<b>Total current liabilities</b>		<u>709,167</u>	<u>16</u>	<u>1,769,632</u>	<u>41</u>	<u>1,720,310</u>	<u>41</u>
	<b>Non-current liabilities</b>							
2540	Long-term borrowings	4(14), 6(9) and 7	758,771	18	238,014	6	268,719	6
2570	Deferred income tax liabilities	4(16), 6(14)	252,357	6	260,164	6	231,372	5
2580	Lease liabilities-non current	4(13)	20,293	1	27,016	1	27,876	1
2640	Net defined benefit liability-non current	4(15), 6(10) and 7	10,955	-	16,340	-	17,387	-
2622	Long-term payables to related parties	6(9) and 7	458,576	11	22,000	-	106,000	3
2670	Others non-current liabilities	6(7)	17,710	-	17,997	-	424	-
25xx	<b>Total non-current liabilities</b>		<u>1,518,662</u>	<u>36</u>	<u>581,531</u>	<u>13</u>	<u>651,778</u>	<u>15</u>
2xxx	<b>Total liabilities</b>		<u>2,227,829</u>	<u>52</u>	<u>2,351,163</u>	<u>54</u>	<u>2,372,088</u>	<u>56</u>

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**COSMO ELECTRONICS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**SEPTEMBER 30, 2025, DECEMBER 31, 2024 AND SEPTEMBER 30, 2024**  
**(Expressed in thousands of New Taiwan dollars)**

Liabilities and Equity		Notes	September 30, 2025		December 31, 2024		September 30, 2024	
			Amount	%	Amount	%	Amount	%
	<b>Equity</b>							
3110	Common stock	6(11)	\$ 1,734,587	41	\$ 1,714,587	40	\$ 1,714,587	40
3200	Capital surplus	6(11)	303,838	7	143,838	3	143,838	3
3300	Retained earnings							
3310	Legal reserve		22,495	1	22,495	1	22,495	1
3320	Special reserve		171,472	4	171,472	4	171,472	4
3350	Unappropriated retained earnings/ Accumulated deficit		144,985	3	( 24,294 )	( 1 )	( 128,489 )	( 3 )
3400	Other equity		( 337,008 )	( 8 )	( 54,911 )	( 1 )	( 55,331 )	( 1 )
3xxx	<b>Total equity</b>		<u>2,040,369</u>	<u>48</u>	<u>1,973,187</u>	<u>46</u>	<u>1,868,572</u>	<u>44</u>
2-3XXX	<b>Total liabilities and equity</b>		<u>\$ 4,268,198</u>	<u>100</u>	<u>\$ 4,324,350</u>	<u>100</u>	<u>\$ 4,240,660</u>	<u>100</u>

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 NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024  
(Expressed in thousands of New Taiwan dollars, except for earnings (deficit) per share amounts)

Items		Notes	For the three months ended September 30,				For the nine months ended September 30,			
			2025		2024		2025		2024	
			Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue	4(17), (18), 6(12) and 7	\$ 384,747	100	\$ 444,980	100	\$ 832,277	100	\$ 891,647	100
5000	Operating costs	6(4) and 7	( 378,482 )	( 98 )	( 373,990 )	( 84 )	( 822,627 )	( 99 )	( 767,830 )	( 86 )
5900	Gross profit		<u>6,265</u>	<u>2</u>	<u>70,990</u>	<u>16</u>	<u>9,650</u>	<u>1</u>	<u>123,817</u>	<u>14</u>
	Operating expenses									
6100	Selling expenses		( 14,243 )	( 4 )	( 24,418 )	( 5 )	( 45,534 )	( 5 )	( 50,431 )	( 6 )
6200	General and administrative expenses		( 61,490 )	( 16 )	( 52,459 )	( 12 )	( 175,685 )	( 21 )	( 154,115 )	( 17 )
6300	Research and development expenses		( 2,682 )	( 1 )	( 1,286 )	-	( 8,717 )	( 1 )	( 3,504 )	( 1 )
6450	Expected credit impairment (loss) gain	6(3)	( 230 )	-	( 2,853 )	( 1 )	( 1,643 )	-	( 3,198 )	-
6000	Total operating expenses		( 78,645 )	( 21 )	( 81,016 )	( 18 )	( 231,579 )	( 27 )	( 211,248 )	( 24 )
6900	Operating loss		( 72,380 )	( 19 )	( 10,026 )	( 2 )	( 221,929 )	( 26 )	( 87,431 )	( 10 )
	Non-operating income and expenses									
7100	Interest income	6(13)	3,033	1	797	-	3,611	-	7,993	1
7010	Other income	6(13)	5,071	1	1,868	1	15,976	2	5,829	1
7020	Other gains and losses	6(13)	468,552	122	( 7,211 )	( 2 )	418,212	50	( 964 )	-
7050	Finance costs	6(13) and 7	( 15,201 )	( 4 )	( 20,957 )	( 5 )	( 46,886 )	( 5 )	( 65,906 )	( 8 )
7030	Net gain on derecognition of financial assets at amortized cost		-	-	( 1,304 )	-	-	-	( 1,304 )	-
7000	Total non-operating income and expenses		<u>461,455</u>	<u>120</u>	( 26,807 )	( 6 )	<u>390,913</u>	<u>47</u>	( 54,352 )	( 6 )
7900	<b>Income (Loss) before income tax</b>		<u>389,075</u>	<u>101</u>	( 36,833 )	( 8 )	<u>168,984</u>	<u>21</u>	( 141,783 )	( 16 )
7950	Income tax (expense) benefit	4(16) and 6(14)	1,400	-	3,835	1	295	-	13,294	1
8200	<b>Income (Loss) for the period</b>		<u>\$ 390,475</u>	<u>101</u>	( \$ 32,998 )	( 7 )	<u>\$ 169,279</u>	<u>21</u>	( \$ 128,489 )	( 15 )
	<b>Other comprehensive income</b>									
	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>									
8361	Financial statements translation differences of foreign operations	6(12)	<u>47,399</u>	<u>12</u>	<u>59,833</u>	<u>13</u>	( 282,097 )	( 34 )	<u>114,889</u>	<u>13</u>
8300	<b>Other comprehensive income for the period</b>		<u>\$ 47,399</u>	<u>12</u>	<u>\$ 59,833</u>	<u>13</u>	( \$ 282,097 )	( 34 )	<u>\$ 114,889</u>	<u>13</u>
8500	<b>Total comprehensive income (loss) for the period</b>		<u>\$ 437,874</u>	<u>113</u>	<u>\$ 26,835</u>	<u>6</u>	( \$ 112,818 )	( 13 )	( \$ 13,600 )	( 2 )
8600	Profit attributable to:									
8610	Owners of the parent		<u>\$ 390,475</u>	<u>100</u>	( \$ 32,998 )	( 7 )	<u>\$ 169,279</u>	<u>20</u>	( \$ 128,489 )	( 15 )
8700	Comprehensive income (loss) attributable to :									
8710	Owners of the parent		<u>\$ 437,874</u>	<u>113</u>	<u>\$ 26,835</u>	<u>6</u>	( \$ 112,818 )	( 14 )	( \$ 13,600 )	( 2 )
	Earnings (Deficit) per share									
9750	Basic earnings (deficit) per share	6(15)	<u>\$ 2.25</u>		( \$ 0.19 )		<u>\$ 0.98</u>		( \$ 0.75 )	

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

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

	Share capital	Retained earnings				Other equity	
					Unappropriated retained earnings / Accumulated deficit	Financial statements translation differences of foreign operations	Total equity
	Common stock	Capital surplus	Legal reserve	Special reserve			
<u>For the nine months ended September 30, 2024</u>							
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	-	-	-	-	( 128,489 )	-	( 128,489 )
Other comprehensive income (loss) for the period	-	-	-	-	-	114,889	114,889
Balance at September 30, 2024	<u>\$ 1,714,587</u>	<u>\$ 143,838</u>	<u>\$ 22,495</u>	<u>\$ 171,472</u>	<u>( \$ 128,489 )</u>	<u>( \$ 55,331 )</u>	<u>\$ 1,868,572</u>
<u>For the nine months ended September 30, 2025</u>							
Balance at January 1, 2025	\$ 1,714,587	\$ 143,838	\$ 22,495	\$ 171,472	( \$ 24,294 )	( \$ 54,911 )	\$ 1,973,187
Net income for the period	-	-	-	-	169,279	-	169,279
Other comprehensive income (loss) for the period	-	-	-	-	-	( 282,097 )	( 282,097 )
Capital increase by cash	20,000	160,000	-	-	-	-	180,000
Balance at September 30, 2025	<u>\$ 1,734,587</u>	<u>\$ 303,838</u>	<u>\$ 22,495</u>	<u>\$ 171,472</u>	<u>\$ 144,985</u>	<u>( \$ 337,008 )</u>	<u>\$ 2,040,369</u>

