COSMO ELECTRONICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REVIEW REPORT

MARCH 31, 2026 AND 2025

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 March 31, 2026, and 2025, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three-month period ended March 31, 2026, and 2025, 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$531,081 thousand and NT$379,216 thousand, constituting 12% and 9% of the consolidated total assets, and total liabilities of NT$357,307 thousand and NT$107,883 thousand, constituting 14% and 5% of the consolidated total liabilities as at March 31, 2026 and 2025, respectively, and total comprehensive income (loss) of NT$(2,334) thousand and NT$(25,296) thousand, constituting (8)% and 35% of the consolidated total comprehensive income for the three-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 March 31, 2026 and 2025, and of its consolidated financial performance and its consolidated cash flows for the three-month period ended March 31, 2026 and 2025 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.

Lee, Ting Yi　　　　　　Chen, Yu Hsun

For and on behalf of Candor Taiwan CPAs

May 13, 2026

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

March 31, 2026, DECEMBER 31, 2025 AND March 31, 2025

(Expressed in thousands of New Taiwan dollars)

			March 31, 2026		December 31, 2025		March 31, 2025	
	Assets	Notes	Amount	%	Amount	%	Amount	%
	Current assets							
1100	Cash and cash equivalents	4(6) and 6(1)	$ 165,962	4	$ 215,539	5	$ 128,106	3
1136	Financial assets at amortised cost-current	4(7), 6(2) and 8	19,415	-	19,492	-	20,697	-
1170	Accounts receivable, net	4(7) and 6(3)	86,587	2	66,842	2	148,898	3
1180	Accounts receivable from related parties, net	4(7), 6(3) and 7	86,507	2	143,332	3	91,091	2
1200	Other receivables	4(7)	286,310	6	2,145	-	4,411	-
1220	Current income tax assets	4(17) and 6(15)	1,535	-	3,067	-	680	-
130x	Inventories	4(8), 5(1) and 6(4)	334,926	8	259,879	6	527,191	12
1460	Non-current assets held for sale	4(9), (12) and 6(5)	-	-	45,967	1	-	-
1470	Other current assets		100,290	2	77,452	2	69,755	2
11xx	**Total current assets**		1,081,532	24	833,715	19	990,829	22
	Non-current assets							
1535	Financial assets at amortized cost-non current	4(7), 6(2) and 8	4,208	-	4,532	-	4,482	-
1600	Property, plant and equipment	4(10),(13) ,6(6) and 8	604,813	13	602,190	14	764,041	18
1755	Right-of-use assets	4(14) and 6(7)	162,432	4	161,482	4	185,510	4
1760	Investment property, net	4(11), 5(2), 6(8) and 8	2,520,128	56	2,530,537	59	2,175,891	52
1780	Intangible assets	4(12)	8,836	-	9,145	-	10,262	-
1840	Deferred income tax assets	4(17) and 6(15)	73,993	2	74,899	2	74,700	2
1990	Other non-current assets		49,461	1	66,329	2	90,676	2
15xx	**Total non-current assets**		3,423,871	76	3,449,114	81	3,305,562	78
1xxx	**Total assets**		$ 4,505,403	100	$ 4,282,829	100	$ 4,296,391	100

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COSMO ELECTRONICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
March 31, 2026, DECEMBER 31, 2025 AND March 31, 2025
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	March 31, 2026 Amount	%	December 31, 2025 Amount	%	March 31, 2025 Amount	%
	Current liabilities							
2100	Short-term borrowings	4(15) and 6(9)	$ 307,514	7	$ 391,400	9	$ 1,297,781	30
2130	Contract liabilities	6(13) and 7	26,906	1	1,302	-	16,503	-
2170	Accounts payable		126,709	3	82,025	2	177,177	4
2180	Accounts payable to related parties	7	12,612	-	10868	-	21,634	1
2200	Other payables	7	348,603	8	81,953	2	70,566	1
2230	Current income tax liabilities	4(17) and 6(15)	547	-	487	-	1,584	-
2280	Lease liabilities-current		3,732	-	2,965	-	8,324	-
2320	Long-term liabilities-current portion	4(15) and 6(10)	138,996	3	151,116	4	71,809	2
2399	Other current liabilities		5,022	-	5,382	-	2,036	-
21xx	**Total current liabilities**		970,641	22	727,498	17	1,667,414	38
	Non-current liabilities							
2540	Long-term borrowings	4(15) and 6(10)	701,925	16	756,525	19	249,671	6
2570	Deferred income tax liabilities	4(17) and 6(15)	297,061	7	296,665	7	260,164	6
2580	Lease liabilities-non current		20,333	-	21,371	-	27,498	1
2640	Net defined benefit liability-non-current	4(16), 6(11) and 7	15,989	-	15,734	-	16,605	-
2622	Long-term payables to related parties	6(10) and 7	444,237	10	439,307	10	142,005	3
2670	Others non-current liabilities		18,197	-	18,320	-	31,421	1
25xx	**Total non-current liabilities**		1,497,742	33	1,547,922	36	727,364	17
2xxx	**Total liabilities**		2,468,383	55	2,275,420	53	2,394,778	55