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



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

	For the nine months ended September 30,	
	2025	2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Consolidated income (loss) before tax for the period	\$ 168,984	( \$ 141,783 )
Adjustments		
Income and expenses having no effect on cash flows		
Depreciation expenses	72,755	84,386
Amortization expenses	1,540	1,533
Expected credit impairment losses	1,643	3,198
Financial costs	46,886	65,906
Interest income	( 3,611 )	( 7,993 )
(Gain) Loss on derecognition of financial assets measured at amortized cost	-	( 1,304 )
(Gain) Loss on disposal and scrap of property, plant and equipment	11,703	( 183 )
Loss (Gain) on fair value adjustment of investment property	( 464,852 )	-
Gains on modifications of lease arrangements	( 735 )	-
Changes in assets and liabilities relating to operating activities		
(Increase) Decrease in Notes receivable	-	3,141
(Increase) Decrease in Accounts receivable	87,688	( 94,797 )
(Increase) Decrease in Accounts receivable from related parties	( 136,063 )	( 146,399 )
(Increase) Decrease in Other receivables	1,160	( 1,803 )
(Increase) Decrease in Other receivables from related parties	-	1,182
(Increase) Decrease in Inventories	229,823	19,194
(Increase) Decrease in Prepayments	44,325	( 39,029 )
(Increase) Decrease in Other current assets	( 6,157 )	( 3,171 )
(Increase) Decrease in Other non-current assets	67,005	( 13,556 )
Increase (Decrease) in Contract liabilities	( 51,204 )	20,776
Increase (Decrease) in Notes payable	11,370	2,456
Increase (Decrease) in Accounts payable	( 83,979 )	110,859
Increase (Decrease) in Accounts payable to related parties	( 21,667 )	35,947
Increase (Decrease) in Other payables	( 17,905 )	13,265
Increase (Decrease) in Other payables to related parties	26,435	57
Increase (Decrease) in Other current liabilities	( 71,513 )	( 1,332 )
Increase (Decrease) in Net defined benefit liability	( 5,016 )	1,954
Cash generated from (used in) operations	( 91,385 )	( 87,496 )
Interest received	6,062	7,993
Income taxes (paid) received	( 2,258 )	( 183 )
Net cash flows generated from (used in) operating activities	( 87,581 )	( 79,686 )
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
(Disposal) Acquisition of financial assets at amortized cost	12,977	38,489
Acquisitions of property, plant and equipment	( 55,187 )	( 71,224 )
Acquisitions of right-of-use assets	( 1,151 )	( 6,222 )
Acquisitions and payments for investment properties	( 13,269 )	( 21,591 )
Proceeds from disposal of property, plant and equipment	12,486	-
(Increase) Decrease in refundable deposits	( 89 )	1,189
Acquisitions of intangible assets	( 287 )	( 331 )
(Increase) Decrease in prepayments for equipment	7,039	( 39,602 )
Net cash flows generated from (used in) investing activities	( 37,481 )	( 99,292 )
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Issuance of new common stocks	180,000	-
Increase in short-term borrowings	-	1,024,000
Repayment of short-term borrowings	( 16,600 )	( 1,084,000 )
Increase (Decrease) in short-term bills payable	( 30,000 )	( 50,000 )
Proceeds from long-term borrowings	102,839	77,829
Repayment for long-term borrowings	( 387,551 )	( 336,117 )
Increase (decrease) in guarantee deposits received	( 177 )	-
Payment of lease liabilities	( 2,131 )	( 2,103 )
Interest paid	( 41,722 )	( 66,609 )
Increase in long-term payables to related parties	390,253	106,000
Net cash flows generated from (used in) financing activities	194,911	( 331,000 )
Effect of exchange rate changes	( 22,150 )	51,274
Net increase (decrease) in cash and cash equivalents	47,699	( 458,704 )
Cash and cash equivalents at beginning of period	105,101	604,711
Cash and cash equivalents at end of period	<u>\$ 152,800</u>	<u>\$ 146,007</u>

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 NINE-MONTH PERIODS ENDED SEPTEMBER 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 November 12, 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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
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”	January 1, 2026 (Note 1)
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
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
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2027

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)
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 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note 2)
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.

Note 2: In the press release issued by the FSC on September 25, 2025, it was announced that publicly listed companies will be required to apply International Financial Reporting Standard 18 (hereinafter referred to as IFRS 18) starting from fiscal year 2028. In addition, Entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

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:

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
			September 30, 2025	December 31, 2024	September 30, 2024	
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%	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
			September 30, 2025	December 31, 2024	September 30, 2024	
	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
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 1 and 2
	PT Cijambe Indah (PT Cijambe)	Land development	95%	95%	95%	Note 1
	PT Cosmo Electronics Indonesia	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%	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)			Description
			September 30, 2025	December 31, 2024	September 30, 2024	
Dong Guan Guan Zhen Xing Trading Limited	PT Cijambe Indah (PT Cijambe)	Land development	5%	5%	5%	Note 1
	Dongguan Guanwang Electronic Technology Co., Ltd.	Developing, manufacturing and selling of electronic products	100%	100%	100%	Note 2
	Guizhou Guanwang International	Developing, manufacturing and selling of electronic products	-%	-%	-%	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 nine-month ended September 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 that have non-controlling interests that are material to the Group: None.

D. 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\$256,071 thousand and NT\$189,655 thousand as of September 30, 2025 and 2024, respectively. The total liabilities amounted to NT\$72,063 thousand and NT\$33,329 thousand as of the same dates. The total comprehensive income (loss) for the three-month and nine-month period ended September 30, 2025 and 2024 amounted to NT\$56,457 thousand, NT\$96,918 thousand, (NT\$356,071) thousand and NT\$103,126 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 its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss. When an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

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

- A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company and its subsidiaries. For short-term

leases or leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.

- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are fixed payments, less any lease incentives receivable.
- C. The Company and its subsidiaries subsequently measure the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.
- D. At the commencement date, the right-of-use asset is stated at cost comprising the following:
  - (a) The amount of the initial measurement of lease liability;
  - (b) Any initial direct costs incurred by the lessee.
- E. The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.
- F. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset and remeasure the lease liability to reflect the partial or full termination of the lease and recognize the difference in profit or loss.

#### (14) Borrowings

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

#### (15) Employee benefits

##### A. Short-term employee benefits

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

## B. Pensions

### (a) Defined contribution plans

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

	September 30, 2025	December 31, 2024	September 30, 2024
Cash on hand and petty cash	\$ 912	\$ 1,188	\$ 3,633
Checking accounts and demand deposits	134,863	103,910	142,374
Time deposits	17,025	3	-
	<u>\$ 152,800</u>	<u>\$ 105,101</u>	<u>\$ 146,007</u>

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	September 30, 2025	December 31, 2024	September 30, 2024
Current items:			
Restricted bank deposits	\$ 17,298	\$ 30,285	\$ -
	<u>\$ 17,298</u>	<u>\$ 30,285</u>	<u>\$ -</u>
Non-current items:			
Pledged time deposits	\$ 4,469	\$ 4,460	\$ 4,445
Time deposits	22	22	-
Restricted bank accounts	-	-	9,826
	<u>\$ 4,491</u>	<u>\$ 4,482</u>	<u>\$ 14,271</u>

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

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

### (3) Receivables

Items	September 30, 2025	December 31, 2024	September 30, 2024
Accounts receivable	\$ 53,933	\$ 145,577	\$ 176,505
Accounts receivable from related parties	273,067	137,004	220,290
Less: Allowance for uncollectible accounts	( 6,439 )	( 5,484 )	( 5,814 )
Accounts receivable, net	<u>\$ 320,561</u>	<u>\$ 277,097</u>	<u>\$ 390,981</u>