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COSMO ELECTRONICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
March 31, 2026, DECEMBER 31, 2025 AND March 31, 2025
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	March 31, 2026 Amount	%	December 31, 2025 Amount	%	March 31, 2025 Amount	%
	Equity							
3110	Common stock	6(12)	$ 1,734,587	39	$ 1,734,587	41	$ 1,714,587	40
3200	Capital surplus	6(12)	303,838	7	303,838	7	143,838	3
3300	Retained earnings							
3310	Legal reserve		22,495	-	22,495	1	22,495	1
3320	Special reserve		171,472	4	171,472	4	171,472	4
3350	Unappropriated retained earnings/ Accumulated deficit		24,948	-	19,730	-	(105,768)	(2)
3400	Other equity		(220,320)	(5)	(244,713)	(6)	(45,011)	(1)
3xxx	**Total equity**		2,037,020	45	2,007,409	47	1,901,613	45
2-3XXX	**Total liabilities and equity**		$ 4,505,403	100	$ 4,282,829	100	$ 4,296,391	100

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

COSMO ELECTRONICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025

(Expressed in thousands of New Taiwan dollars, except for earnings(deficit) per share amounts)

	Items	Notes	2026 Amount	2026 %	2025 Amount	2025 %
4000	Operating revenue	4(18), (19), 6(13) and 7	$ 158,640	100	$ 203,560	100
5000	Operating costs	6(4) and 7	(147,235)	(93)	(196,747)	(97)
5900	Gross profit		11,405	7	6,813	3
	Operating expenses					
6100	Selling expenses		(10,036)	(6)	(12,640)	(6)
6200	General and administrative expenses		(50,304)	(32)	(52,822)	(26)
6300	Research and development expenses		(2,566)	(2)	(2,659)	(1)
6450	Expected credit losses (gains)	6(3)	88	-	2,809	1
6000	Total operating expenses		(62,818)	(40)	(65,312)	(33)
6900	Operating (loss)profit		(51,413)	(33)	(58,499)	(30)
	Non-operating income and expenses					
7100	Interest income	6(14)	746	-	229	-
7010	Other income	6(14)	2,656	2	2,172	1
7020	Other gains and losses	6(14)	81,496	51	192	-
7050	Finance costs	6(14)	(12,524)	(8)	(18,772)	(9)
7000	Total non-operating income and expenses		72,374	45	(16,179)	(8)
7900	**Profit (loss) before income tax**		20,961	12	(74,678)	(38)
7950	Income tax (expense) benefit	4(17) and 6(15)	(15,743)	(10)	(6,796)	(3)
8200	**Profit (loss) for the year**		$ 5,218	2	($ 81,474)	(41)
8361	Financial statements translation differences of foreign operations		24,393	15	9,900	5
8360	Components of other comprehensive income that will be reclassified to profit or loss		24,393	15	9,900	5
8300	**Other comprehensive income for the year**		$ 24,393	15	$ 9,900	5
8500	**Total comprehensive income for the year**		$ 29,611	17	($ 71,574)	(36)
8600	Profit (loss) attributable to:					
8610	Owners of the parent		$ 5,218	3	($ 81,474)	(40)
8700	Comprehensive income (loss) attributable to :					
8710	Owners of the parent		$ 29,611	18	($ 71,574)	(36)
	Earnings per share					
9750	Basic earnings (loss) per share	6(16)	$ 0.03		($ 0.48)	

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

COSMO ELECTRONICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars)

	Share capital		Retained earnings			Other equity	
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings / Accumulated deficit	Exchange differences on translating the financial statements of foreign operations	Total equity
For the three months ended March 31, 2025							
Balance at January 1, 2025	$ 1,714,587	$ 143,838	$ 22,495	$ 171,472	($ 24,294)	($ 54,911)	$ 1,973,187
Loss for the period	-	-	-	-	(81,474)	-	(81,474)
Other comprehensive income (loss) for the period	-	-	-	-	-	9,900	9,900
Balance at March 31, 2025	$ 1,714,587	$ 143,838	$ 22,495	$ 171,472	($ 105,768)	($ 45,011)	$ 1,901,613
For the three months ended March 31, 2026							
Balance at January 1, 2026	$ 1,734,587	$ 303,838	$ 22,495	$ 171,472	$ 19,730	($ 244,713)	$ 2,007,409
Net income for the period	-	-	-	-	5,218	-	5,218
Other comprehensive income (loss) for the period	-	-	-	-	-	24,393	24,393
Balance at March 31, 2026	$ 1,734,587	$ 303,838	$ 22,495	$ 171,472	$ 24,948	($ 220,320)	$ 2,037,020

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

COSMO ELECTRONICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars)

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Consolidated income (loss) before tax for the period	$ 20,961	($ 74,678)
Adjustments		
Income and expenses having no effect on cash flows		
Depreciation expenses	22,333	28,659
Amortization expenses	433	569
Expected credit losses (gains)	(88)	(2,809)
Financial costs	12,524	18,772
Interest income	(746)	(229)
(Gain) Loss on disposal and scrap of property, plant and equipment	(71,898)	17
Gain on disposal of investment property, net	(7,010)	-
Changes in assets and liabilities relating to operating activities		
(Increase) Decrease in Accounts receivable	(15,336)	(5,996)
(Increase) Decrease in Accounts receivable from related parties	86,658	45,913
(Increase) Decrease in Other receivables	(283,759)	975
(Increase) Decrease in Inventories	(69,740)	(25,754)
(Increase) Decrease in Prepayments	(2,230)	40,307
(Increase) Decrease in Other current assets	(18,668)	(370)
(Increase) Decrease in Other non-current assets	24,571	(20,979)
(Increase) decrease in net defined benefit asset	-	(431)
Increase (Decrease) in Contract liabilities	25,603	(31,283)
Increase (Decrease) in Accounts payable	39,841	68,909
Increase (Decrease) in Accounts payable to related parties	(9,021)	(11,275)
Increase (Decrease) in Other payables	262,720	(31,508)
Increase (Decrease) in Other payables to related parties	(2,693)	232
Increase (Decrease) in Other current liabilities	(379)	(1,099)
Increase (Decrease) in Net defined benefit liability	(25)	265
Cash generated from (used in) operations	14,051	(1,793)
Interest received	1,377	229
Income taxes (paid) received	(11,428)	14,368
Net cash flows generated from (used in) operating activities	4,000	12,804
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal (Acquisition) of financial assets at amortized cost	$ 402	$ 9,588
Acquisitions of property, plant and equipment	(15,270)	(36,486)
Acquisitions and payments for investment properties	(7,244)	2,402
Proceeds from disposal of property, plant and equipment	114,808	30,394
Disposal of investment property	36,590	-
(Increase) Decrease in refundable deposits	(318)	5
Acquisitions of intangible assets	-	(150)
Increase in prepayments for acquisition of equipment	(4,723)	(5,303)
Net cash flows generated from (used in) investing activities	124,245	(4,354)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (Decrease) in short-term borrowings	(83,886)	889,781
Decrease in short-term bills payable	-	(30,000)
Proceeds from long-term borrowings	646,525	164,124
Repayment for long-term borrowings	(713,245)	(1,110,756)
Increase in guarantee deposits received	(123)	(5)
Increase in Other non-current liabilities	-	13,429
Payment of lease liabilities	(922)	(736)
Interest paid	(7,347)	(18,986)
Increase in long-term payables to related parties	3,800	120,005
Net cash flows generated from (used in) financing activities	(155,198)	26,856
Effect of exchange rate changes	(22,624)	(12,301)
Net increase (decrease) in cash and cash equivalents	(49,577)	23,005
Cash and cash equivalents at beginning of period	215,539	105,101
Cash and cash equivalents at end of period	$ 165,962	$ 128,106

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 THREE-MONTH PERIODS ENDED MARCH 31, 2026 AND 2025
(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, clean steam 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 May 13, 2026.