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:

September 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	\$ 316,281	\$ 4,676	\$ 234	\$ 5,809	\$ 327,000
Loss allowance (lifetime expected credit losses)	( 598 )	( 30 )	( 2 )	( 5,809 )	( 6,439 )
Amortized cost	<u>\$ 315,683</u>	<u>\$ 4,646</u>	<u>\$ 232</u>	<u>\$ -</u>	<u>\$ 320,561</u>
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	\$ 244,579	\$ 33,259	\$ 7	\$ 4,736	\$ 282,581
Loss allowance (lifetime expected credit losses)	( 610 )	( 131 )	( 7 )	( 4,736 )	( 5,484 )
Amortized cost	<u>\$ 243,969</u>	<u>\$ 33,128</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 277,097</u>
September 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	\$ 373,007	\$ 18,004	\$ 594	\$ 5,190	\$ 396,795
Loss allowance (lifetime expected credit losses)	( 21 )	( 9 )	( 594 )	( 5,190 )	( 5,814 )
Amortized cost	<u>\$ 372,986</u>	<u>\$ 17,995</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 390,981</u>

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

	For the nine months ended September 30,	
	2025	2024
Beginning balance	\$ 5,484	\$ 2,682
Add: Impairment losses recognized (reversed) on trade receivables	1,240	3,047
Foreign exchange gains and losses (	285 )	85
Ending balance	<u>\$ 6,439</u>	<u>\$ 5,814</u>

(4) Inventories

	September 30, 2025		
	Cost	Allowance Loss	Book value
Raw materials	\$ 103,820	( \$ 9,617 )	\$ 94,203
Work in progress	98,855	( 21,880 )	76,975
Finished goods	87,279	( 24,258 )	63,021
Merchandise	11,734	-	11,734
Total	<u>\$ 301,688</u>	<u>( \$ 55,755 )</u>	<u>\$ 245,933</u>

	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
Total	<u>\$ 561,772</u>	<u>( \$ 60,335 )</u>	<u>\$ 501,437</u>

	September 30, 2024		
	Cost	Allowance Loss	Book value
Raw materials	\$ 177,746	( \$ 39,176 )	\$ 138,570
Work in progress	152,294	( 3,731 )	148,563
Finished goods	263,305	( 28,663 )	234,642
Merchandise	19,547	( 6,081 )	13,466
Total	<u>\$ 612,892</u>	<u>( \$ 77,651 )</u>	<u>\$ 535,241</u>

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

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Inventory reclassified as cost of goods sold	\$ 381,187	\$ 376,215	\$ 827,593	\$ 759,157
Loss on (gains on reversal of) decline in market value	( 2,705 )	( 2,041 )	( 4,580 )	9,624
Revenue from sale of scraps	-	( 184 )	( 386 )	( 951 )
Cost of goods sold, net	<u>\$ 378,482</u>	<u>\$ 373,990</u>	<u>\$ 822,627</u>	<u>\$ 767,830</u>

(5) Property, plant and equipment

<u>Cost</u>	<u>Land</u>	<u>Buildings and structures</u>	<u>Machinery</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Other equipment</u>	<u>Construction in progress</u>	<u>Total</u>
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	-	3,757	42,616	-	2,747	5,166	901	55,187
Disposals	-	-	( 671,524 )	( 3,714 )	( 1,953 )	( 71,524 )	-	( 748,715 )
Reclassifications	-	-	-	-	-	-	( 19,114 )	( 19,114 )
Exchange differences	( 102 )	( 24,911 )	( 174,956 )	( 892 )	( 6,068 )	( 11,082 )	( 1,157 )	( 219,168 )
Balance at September 30, 2025	<u>\$ 191,950</u>	<u>\$ 492,065</u>	<u>\$ 486,107</u>	<u>\$ 15,649</u>	<u>\$ 44,581</u>	<u>\$ 176,944</u>	<u>\$ 192</u>	<u>\$ 1,407,488</u>
Balance at January 1, 2025	\$ -	\$ 278,392	\$ 1,029,929	\$ 16,314	\$ 38,484	\$ 199,895	\$ -	\$ 1,563,014
Depreciation expense	-	16,685	38,571	1,080	1,725	5,875	-	63,936
Disposals	-	-	( 683,391 )	( 3,502 )	( 1,612 )	( 36,022 )	-	( 724,527 )
Exchange differences	-	( 15,248 )	( 123,382 )	( 764 )	( 5,485 )	( 37,127 )	-	( 182,006 )
Balance at September 30, 2025	<u>\$ -</u>	<u>\$ 279,829</u>	<u>\$ 261,727</u>	<u>\$ 13,128</u>	<u>\$ 33,112</u>	<u>\$ 132,621</u>	<u>\$ -</u>	<u>( \$ 720,417 )</u>
Carrying amount at September 30 ,2025	<u>\$ 191,950</u>	<u>\$ 212,236</u>	<u>\$ 224,380</u>	<u>\$ 2,521</u>	<u>\$ 11,469</u>	<u>\$ 44,323</u>	<u>\$ 192</u>	<u>\$ 687,071</u>

<u>Cost</u>	<u>Land</u>	<u>Buildings and structures</u>	<u>Machinery</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Other equipment</u>	<u>Construction in progress</u>	<u>Total</u>
<u>Cost</u>								
Balance at January 1, 2024	\$ 191,951	\$ 474,153	\$ 1,174,362	\$ 19,533	\$ 45,077	\$ 245,923	\$ -	\$ 2,150,999
Additions	-	8,599	32,053	96	471	13,263	3,496	57,978
Disposals	-	-	( 41,056 )	-	( 1,915 )	( 6,952 )	-	( 49,923 )
Reclassifications	-	-	4,330	-	-	-	-	4,330
Exchange differences	-	6,172	19,337	419	921	3,237	-	30,086
Balance at September 30, 2024	<u>\$ 191,951</u>	<u>\$ 488,924</u>	<u>\$ 1,189,026</u>	<u>\$ 20,048</u>	<u>\$ 44,554</u>	<u>\$ 255,471</u>	<u>\$ 3,496</u>	<u>\$ 2,193,470</u>
Balance at January, 2024	\$ -	\$ 244,947	\$ 941,817	\$ 14,196	\$ 37,078	\$ 193,023	\$ -	\$ 1,431,061
Depreciation expense	-	16,230	46,542	1,218	1,418	8,201	-	73,609
Disposals	-	-	( 41,056 )	-	( 1,911 )	( 6,952 )	-	( 49,919 )
Exchange differences	-	6,071	15,232	299	681	4,115	-	26,398
Balance at September 30, 2024	<u>\$ -</u>	<u>\$ 267,248</u>	<u>\$ 962,535</u>	<u>\$ 15,713</u>	<u>\$ 37,266</u>	<u>\$ 198,387</u>	<u>\$ -</u>	<u>\$ 1,481,149</u>
Carrying amount at September 30, 2024	<u>\$ 191,951</u>	<u>\$ 221,676</u>	<u>\$ 226,491</u>	<u>\$ 4,335</u>	<u>\$ 7,288</u>	<u>\$ 57,084</u>	<u>\$ 3,496</u>	<u>\$ 712,321</u>

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:

	September 30, 2025	December 31, 2024	September 30, 2024
Land	\$ 136,492	\$ 149,090	\$ 144,993
Buildings and structures	20,082	37,373	40,197
	<u>\$ 156,574</u>	<u>\$ 186,463</u>	<u>\$ 185,190</u>

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Addition of right-of-use assets			<u>\$ 2,317</u>	<u>\$ 18,326</u>
Depreciation expense for right-of-use assets				
Land	\$ 1,015	\$ 1,086	\$ 3,158	\$ 3,232
Building	789	2,503	5,661	7,545
	<u>\$ 1,804</u>	<u>\$ 3,589</u>	<u>\$ 8,819</u>	<u>\$ 10,777</u>

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

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Interest expense on lease liabilities	<u>\$ 214</u>	<u>\$ 258</u>	<u>\$ 680</u>	<u>\$ 781</u>
Expense of short-term lease contracts	<u>\$ 673</u>	<u>\$ 111</u>	<u>\$ 1,701</u>	<u>\$ 312</u>
Expense on lease of low-value assets	<u>\$ 321</u>	<u>\$ 335</u>	<u>\$ 617</u>	<u>\$ 1,055</u>
Total Cash Outflows for Leases	<u>\$ 1,688</u>	<u>\$ 7,770</u>	<u>\$ 4,449</u>	<u>\$ 10,074</u>

(7) Investment property

	2025	2024
At January 1	\$ 2,168,692	\$ 1,871,983
Additions — from subsequent expenditures	13,269	21,591
Gain on fair value adjustments	464,852	-
Reclassifications	19,114	-
Net exchange differences	( 210,177 )	81,857
At September 30	<u>\$ 2,455,750</u>	<u>\$ 1,975,431</u>

A. Rental income from investment property is shown below:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Total Cash Outflows for Leases	<u>\$ 1,787</u>	<u>\$ 650</u>	<u>\$ 3,125</u>	<u>\$ 1,994</u>

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 September 30, 2025, was based on the valuation carried out on October 24, 2025, by the independent qualified professional valuers: Ms. Chang, Shao Chi and Mr. Hsieh, Kun Lung (both Certified Real Estate Appraisers in the ROC), from Zone Tai Real Estate Appraisers Firm.

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 nine month ended September 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 nine months ended September 30,	For the year ended December 31,	
	2025	2024	2023
Estimated total sale price	\$ 4,061,373	\$ 3,929,759	\$ 3,430,106
Rate of return	15%	15%	13%
Overall capital interest rate	12.24%-73.44%	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 September 30, 2025, the transfer of ownership has not yet been completed.

(8) Short-term borrowings

Type of borrowings	September 30, 2025	Interest rate range	Collateral
<u>Bank borrowings</u>			
Unsecured borrowings	\$ 252,400	0.91%-2.94%	Note 8
Secured borrowings	139,000	2.38%-2.94%	Note 8
	<u>\$ 391,400</u>		
Type of borrowings	December 31, 2024	Interest rate range	Collateral
<u>Bank borrowings</u>			
Unsecured borrowings	\$ 269,000	2.41%-2.94%	Note 8
Secured borrowings	139,000	2.38%-2.94%	Note 8
	<u>\$ 408,000</u>		
<u>Short-term bills payable</u>			
Commercial paper	\$ 30,000	3.89%	None
Less: Unamortized discounts on bills payable	( 29 )		
	<u>\$ 29,971</u>		

Type of borrowings	September 30, 2024	Interest rate range	Collateral
<u>Bank borrowings</u>			
Unsecured borrowings	\$ 257,000	2.38%-2.75%	None
Secured borrowings	109,000	2.38%-2.75%	Note 8
	<u>\$ 366,000</u>		
<u>Short-term bills payable</u>			
Commercial paper	\$ 50,000	2%	None
Less: Unamortized discounts on bills payable	( 38 )		
	<u>\$ 49,962</u>		

As at September 30, 2025, the total short-term borrowing facilities of the Company and its subsidiaries amounted to \$413,400 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.

(9) Long-term borrowings

Type of borrowings	September 30, 2025	December 31, 2024	September 30, 2024
<u>Long-term bank borrowings</u>			
Real estate secured borrowings	\$ 173,000	\$ 197,104	\$ 169,604
Other unsecured borrowings	757,729	91,798	101,280
Revolving unsecured borrowings (Tranche A)	-	546,800	549,350
Revolving unsecured borrowings (Tranche B)	-	409,813	395,625
	<u>930,729</u>	<u>1,245,515</u>	<u>1,215,859</u>
<u>Loans from related parties</u>			
Esteemed Glory Holdings Limited	35,621	9,836	47,475
Guan Hong Energy Co., Ltd.	14,000	10,000	10,000
Tsai, Nai Chen	261,000	22,000	80,000
Song, Min Kui	7,500	-	26,000
Digicrown Technologies Ltd.	140,455	-	-
	<u>1,389,305</u>	<u>1,287,351</u>	<u>1,379,334</u>
Less: Current portion of long- term borrowings	( 171,958 )	( 1,027,337 )	( 1,004,615 )
Less: Non-current amounts due to related parties	( 458,576 )	( 22,000 )	( 106,000 )
	<u>\$ 758,771</u>	<u>\$ 238,014</u>	<u>\$ 268,719</u>

#### 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 September 30, 2025, the interest rate was 5.16%.
- (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.

#### (10) 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 nine-month periods ended September 30, 2025 and 2024, were \$693 thousand, \$1,139 thousand, \$2,194 thousand and \$3,398 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 months periods ended September 30, 2025 and 2024, and for the nine months periods ended September 30, 2025 and 2024, amounted to \$788 thousand, \$1,222 thousand, \$2,977 thousand and \$3,680 thousand, respectively.

(11) Equity

A. Common stock

	September 30, 2025	December 31, 2024	September 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

	September 30, 2025	December 31, 2024	September 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
	<u>\$ 303,838</u>	<u>\$ 143,838</u>	<u>\$ 143,838</u>

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 nine months ended September 30,	
	2025	2024
At January 1	( \$ 54,911 )	( \$ 170,220 )
Foreign exchange differences arising from the conversion of financial statements of overseas operating entities	( 282,097 )	114,889
At September 30	( \$ 337,008 )	( \$ 55,331 )

#### (12) Revenue

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Revenue from contract with customers				
Sales revenue	\$ 384,747	\$ 444,980	\$ 832,277	\$ 891,647

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:

	September 30, 2025	December 31, 2024	September 30, 2024	January 1, 2024
Contract liabilities	<u>\$ 533</u>	<u>\$ 47,786</u>	<u>\$ 21,794</u>	<u>\$ 1,018</u>

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

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Contract liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,786</u>	<u>\$ 1,018</u>

(13) Profit (loss) of the year

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

A. Interest income

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Bank deposit	\$ 1,433	\$ 531	\$ 1,830	\$ 6,274
Financial assets measured at amortized cost	13	48	39	775
Other interest income	1,587	218	1,742	944
Total	<u>\$ 3,033</u>	<u>\$ 797</u>	<u>\$ 3,611</u>	<u>\$ 7,993</u>

B. Other income

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Rent income	\$ 1,787	\$ 650	\$ 3,125	\$ 1,994
Profit from lease modification	735	-	735	-
Other income, others	2,549	1,218	12,116	3,835
Total	<u>\$ 5,071</u>	<u>\$ 1,868</u>	<u>\$ 15,976</u>	<u>\$ 5,829</u>



C. Other gains and losses

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Net foreign exchange (losses) gains	\$ 15,812	\$ 1,226	(\$ 15,550)	\$ 8,149
Gain (Loss) on disposal of property, plant and equipment	7,351	183	( 11,703)	183
Fair value adjustment gains – Investment property	464,852	-	464,852	-
Other gains and losses, net	( 19,463)	( 8,620)	( 19,387)	( 9,296)
Total	<u>\$ 468,552</u>	<u>(\$ 7,211)</u>	<u>\$ 418,212</u>	<u>(\$ 964)</u>

D. Finance costs

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Bank borrowings	\$ 12,021	\$ 19,845	\$ 42,322	\$ 62,270
Other borrowings	2,963	-	3,783	-
Short-term bills payable	-	291	66	1,701
Lease liabilities	214	258	680	781
Financial expenses, others	3	563	35	1,154
Total	<u>\$ 15,201</u>	<u>\$ 20,957</u>	<u>\$ 46,886</u>	<u>\$ 65,906</u>

E. Depreciation and amortization

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Depreciation and amortization:				
Property, plant and equipment	\$ 17,609	\$ 24,690	\$ 63,936	\$ 73,609
Right-of-use assets	1,804	3,589	8,819	10,777
Other intangible assets	446	536	1,540	1,533
Total	<u>\$ 19,859</u>	<u>\$ 28,815</u>	<u>\$ 74,295</u>	<u>\$ 85,919</u>