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 2026

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
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026

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) 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 International Accounting Standards Board(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
Amendments to IFRS 21 "Translation to a Presentation Currency in a Hyperinflationary Economy"	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 authorized for issuance, the Group continues to evaluate the impact of the aforementioned standards, interpretations, and amendments on its financial position and financial performance. The related impact will be disclosed upon completion of the evaluation.

4. Summary of Significant Accounting Policies

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

(1) Compliance statement

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

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

B. Subsidiaries included in the consolidated financial statements:

			Ownership (%)			
Name of Investor	Name of Subsidiary	Main Business Activities	March 31, 2026	December 31, 2025	March 31, 2025	Description
Cosmo Electronics Corporation	Cosmo Electronics (HK) Company Limited	Trading of electronic products	100%	100%	100%	Note 2
	Grand Concept Group Limited	Investment activities	100%	100%	100%	Note 2 and 5
	Grandway International Limited	Investment activities	100%	100%	100%	
	PT Cosmo Technology (PT Cosmo)	Manufacturing and selling of LED lighting	14%	14%	14%	Note 1
	Cosmo Green Power Limited (Cosmo Green)	Manufacturing and selling of material of biomass energy	100%	100%	100%	Note 2
	Cosmo Electronics Technology (KunShan) Co., Ltd.	Manufacturing and selling of new electronic parts	100%	100%	-%	Note 2 and 3
	Juheng Development Corp	Land development	100%	100%	-%	Note 2 and 4
Cosmo Electronics (HK) Company Limited	Cosmo Lighting Inc	Selling of LED lighting	100%	100%	100%	Note 2

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%) March 31, 2026	December 31, 2025	March 31, 2025	Description
Grand Concept Group Limited	True Glory Investments Limited	Investment activities and processing and trading of PCBs	100%	100%	100%	Note 2 and 6
	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
	Real Bonus Limited	Selling of LED lighting	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)	Renewable energy power generation equipment for self-use	50%	50%	50%	Note 1 and 2
	PT Cijambe Indah (PT Cijambe)	Land development	95%	95%	95%	Note 1 and 7
	PT Cosmo Electronics Indonesia (PT Electronics)	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)	Renewable energy power generation equipment for self-use	50%	50%	50%	Note 1 and 2
Renown Boom Limited	Dong Guan Guan Zhen Xing Trading Limited	Selling of decorative lighting	100%	100%	100%	
	PT Cijambe Indah (PT Cijambe)	Land development	5%	5%	5%	Note 1
Dong Guan Guan Zhen Xing Trading Limited	Dongguan Guanwang Electronic Technology Co., Ltd.	Developing, manufacturing and selling of electronic products	100%	100%	100%	Note 2

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 three-month period ended March 31, 2026, were not reviewed by independent auditors as the entity did not meet the definition of a significant subsidiary.

Note 3: The organizational structure was changed and is now 100% owned by Cosmo Electronics Corporation in 2025.

Note4: The subsidiary was approved for incorporation on April 11, 2025, and is 100% owned by Cosmo Electronics Corporation.

Note 5: The Board of Directors approved capital increases of USD 800 thousand and USD 1,420 thousand in Grand Concept Group Limited in 2026 and 2025, respectively; the Company's shareholding ratio remains unchanged at 100%.

Note 6: In 2026 and 2025, the Board of Directors of Grand Concept Group Limited approved capital injections of USD 800 thousand and USD 1,420 thousand, respectively, in True Glory Investments Limited. The Company's ownership interest in True Glory Investments Limited remained at 100%.

Note 7: In 2026 and 2025, the Board of Directors of True Glory Investments Limited approved capital injections of USD 800 thousand and USD 1,420 thousand, respectively, in Pt Cijambe Indah. The Company's ownership interest in Pt Cijambe Indah remained at 95%.

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$531,081 thousand and NT$379,216 thousand as of March 31, 2026 and 2025, respectively. The total liabilities amounted to NT$357,307 thousand and NT$107,883 thousand as of the same dates. The total comprehensive income (loss) for the three-month period ended March 31, 2026 and 2025 amounted to (NT$2,334) thousand and (NT$25,296) 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 closing rates prevailing at that date. Such exchange differences are recognized in profit or loss in the period 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 recognized in profit or loss, except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognized in other comprehensive income, in which case, the exchange differences are also recognized 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 Group's foreign operations are translated into NT$ using the closing 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 under the heading of “exchange differences on translation of foreign financial statements” (and 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 Group'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 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 in the period in which they arise.