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

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Employee benefit expense:				
Wages and salaries	\$ 69,720	\$ 66,143	\$ 221,336	\$ 207,930
Labor and health insurance fees	5,646	7,263	17,900	24,891
Pension (Note 6 (9))				
Defined contribution pension plan	788	1,222	2,977	3,680
Defined benefit pension plan	693	1,139	2,194	3,398
Other personnel expenses	3,029	3,195	23,549	9,656
Total	<u>\$ 79,876</u>	<u>\$ 78,962</u>	<u>\$ 267,956</u>	<u>\$ 249,555</u>

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Employee benefits expenses summarized by function:				
Operating costs	\$ 40,627	\$ 43,770	\$ 144,944	\$ 138,748
Operating expenses	39,249	35,192	123,012	110,807
Total	<u>\$ 79,876</u>	<u>\$ 78,962</u>	<u>\$ 267,956</u>	<u>\$ 249,555</u>

#### 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.

The estimated employee compensation and director remuneration recognized in profit or loss by the Company for the three-month and nine-month periods ended September 30, 2025 and 2024, are as follows:

	For the nine months ended September 30,	
	2025	2024
<u>Estimated accrual rate</u>		
Employees' compensation	5.0%	0%
Remuneration of directors	0.5%	0%

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
<u>Cash</u>				
Employee compensation	\$ 9,000	\$ -	\$ 9,000	\$ -
Director remuneration	900	-	900	-

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

For the year ended December 31, 2024, the employees' compensation and directors' remuneration were estimated and accrued based on 5% and 1%, respectively, of profit before tax for the period. Subsequently, the Board of Directors resolved on March 28, 2025, that the actual amounts to be distributed were consistent with the amounts recognized in the 2024 consolidated financial statements. The employees' compensation will be distributed in cash.

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

(14) Income tax

A. Income tax expense

The major components of tax expense were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Current tax	(\$ 399)	(\$ 373)	\$ 327	\$ 1,811
Deferred tax				
Origination and reversal of temporary differences	( 1,001)	( 3,462)	( 622)	( 15,105)
Income tax expense (benefit)	(\$ 1,400)	(\$ 3,835)	(\$ 295)	(\$ 13,294)

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

	September 30, 2025	December 31, 2024	September 30, 2024
Current tax assets	\$ 2,473	\$ 343	\$ 1,300

C. Current tax liability

	September 30, 2025	December 31, 2024	September 30, 2024
Current tax liabilities	\$ 477	\$ 1,592	\$ 154

D. Income tax assessment

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

(15) Earnings (Losses) per share

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Profit (Loss) from continuing operations attributable to owners of the parent	\$ 390,475	(\$ 32,998)	\$ 169,279	(\$ 128,489)
Weighted average number of common shares outstanding used in the computation of basic earnings per share	173,459	171,457	172,265	171,457
Basic earnings (losses) per share (in dollars)	\$ 2.25	(\$ 0.19)	\$ 0.98	(\$ 0.75)

## (16) Changes in liabilities from financing activities

For the nine months ended September 30, 2025

	As at January 1, 2025	Cash flows from financing activities	Changes in Noncash Transactions				As at September 30, 2025
			New (Terminated) Leases	Amortized interest expense	Exchange rate effect	Other	
Short-term borrowings	\$ 408,000	(\$ 16,600)	\$ -	\$ -	\$ -	\$ -	\$ 391,400
Long-term borrowings (including current portion)	1,265,351	( 284,712 )	-	-	( 49,910 )	-	930,729
Short-term bills payable	29,971	( 30,000 )	-	-	29	-	-
Long-term payables to related parties	22,000	390,253	-	-	46,323	-	458,576
Lease liabilities (including noncurrent portion)	35,807	( 2,811 )	( 10,090 )	680	( 1,498 )	( 735 )	21,353
Total	\$ 1,761,129	\$ 56,130	(\$ 10,090)	\$ 680	(\$ 5,056)	(\$ 735)	\$ 1,802,058

For the nine months ended September 30, 2024

	As at January 1, 2024	Cash flows from financing activities	Changes in Noncash Transactions				As at September 30, 2024
			New (Terminated) Leases	Amortized interest expense	Exchange rate effect	Other	
Short-term borrowings	\$ 426,000	(\$ 60,000)	\$ -	\$ -	\$ -	\$ -	\$ 366,000
Long-term borrowings (including current portion)	1,498,732	( 293,950 )	-	-	-	11,077	1,215,859
Short-term bills payable	99,884	( 50,000 )	-	-	78	-	49,962
Long-term payables to related parties	20,765	35,662	-	-	-	1,048	57,475
Shareholder transactions	-	106,000	-	-	-	-	106,000
Lease liabilities (including noncurrent portion)	25,912	( 2,103 )	-	-	11,323	( 4,958 )	30,174
Total	\$ 2,071,293	(\$ 264,391)	\$ -	\$ -	\$ 11,401	\$ 7,167	\$ 1,825,470

## 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 September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Starlite Creations Inc	\$ 320,995	\$ 212,172	\$ 469,002	\$ 379,002
Ever Merit Trading Limited	-	-	-	133
Total	<u>\$ 320,995</u>	<u>\$ 212,172</u>	<u>\$ 469,002</u>	<u>\$ 379,135</u>

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 September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Ever Merit Trading Limited	<u>\$ 1,210</u>	<u>\$ 7,098</u>	<u>\$ 16,398</u>	<u>\$ 70,034</u>

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 September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Esteemed Glory Holdings Limited	\$ 46	\$ -	\$ 140	\$ -
Digicrown Technologies Ltd.	708	-	1,334	-
Guan Hong Energy Co., Ltd.	60	-	160	-
Total	<u>\$ 814</u>	<u>\$ -</u>	<u>\$ 1,634</u>	<u>\$ -</u>

D. Receivables from related parties

	September 30, 2025	December 31, 2024	September 30, 2024
Aggregate receivables from related parties:			
Starlite Creations Inc.	\$ 273,067	\$ 137,004	\$ 220,290
Loss allowance	( 447)	-	-
Accounts receivable from related parties, net	<u>\$ 272,620</u>	<u>\$ 137,004</u>	<u>\$ 220,290</u>

Other receivables from related parties:

Evermerit Technology Electronic Co., Ltd.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,664</u>
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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

	September 30, 2025	December 31, 2024	September 30, 2024
Accounts payable to related parties:			
Ever Merit Trading Limited	\$ 11,242	\$ 32,909	\$ 36,381
Other payables to related parties:			
Ding Wang Electronics Technology Corporation	\$ 6,325	\$ 6,812	\$ 6,576
Esteemed Glory Holdings Limited	242	101	-
Guan Hong Energy Co., Ltd.	256	96	-
Digicrown Technologies Ltd.	1,334	-	-
Total	\$ 8,157	\$ 7,009	\$ 6,576

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. Receipts in advance

	September 30, 2025	December 31, 2024	September 30, 2024
Starlite Creations Inc.	\$ -	\$ -	\$ 5,529

G. Loans from related parties

	September 30, 2025	December 31, 2024	September 30, 2024
Borrowing form related parties			
Esteemed Glory Holdings Limited	\$ 35,621	\$ 9,836	\$ 47,475
Guan Hong Energy Co., Ltd.	14,000	10,000	10,000
Tsai, Nai Chen	261,000	22,000	80,000
Song, Min Kui	7,500	-	26,000
Digicrown Technologies Ltd.	140,455	-	-
Less: Long-term borrowings	-	( 19,836 )	( 57,475 )
	\$ 458,576	\$ 22,000	\$ 106,000

(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 Fairisky 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 in July 2024 and March 2025, respectively, 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.

H. Endorsements and guarantees : Please refer to Notes 6 (8) and 6 (9).

(3) Key management compensation is as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Short-term employee benefits	\$ 3,168	\$ 2,411	\$ 7,973	\$ 6,740
Post-employment benefits	87	75	237	254
Other long-term employee benefits	-	-	-	-
Employee termination benefits	-	-	-	-
Share-based payment	-	-	-	-
Total	<u>\$ 3,255</u>	<u>\$ 2,486</u>	<u>\$ 8,210</u>	<u>\$ 6,994</u>

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	September 30, 2025	December 31, 2024	September 30, 2024	Purpose
Restricted bank deposits (classified as financial assets measured at amortized cost)	\$ 17,298	\$ 30,285	\$ 9,826	Repayment account for bank borrowings
Pledged time deposits (classified as financial assets measured at amortized cost)	4,459	4,460	4,445	Collateral for import duties
Property, plant and equipment	314,440	336,731	337,762	Credit facility for bank borrowings
Investment property	107,357	107,949	107,669	Credit facility for bank borrowings
	<u>\$ 443,554</u>	<u>\$ 479,425</u>	<u>\$ 459,702</u>	

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

None.

12. Others

(1) Financial instruments

A. Financial instruments by category

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Non-derivative financial instruments</u>			
<u>Financial assets</u>			
Cash and cash equivalents	\$ 152,800	\$ 105,101	\$ 146,007
Financial assets at amortized cost	21,789	34,767	14,271
Accounts receivable (including related parties)	320,561	277,097	390,981
Other receivables (including related parties)	3,163	5,386	20,021
Refundable deposits	725	674	696
	<u>\$ 499,038</u>	<u>\$ 423,025</u>	<u>\$ 571,976</u>
<u>Non-derivative financial instruments</u>			
<u>Financial liabilities</u>			
Short-term borrowings	\$ 391,400	\$ 408,000	\$ 366,000
Short-term bills payable	-	29,971	49,962
Notes payable	11,370	-	2,515
Accounts payable (including related parties)	45,708	141,177	190,210
Other payables (including related parties)	84,545	101,843	80,152
Long-term borrowings and Long-term payables to related parties (including current portion and related parties)	1,389,305	1,287,351	1,379,334
Lease liabilities	21,353	35,807	30,174
	<u>\$ 1,943,681</u>	<u>\$ 2,004,149</u>	<u>\$ 2,098,347</u>

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:

September 30, 2025			
(Foreign currency: functional currency)	Foreign currency amount	Exchange rate	Book value in NTD
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 979	30.445	\$ 29,806
RMB:NTD	29	4.271	124
USD:RMB	1,980	7.128	60,281
USD:IDR	8	16,666.667	244
USD:VND	241	25,000.000	7,337
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 1,600	30.445	\$ 48,712
USD:RMB	242	7.128	7,368
December 31, 2024			
(Foreign currency: functional currency)	Foreign currency amount	Exchange rate	Book value in NTD
<u>Financial assets</u>			
<u>Monetary items</u>			
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
<u>Financial liabilities</u>			
<u>Monetary items</u>			
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)	September 30, 2024		
	Foreign currency amount	Exchange rate	Book value in NTD
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 820	31.65	\$ 25,953
USD:RMB	807	7.00	25,542
USD:IDR	88	15,216.35	2,785
USD:VND	258	24,921.26	8,166
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 191	31.65	\$ 6,045
USD:RMB	54	7.00	1,709
USD:IDR	2	15,216.35	63

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

(Foreign currency: functional currency)	September 30, 2025		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss before tax	Effect on other comprehensive profit or loss
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	5%	\$ 1,490	\$ -
RMB:NTD	5%	6	-
USD:RMB	5%	3,014	-
USD:IDR	5%	12	-
USD:VND	5%	367	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	5%	\$ 342	-
USD:RMB	5%	52	-

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

  

	September 30, 2024		
	Sensitivity analysis		
(Foreign currency: functional currency)	Degree of variation	Effect on profit or loss before tax	Effect on other comprehensive profit or loss
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	5%	\$ 1,298	\$ -
USD:RMB	5%	1,277	-
USD:IDR	5%	139	-
USD:VND	5%	408	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	5%	\$ 302	-
USD:RMB	5%	85	-
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 nine-month periods ended September 30, 2025 and 2024, amounted to \$15,812 thousand, \$1,226 thousand, (\$15,550) thousand and \$8,149 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 September 30, 2025, December 31, 2024 and September 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 \$6,611 thousand, \$8,410 thousand and \$8,970 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
<u>September 30, 2025</u>					
<u>Non-derivative financial liabilities</u>					
Short-term borrowings	\$ 395,319	\$ -	\$ -	\$ 395,319	\$ 391,400
Notes payable	11,370	-	-	11,370	11,370
Accounts payable (including related parties)	45,708	-	-	45,708	45,708
Other payables (including related parties)	84,545	-	-	84,545	84,545
Lease liabilities	3,702	14,055	6,835	24,592	21,353
Long-term borrowings (including current portion and related parties)	205,085	1,142,071	134,808	1,481,965	1,389,305

	Less than 1 year	1 to 5 years	Over 5 years	Total	Book value
<u>December 31, 2024</u>					
<u>Non-derivative financial liabilities</u>					
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
<u>September 30, 2024</u>					
<u>Non-derivative financial liabilities</u>					
Short-term borrowings	\$ 370,805	\$ -	\$ -	\$ 370,805	\$ 366,000
Short-term bills payable	50,000	-	-	50,000	49,962
Notes payable	2,515	-	-	2,515	2,515
Accounts payable (including related parties)	190,210	-	-	190,210	190,210
Other payables (including related parties)	80,152	-	-	80,152	80,152
Lease liabilities	10,578	13,823	11,014	35,415	30,174
Long-term borrowings (including current portion and related parties)	1,011,033	435,302	-	1,446,335	1,379,334

#### 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) 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:

<u>September 30, 2025</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Recurring fair value measurements				
Investment property	\$ -	\$ -	\$ 2,455,750	\$ 2,455,750

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

<u>September 30, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Recurring fair value measurements				
Investment property	\$ -	\$ -	\$ 1,975,431	\$ 1,975,431

- (c) For the nine months ended September 30, 2025 and 2024, there was no transfer between Level 1 and Level 2.
- (d) The movement of Level 3 for the nine months ended September 30, 2025 and 2024: Please refer to Note 6(7).
- (e) 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:

	<u>Fair value at September 30, 2025</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (Weighted average)</u>	<u>Relationship of inputs to fair value</u>
Non-financial instruments					
Investment property	\$ 2,455,750	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	12.24% ~73.44%	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 September 30, 2024	Valuation technique	Significant unobservable input	Range (Weighted average)	Relationship of inputs to fair value
Non-financial instruments						
Investment property	\$	1,975,431	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	10.49% ~62.64%	The higher overall capital interest rate, the lower the fair value

## (2) Capital management

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

	September 30, 2025	December 31, 2024	September 30, 2024
Total borrowings	\$ 1,754,218	\$ 1,725,322	\$ 1,795,296
Less: Cash and cash equivalents	( 152,800 )	( 105,101 )	( 146,007 )
Net debt	1,601,418	1,620,221	1,649,289
Total equity	2,040,369	1,973,187	1,868,572
Total capital	\$ 3,641,787	\$ 3,593,408	\$ 3,517,861
Gearing ratio	43.97%	45.09%	45.57%



(3) Sound Financial Plan

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.

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.

(4) Others

None.

### 13. Supplementary Disclosures

#### (1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of marketable securities at the end of the period (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

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 September 30,				
	Segment revenue		Segment income (loss)	
	2025	2024	2025	2024
Optoelectronic parts	\$ 32,876	\$ 158,072	( \$ 35,627 )	\$ 13,168
LED lighting	338,114	272,316	( 13,908 )	( 2,967 )
Energy & Materials	13,757	14,592	2,583	3,101
Others	-	-	( 1,033 )	( 1 )
Industrial Park Development	-	-	( 3,177 )	( 4,808 )
Total from continuing operations	<u>\$ 384,747</u>	<u>\$ 444,980</u>	<u>( \$ 51,162 )</u>	<u>\$ 8,493</u>
Headquarters management costs			( 21,218 )	( 18,519 )
Other income			8,104	2,665
Other gains and losses			468,552	( 7,211 )
Finance costs			( 15,201 )	( 20,957 )
Net loss on derecognition of financial assets at amortized cost			-	( 1,304 )
Profit (Loss) before income tax			<u>\$ 389,075</u>	<u>( \$ 36,833 )</u>

For the nine months ended September 30,				
	Segment revenue		Segment income (loss)	
	2025	2024	2025	2024
Optoelectronic parts	\$ 270,361	\$ 369,749	( \$ 182,318 )	( \$ 14,104 )
LED lighting	526,045	485,258	27,947	( 11,783 )
Energy & Materials	35,871	36,640	4,541	6,589
Others	-	-	( 1,575 )	( 3 )
Industrial Park Development	-	-	( 8,271 )	( 10,176 )
Total from continuing operations	<u>\$ 832,277</u>	<u>\$ 891,647</u>	<u>( \$ 159,676 )</u>	<u>( \$ 29,477 )</u>
Headquarters management costs			( 62,253 )	( 57,954 )
Other income			19,587	13,822
Other gains and losses			418,212	( 964 )
Finance costs			( 46,886 )	( 65,906 )
Net loss on derecognition of financial assets at amortized cost			-	( 1,304 )
Profit (Loss) before income tax			<u>\$ 168,984</u>	<u>( \$ 141,783 )</u>

(3) Information on segment of 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.