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 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) Non-current assets held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount is recovered principally through a sale transaction rather than through continuing use. This condition is met only when the non-current asset (or disposal group) is available for immediate sale in its present condition and its sales are highly probable.

For the sale to be highly probable, the appropriate level of management must be committed to a plan to sell the assets, and the sale should be expected to be completed within one year from the date of classification.

Non-current assets (or disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Depreciation of such assets ceases upon classification as held for sale.

(10)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.

(11) 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.

(12) 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.

(13) Impairment of Tangible Assets and Intangible Assets

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

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

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

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

(14)<u>Leasing arrangements (lessee)－right-of-use assets/ lease liabilities</u>

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.

(15)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.

(16)Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expense when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in 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 reference to market yields on government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of 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 subsequent 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.

(17)Income tax

Income tax expense includes both current and deferred income tax.

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

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

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

The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company 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 their earnings.

(18)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.

Interest income

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

(19)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 making 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 write 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

	March 31, 2026	December 31, 2025	March 31, 2025
Cash on hand and petty cash	$ 864	$ 779	$ 1,168
Checking accounts and demand deposits	155,189	204,983	126,938
Time deposits	9,909	9,777	-
	$ 165,962	$ 215,539	$ 128,106

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

B. Time deposits pledged to Customs as collateral for guarantees, as well as restricted bank accounts earmarked for the reimbursement of bank loans, are excluded from cash and cash equivalents and are classified under financial assets at amortized cost. Please refer to Note 6(2).

(2) Financial assets at amortized cost

Items	March 31, 2026	December 31, 2025	March 31, 2025
Current items:			
Restricted bank deposits	$ 19,415	$ 19,492	$ 20,697
Non-current items:			
Pledged time deposits	$ 4,173	$ 4,498	$ 4,460
Time deposits	35	34	22
	$ 4,208	$ 4,532	$ 4,482

A. The ranges of interest rates for time deposits were 1.69% and 0.92%–1.69% per annum as of March 31, 2026 and 2025, respectively.

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

(3) Receivables

Items	March 31, 2026	December 31, 2025	March 31, 2025
Accounts receivable	$ 91,347	$ 71,522	$ 151,621
Accounts receivable from related parties	86,658	143,567	91,091
Less: Allowance for uncollectible accounts	(4,911)	(4,915)	(2,723)
Accounts receivable, net	$ 173,094	$ 210,174	$ 239,989

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 the previous day.

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 is as follows:

	March 31, 2026				
	Not past due	Past due 1 to 90 Days	Past due 91 to 180 Days	Past due over 181 Days	Total
Gross carrying amount	$ 159,358	$ 14,095	$ -	$ 4,552	$ 178,005
Loss allowance (lifetime expected credit losses)	(322)	(37)	-)	(4,552)	(4,911)
Amortized cost	$ 159,036	$ 14,058	$ -	$ -	$ 173,094

	December 31, 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	$ 199,580	$ 10,941	$ 96	$ 4,472	$ 215,089
Loss allowance (lifetime expected credit losses)	(318)	(123)	(2)	(4,472)	(4,915)
Amortized cost	$ 199,262	$ 10,818	$ 94	$ -	$ 210,174

	March 31, 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	$ 209,867	$ 26,139	$ 4,729	$ 1,977	$ 242,712
Loss allowance (lifetime expected credit losses)	(517)	(147)	(82)	(1,977)	(2,723)
Amortized cost	$ 209,350	$ 25,992	$ 4,647	$ -	$ 239,989

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

	For the three months ended March 31	
	2026	2025
Beginning balance	$ 4,915	$ 5,484
Impairment losses recognized (reversed) on trade receivables	(273)	(2,816)
Foreign exchange gains and losses	269	55
Ending balance	$ 4,911	$ 2,723

(4) Inventories

	March 31, 2026		
	Cost	Allowance Loss	Book value
Raw materials	$ 157,776	($ 13,921)	$ 143,855
Work in progress	112,728	(23,814)	88,914
Finished goods	99,566	(17,224)	82,342
Merchandise	24,332	(4,517)	19,815
Total	$ 394,402	($ 59,476)	$ 334,926

	December 31, 2025		
	Cost	Allowance Loss	Book value
Raw materials	$ 142,402	($ 10,968)	$ 131,434
Work in progress	83,494	(13,318)	70,176
Finished goods	60,320	(14,967)	45,353
Merchandise	17,433	(4,517)	12,916
Total	$ 303,649	($ 43,770)	$ 259,879