COSMO ELECTRONICS CORPORATION  
Loans to others  
For the nine months period ended September 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	Balance at September 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		Limit on loans granted to a single party (Note 2)	Ceiling on total loans granted (Note 2)	Footnote
					the nine months period ended September 30, 2025								Item	Value			
0	Cosmo Electronics Corporation	PT Cosmo Technology	Other receivables from related parties	Y	\$ 182,628	\$ 167,448	\$ 167,448	3%	Short-term financing	\$ -	Operations	\$ -	None	\$ -	\$ 205,027	\$ 820,107	Note 2
		Cosmo Electronics (HK) Company Limited	Other receivables from related parties	Y	183,540	182,670	162,881	-	Short-term financing	-	Operations	-	None	-	205,027	820,107	Note 2
1	Dong Guan Guan Zhen Xing Trading Limited	Dongguan Guanwang Electronic Technology Co., Ltd.	Other receivables from related parties	Y	100,606	25,626	-	-	Short-term financing	-	Operations	-	None	-	338,639	338,639	Note 2
		Cosmo Electronics Corporation	Other receivables from related parties	Y	99,449	-	-	-	Short-term financing	-	Operations	-	None	-	135,486	135,486	Note 2
2	Real Bonus Limited	PT Cosmo Technology	Other receivables from related parties	Y	99,615	91,335	91,335	3%	Short-term financing	-	Operations	-	None	-	135,486	135,486	Note 2
		Cosmo Electronics (HK) Company Limited	Other receivables from related parties	Y	19,194	18,267	18,267	-	Short-term financing	-	Operations	-	None	-	135,486	135,486	Note 2
3	PT Cosmo Green Technology	PT Cijambe Indah	Other receivables from related parties	Y	33,495	24,705	24,705	3%	Short-term financing	-	Operations	-	None	-	200,308	200,308	Note 2
		PT Cosmo Technology	Other receivables from related parties	Y	33,495	18,300	18,300	3%	Short-term financing	-	Operations	-	None	-	200,308	200,308	Note 2
4	Renown Boom Limited	PT Cijambe Indah	Other receivables from related parties	Y	21,590	19,796	19,796	-	Short-term financing	-	Operations	-	None	-	410,054	537,946	Note 2
5	Cosmo Electronics (HK) Company Limited	Cosmo Electronics Corporation	Other receivables from related parties	Y	31,545	-	-	-	Short-term financing	-	Operations	-	None	-	279,476	279,476	Note 2
		PT Cosmo Technology	Other receivables from related parties	Y	61,180	60,890	60,890	3%	Short-term financing	-	Operations	-	None	-	279,476	279,476	Note 2
6	Juheng Development Corp	Cosmo Electronics Corporation	Other receivables from related parties	Y	9,500	9,500	9,500	3%	Short-term financing	-	Operations	-	None	-	10,619	10,619	Note 2
		Cosmo Electronics (HK) Company Limited	Other receivables from related parties	Y	12,813	12,813	12,813	3.5%	Short-term financing	-	Operations	-	None	-	14,817	29,634	Note 2

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.

The total amount of loans granted by Juheng Development Corp, shall not exceed 40% of its net worth. The amount of each individual loan and the amount required for short-term financing shall be limited to 40% of net worth for one-time drawdowns, and 10% of net worth for revolving use.

Dong Guan Guan Zhen Xing Trading Limited, Real Bonus Limited, PT Cosmo Green Technology, Renown Boom Limited and Cosmo Electronics(HK) Company Limited:

The total amount of loans shall be limited to 100% of each company’s net worth; however, for short-term financing needs, the limit shall be 40% of each company’s net worth. The amount of each individual loan, when provided for short-term financing needs, shall also be limited to 40% of each company’s net worth.

However, for funds lent to foreign companies directly or indirectly 100% owned in voting shares by Cosmo Electronics Corporation, based on the necessity of short-term financing, the total loan amount shall not exceed 200% of each company’s net worth; the amount of each individual loan shall also not exceed 200% of each company’s net worth.

Cosmo Electronics Technology (KunShan) Co., Ltd.:

The total loan amount shall be limited to 20% of net worth; however, for short-term financing needs, the limit shall be 10% of each company’s net worth. The amount of each individual loan for short-term financing needs shall be limited to 5% of net worth.

However, for funds lent to foreign companies directly or indirectly 100% owned in voting shares by Cosmo Electronics Corporation, based on the necessity of short-term financing, the total loan amount shall not exceed 40% of each company’s net worth; and the amount of each individual loan shall not exceed 20% of each company’s 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, in accordance with the Operational Procedures for Loans to Others of the Company, the total loans for financing granted by and to subsidiaries of which the ultimate parent directly or indirectly holds 100% of its voting shares must not exceed 40% of the lender’s net assets based on the latest audited or reviewed financial statements, and the loans to each entity for financing must not exceed 20% of the lender’s net assets based on the latest audited or reviewed financial statements. Therefore, limit on loan is the smaller one of above conditions.

COSMO ELECTRONICS CORPORATION  
Provision of endorsements and guarantees to others  
For the nine months period ended September 30, 2025

Table 2

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number (Note 1)	Endorser/guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of September 30, 2025	Outstanding endorsement/ guarantee amount as of September 30, 2025	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
		Company name	Relationship with the endorser/guarantor (Note 2)											
0	Cosmo Electronics Corporation	PT Cosmo Technology	(2)	\$ 820,107	\$ 400,000	\$ -	-	-	-%	\$ 1,025,135	Y	N	N	Note 3
		Cosmo Electronics (HK) Company Limited	(2)	820,107	30,445	30,445	-	-	1.48%	1,025,135	Y	N	N	Note 3
1	PT Cosmo Technology	Cosmo Electronics Corporation	(3)	2,050,269	926,000	-	-	-	-%	2,050,269	N	Y	N	Note 4
2	Dong Guan Guan Zhen Xing Trading Limited	Cosmo Electronics Technology (KunShan) Co., Ltd.	(3)	2,050,269	14,977	13,988	9,993	13,988	0.68%	2,050,269	N	N	Y	Note 4 Note 5
3	True Glory Investments Limited	Cosmo Electronics Corporation	(3)	2,050,269	926,000	700,000	699,025	1,538,822	34.14%	2,050,269	N	Y	N	Note 4 Note 6
		PT Cosmo Technology	(3)	2,050,269	400,000	-	-	-	-%	2,050,269	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.