	March 31, 2025		
	Cost	Allowance Loss	Book value
Raw materials	$ 184,085	($ 19,433)	$ 164,652
Work in progress	204,409	(3,950)	200,459
Finished goods	187,713	(31,607)	156,106
Merchandise	12,087	(6,113)	5,974
Total	$ 588,294	($ 61,103)	$ 527,191

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

	For the three months ended March 31	
	2026	2025
Inventory reclassified as cost of goods sold	$ 131,530	$ 196,185
Loss on (gain on reversal of) write-down of inventories and obsolescence	15,705	768
Revenue from sale of scraps	-	(206)
Cost of goods sold net	$ 147,235	$ 196,747

(5) Non-current assets held for sale

	March 31, 2026	December 31, 2025	March 31, 2025
Land	$ -	$ 20,619	$ -
Buildings and structures	-	24,807	-
Machinery and other equipment	-	541	-
Balance	$ -	$ 45,967	$ -

The Company and its subsidiaries entered into a sales agreement with non-related parties on January 23, 2026, to dispose of its land, buildings, machinery, and other equipment located on Ziqiang Road, Dongshan Township, Yilan County. Accordingly, such assets have been classified as a disposal group held for sale.

On January 23, 2026, the Company entered into an agreement to dispose of the aforementioned non-current assets held for sale to an unrelated party for a total contract price of NT$118,000 thousand. The transfer of ownership for the real estate property was completed on March 4, 2026, and all sale proceeds have been fully collected. Net of related disposal costs, a gain on disposal of NT$74,310 thousand was recognized.

(6) Property, plant and equipment

	Land	Buildings and structures	Machinery	Transportation equipment	Office equipment	Other equipment	Construction in progress	Total
Cost								
Balance at January 1, 2026	$ 178,655	$ 453,139	$ 464,764	$ 12,920	$ 42,021	$ 183,325	$ 5,892	$ 1,340,716
Additions	-	9,506	548	-	35	2,052	3,129	15,270
Disposals	-	-	(764)	-	-	-	-	(764)
Reclassifications	-	-	-	-	-	-	(6,334)	(6,334)
Net exchange differences	7	6,832	10,545	174	531	8,726	1	26,816
Balance at March 31, 2026	$ 178,662	$ 469,477	$ 475,093	$ 13,094	$ 42,587	$ 194,103	$ 2,688	$ 1,375,704
Balance at January 1, 2026	$ -	$ 268,246	$ 291,855	$ 10,696	$ 29,971	$ 137,758	$ -	$ 738,526
Depreciation expense	-	5,070	11,498	323	611	2,685	-	20,187
Disposals	-	-	(764)	-	-	-	-	(764)
Net exchange differences	-	4,366	6340	161	358	1,717	-	12,942
Balance at March 31, 2026	$ -	$ 277,682	$ 308,929	$ 11,180	$ 30,940	$ 142,160	$ -	$ 770,891
Carrying amount at March 31, 2026	$ 178,662	$ 191,795	$ 166,164	$ 1,914	$ 11,647	$ 51,943	$ 2,688	$ 604,813

	Land	Buildings and structures	Machinery	Transportation equipment	Office equipment	Other equipment	Construction in progress	Total
Cost								
Balance at January 1, 2025	$ 192,052	$ 513,219	$ 1,289,971	$ 20,255	$ 49,855	$ 254,384	$ 19,562	$ 2,339,298
Additions	-	192	33,450	-	1,528	1,316	-	36,486
Disposals	-	-	(150,598)	-	-	-	-	(150,598)
Reclassifications	-	-	3,825	-	-	-	-	3,825
Net exchange differences	-	3,972	5,203	173	462	1,962	(11)	11,761
Balance at March 31, 2025	$ 192,052	$ 517,383	$ 1,181,851	$ 20,428	$ 51,845	$ 257,662	$ 19,551	$ 2,240,772
Balance at January, 2025	$ -	$ 278,392	$ 1,029,929	$ 16,314	$ 38,484	$ 199,895	$ -	$ 1,563,014
Depreciation expense	-	5,926	15,455	408	593	2,665	-	25,047
Disposals	-	-	(120,187)	-	-	-	-	(120,187)
Net exchange differences	-	3,372	3,365	146	1,406	1,648	-	8,857
Balance at March 31, 2025	$ -	$ 287,690	$ 928,562	$ 16,868	$ 39,403	$ 204,208	$ -	$ 1,476,731
Carrying amount at March 31, 2025	$ 192,052	$ 229,693	$ 253,288	$ 3,560	$ 12,442	$ 53,454	$ 19,551	$ 764,041

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 collateral is provided in Note 8.