COSMO ELECTRONICS CORPORATION

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

For the nine months period ended September 30, 2025

Table 3

Expressed in thousands of NTD

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party		Notes/accounts receivable (payable)		
			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	(\$ 349,692)	100%	According to the terms agreed by both parties	\$ -	-	\$ 321,854	100%	Note
Dong Guan Guan Zhen Xing Trading Limited	Cosmo Electronics (HK) Company Limited	Group	Sales	( 320,103)	100%	According to the terms agreed by both parties	-	-	85,813	100%	Note
PT Cosmo Technology	Starlite Creations Inc.	Substantive related parties	Sales	( 469,002)	83.67%	According to the terms agreed by both parties	-	-	272,620	81.04%	

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

COSMO ELECTRONICS CORPORATION  
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more  
For the nine months period ended September 30, 2025

Table 4 Expressed in thousands of NTD

Creditor	Counterparty	Relationship	Balance as at	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts	Footnote
					Amount	Action taken			
Cosmo Electronics (HK) Company Limited	PT Cosmo Technology	Group	\$ 321,854	210.37%	\$ -	-	\$ -	\$ -	Note
PT Cosmo Technology	Starlite Creations Inc.	Substantive related parties	272,620	201.03%	-	-	-	-	

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

COSMO ELECTRONICS CORPORATION  
Significant inter-company transactions during the reporting periods  
For the nine months period ended September 30, 2025

Table 5

Expressed in thousands of NTD

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				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	\$ 24,905	Normal transaction terms	2.99%
		Cosmo Electronics Technology (KunShan) Co., Ltd.	(1)	Sales	11,449	Normal transaction terms	1.38%
		PT Cosmo Technology	(1)	Sales	59,315	Normal transaction terms	7.13%
		PT Cosmo Technology	(1)	Accounts receivable	56,207	Normal transaction terms	1.32%
		PT Cosmo Technology	(1)	Other receivable	170,062	Loan	3.98%
		PT Cosmo Technology	(1)	Other receivable	159,924	Normal transaction terms	3.75%
		Cosmo Electronics (HK) Company Limited	(1)	Other receivable	162,881	Loan	3.82%
1	PT Cosmo Technology	Cosmo Electronics Corporation	(2)	Sales	15,076	Normal transaction terms	1.81%
		Real Bonus Limited	(3)	Sales	40,008	Normal transaction terms	4.81%
		Cosmo Electronics Technology (KunShan) Co., Ltd.	(3)	Sales	14,537	Normal transaction terms	1.75%
		Cosmo Lighting Inc.	(3)	Sales	15,253	Normal transaction terms	1.83%
2	Cosmo Electronics (HK) Company Limited	PT Cosmo Technology	(3)	Accounts receivable	321,854	Irregularly payment	7.54%
		PT Cosmo Technology	(3)	Other receivable	61,755	Loan	1.45%
		PT Cosmo Technology	(3)	Sales	349,692	Normal transaction terms	42.02%
3	Dong Guan Guan Zhen Xing Trading Limited	Cosmo Electronics (HK) Company Limited	(3)	Sales	320,103	Normal transaction terms	38.42%
		Cosmo Electronics (HK) Company Limited	(3)	Accounts receivable	85,813	Normal transaction terms	2.01%
4	PT. CIJAMBE INDAH	PT Cosmo Technology	(3)	Other unearned revenue	69,862	Normal transaction terms	1.64%
5	Real Bonus Limited	PT Cosmo Technology	(3)	Other receivable	92,761	Loan	2.17%
6	Cosmo Electronics Technology (KunShan) Co., Ltd.	Cosmo Electronics Corporation	(2)	Sales	19,475	Normal transaction terms	2.34%

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.



COSMO ELECTRONICS CORPORATION

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

For the nine months period ended September 30, 2025

				Expressed in thousands of NTD							
Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2025			Net profit (loss) of the investee for the nine months period ended September 30, 2025	Investment income (loss) recognized by the Company for the nine months period ended September 30, 2025	Footnote
				Balance as at September 30, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value			
Cosmo Electronics Corporation	Cosmo Electronics Samoa	Samoa Islands	Investment activities	\$ -	\$ 193,912	-	-%	\$ -	\$ -	\$ -	
	Cosmo Electronics (HK) Company Limited	Hong Kong	Trading of electronic products	269,412	269,412	63,180,000	100%	139,738	( 3,781)	( 3,781)	
	Grand Concept Group Limited	Samoa Islands	Investment activities	354,960	327,230	11,670,000	100%	1,906,748	380,225	380,225	
	Grandway International Limited	Samoa Islands	Investment activities	941,532	941,532	30,080,000	100%	759,788	24,845	24,845	
	PT Cosmo Technology	Indonesia	Manufacturing and selling of LED lighting	87,075	87,075	3,000,000	14%	86,148	( 15,076)	( 295)	Note 1
	Cosmo Green Power Limited	Vietnam	Manufacturing and selling of material of biomass energy	31,760	31,760	-	100%	8,679	-	-	Note 2
	Juheng Development Corp	Taiwan	Land development	28,000	-	2,800,000	100%	26,547	( 1,453)	( 1,453)	
Cosmo Electronics Samoa	Cosmo Electronics Technology Co., Ltd.	Mauritius Islands	Investment activities	-	193,912	-	-%	-	-	-	
Cosmo Electronics (HK) Company Limited	Cosmo Lighting Inc.	U.S.A	Selling of LED lighting	49,046	49,046	1,620,000	100%	26,381	( 2,613)	( 2,613)	
Grand Concept Group Limited	True Glory Investments Limited	Samoa Islands	Investment activities and processing and trading of PCBs	354,960	327,230	11,670,000	100%	1,839,005	383,106	383,106	
	Real Bonus Limited	Samoa Islands	Selling of LED lighting	-	-	-	100%	67,743	( 3,432)	( 3,432)	Note 2
Grandway International Limited	Truly Top Investments Limited	Samoa Islands	Investment activities	538,516	538,516	16,850,000	100%	490,847	( 6,560)	( 6,560)	
	Renown Boom Limited	Samoa Islands	Investment activities and processing and selling of routers	402,983	402,983	13,230,000	100%	268,973	28,371	28,371	
True Glory Investments Limited	PT Cosmo Technology	Indonesia	Manufacturing and selling of LED lighting	87,514	87,514	2,750,000	13%	78,939	( 15,076)	( 1,985)	Note 1
	PT Cosmo Green Technology	Indonesia	Manufacturing and selling of material of biomass energy	44,603	44,603	15,000	50%	50,077	5,994	2,997	Note 1
	PT Cijambe Indah	Indonesia	Land development	444,094	416,363	147,338	95%	1,709,802	390,151	382,125	Note 1
	PT Cosmo Electronics Indonesia	Indonesia	Manufacturing and selling of new electronic	317	317	10,000	100%	181	( 1)	( 1)	
Truly Top Investments Limited	PT Cosmo Technology	Indonesia	Manufacturing and selling of LED lighting	493,651	493,651	15,350,000	73%	440,737	( 15,076)	( 9,402)	Note 1
	PT Cosmo Green Technology	Indonesia	Manufacturing and selling of material of biomass energy	44,865	44,865	15,000	50%	50,077	5,994	2,997	Note 1
Renown Boom Limited	PT Cijambe Indah	Indonesia	Land development	266,944	266,944	6,579	5%	76,265	390,151	12,252	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 nine months period ended September 30, 2025

Table 7

Expressed in thousands of NTD  
(Except as otherwise indicated)

1. Information on investments in Mainland China

Investee in	Investment	Mainland China	Mainland China	Mainland China	Amount remitted from Taiwan		Mainland China	Net income (loss) of investee for the nine-month period ended September 30,	Ownership held by the Company	Investment income (loss) recognized by the Company for the six months ended September 30,	Book value of investments in Mainland China as ended September 30,	Accumulated amount of investment income remitted back to Taiwan as of	Footnote
					Septmeber 30, 2025	to Taiwan							
Investee in	Investment	Paid-in capital	method (Note 1)	2025	Mainland China	to Taiwan	2025	2025	(direct or indirect)	2025 (Note 2)	2025	September 30, 2025	Footnote
Cosmo Electronics Technology (KunShan) Co., Ltd.	Manufacturing and selling of new electronic parts	\$ 193,912	(1)	\$ 193,912	\$ -	\$ -	\$ 193,912	(\$ 82,042)	100%	(\$ 82,042)	\$ 74,087	\$ 8,157	
Dong Guan Guan Zhen Xing Trading Limited	Selling of LED lighting	187,563	(2)	85,367	-	-	85,367	12,239	100%	12,239	169,319	-	
Dongguan Guanwang Electronic Technology Co., Ltd.	Developing, manufacturing and selling of electronic products	160,001	(2)	-	-	-	-	376	100%	376	19,147	-	

2. Ceiling on investments in Mainland China

Accumulated amount of remittance from Taiwan to Mainland China as of September 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	
\$	279,279	\$	350,118	\$	1,224,221

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 recognized 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\$11,500,000 dollars.

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 30-Sep-25 1 : 30.445 Average 1 : 30.368  
NTD:RMB 30-Sep-25 1 : 4.271 Average 1 : 4.262