(7) 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:

	March 31, 2026	December 31, 2025	March 31, 2025
Land	$ 140,118	$ 138,701	$ 149,884
Buildings and structures	22,314	22,781	35,626
	$ 162,432	$ 161,482	$ 185,510

	For the three months ended March 31	
	2026	2025
Addition of right-of-use assets	$ -	$ -
Depreciation expense for right-of-use assets		
Land	$ 1,064	$ 1,106
Buildings and structures	1,082	2,506
Total depreciation expense for right-of-use assets	$ 2,146	$ 3,612

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

	For the three months ended March 31	
Items affecting profit or loss	2026	2025
Interest expense on lease liabilities	$ 240	$ 243
Expense on short-term lease contracts	$ 423	$ 423
Expense on lease of low-value assets	$ 182	$ 271
Total cash outflow for leases	$ 605	$ 1,430

(8) Investment property

	March 31, 2026	March 31, 2025
At January 1	$ 2,530,537	$ 2,168,692
Additions－from subsequent expenditures	7,244	2,402
Disposals	(29,580)	-
Net exchange differences	11,927	4,797
At March 31	$ 2,520,128	$ 2,175,891

A. Rental income from investment property is shown below:

	For the three months ended March 31	For the three months ended March 31
	2026	2025
Rental income from investment property	$ 1,618	$ 690

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. Investment properties are measured at fair value on a recurring basis. The fair value as of December 31, 2025, was based on valuations performed on December 31, 2025, and March 9, 2026, by independent qualified professional appraisers: Mr. Tzung-Ting Hsieh of Euro-Asia Real Estate Appraisers Firm, and Mr. Kun-Lung Hsieh and Mr. Bo-Lin Chen of Zonetai Real Estate Appraisers Firm, all of whom are Certified Real Estate Appraisers in the ROC.

The fair value as of December 31, 2024, was based on valuations performed on February 7 and March 11, 2025, by Ms. Yi-Ting Lai of Euro-Asia Real Estate Appraisers Firm, and Mr. Kun-Lung Hsieh and Ms. Shao-Chi Chang of Chung Tai Real Estate Appraisers Firm, who also hold Certified Real Estate Appraiser qualifications in the ROC.

F. The fair value of the investment property is measured using Level 3 inputs in the fair value hierarchy. Unrealized profit or loss from fair value adjustment on investment property for the three-month ended March 31, 2026 and 2025 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,	
	2025	2024
Expected future cash inflows	$ 141,631	$ 138,536
Expected future cash outflows	(6,411)	(5,718)
Expected future cash inflows, net	$ 135,200	$ 132,818
Discount rate	2.47%~2.97%	2.47%~2.72%

An increase in estimated future net cash inflows or a decrease in discount rates would result in an increase in 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 $200 to $970 per ping.

I. As of December 31, 2025 and 2024, 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 1.6% and 0.00% to 1.50%, respectively.

J. Please refer to Note 8 for information regarding investment property pledged as collateral.

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

	For the year ended December 31	
	2026	2025
Estimated total sale price	$ 4,268,484	$ 3,929,759
Rate of return	17.5%	15%
Overall capital interest rate	11.88%-71.28%	11.2%-66.96%

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.

L. The Company and its subsidiaries signed a contract on November 5, 2024, to sell 5 hectares of land in Indonesia (recognized as 'Investment property') for a total price of $108,800 thousand (USD$3,400 thousand). An advance payment of $17,280 thousand was received on the signing date. As of March 31, 2026, the transfer of ownership has not yet been completed.

M. The Company and its subsidiaries signed a contract on January 28, 2026, to sell the land and buildings located on Section 2, Zhongshan Road, Taipei (recognized as "Investment property") for a total price of NT$36,800 thousand. The transfer of ownership was completed on March 30, 2026, and all sale proceeds have been fully collected. Net of related disposal costs, a gain on disposal of NT$7,010 thousand was recognized.

(9) Short-term borrowings

Type of borrowings	March 31, 2026	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	$ 238,514	0.91%-2.75%	Note 8
Secured borrowings	69,000	2.38%-2.75%	Note 8
	$ 307,514		

Type of borrowings	December 31, 2025	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	$ 252,400	0.91%-2.94%	Note 8
Secured borrowings	139,000	2.38%-2.94%	Note 8
	$ 391,400		

Type of borrowings	March 31, 2025	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	$ 978,781	2.41%-5.85%	Note 8
Secured borrowings	139,000	2.38%-2.94%	Note 8
	$ 1,117,781		
Other borrowings	$ 180,000	-%	
	$ 1,297,781		

As of March 31, 2026, the total short-term borrowing facilities (credit lines) available to the Company and its subsidiaries amounted to $328,995 thousand..

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

(10) Long-term borrowings

Type of borrowings	March 31, 2026	December 31, 2025	March 31, 2025
Long-term bank borrowings			
Real estate secured borrowings	$ 168,800	$ 170,900	$ 192,937
Other unsecured borrowings	672,121	736,741	79,692
	840,921	907,641	272,629
Loans from related parties			
Esteemed Glory Holdings Limited	80,332	62,902	38,851
Guan Hong Energy Co., Ltd.	14,000	14,000	10,000
Tsai, Nai Chen	176,450	214,450	81,050
Song, Min Kui	-	7,500	7,500
Digicrown Technologies Ltd.	173,455	140,455	53,455
	444,237	439,307	190,856
Less: Current portion of long-term borrowings	(138,996)	(151,116)	(71,809)
Less: Non-current amounts due to related parties	(444,237)	(439,307)	(142,005)
	$ 701,925	$ 756,525	$ 249,671

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. The obligations under the lease were settled in full on October 20, 2025.

(c) The Company provided land and buildings as collateral (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 March 31, 2026, the interest rate was 4.57%.

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

D. Loans from related parties

Please refer to Note 7.

(11) Net defined benefit assets (liabilities)

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 Company settled and closed its pension fund dedicated account at the Bank of Taiwan in 2025. The pension plans of subsidiaries PT Cosmo and PT Cosmo Green are classified as defined benefit plans.

(b) The pension costs recognized under the defined benefit pension plans of the Company and its subsidiaries for the three-month periods ended March 31, 2026 and 2025, were $706 thousand and $849 thousand, respectively.

(c) Expected contributions to the defined benefit pension plans of the Company and its subsidiaries for the year ended December 31, 2026 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., Dongguan Guanwang Electronic Technology Co., Ltd., and Guizhou Guanwang International Digicrown Electronic Technology Co., Ltd., had a defined contribution plan are based on certain percentage of employees' monthly salaries and wages.

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

(c) The pension costs recognized under the Group's defined contribution pension plans for the three months periods ended March 31, 2026 and 2025, amounted to $875 thousand and $1,172 thousand, respectively.

(12) Equity

A. Common stock

	March 31, 2026		December 31, 2025		March 31, 2025	
Authorized capital	$	2,500,000	$	2,500,000	$	2,500,000
Paid-in capital	$	1,734,587	$	1,734,587	$	1,714,587

(a) Issued common stock, with a par value of $10, entitles 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

	March 31, 2026		December 31, 2025		March 31, 2025	
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital						
Premium on issuance of ordinary shares	$	258,542	$	258,542	$	98,542
Premium on conversion of convertible bonds		18,701		18,701		18,701
Expired employee stock options		25,199		25,199		25,199
Employee stock options		1,396		1,396		1,396
	$	303,838	$	303,838	$	143,838

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of ordinary stocks and donations received 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

According to the Company's Articles of Incorporation, the annual net income, 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, 2025, the stockholders' meeting resolved that no dividends for the distribution of earnings for the year of 2024.

The appropriation of earnings for 2025 is subject to the resolution of the stockholders in the stockholders' meeting which is to be held on June 26, 2026.

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 three months ended March 31	
	2026	2025
At January 1	($ 244,713)	($ 54,911)
Exchange differences arising on translation of foreign operations	24,393	9,900
At March 31	($ 220,320)	($ 45,011)

(13) Revenue

	For the three months ended March 31	
	2026	2025
Revenue from contract with customers		
Sales revenue	$ 158,640	$ 203,560

A. Disaggregation of revenue from contracts with customers

The Company and its subsidiaries derive revenue from the transfer of goods 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:

	March 31, 2026	December 31, 2025	March 31, 2025	January 1, 2025
Contract liabilities	$ 26,906	$ 1,302	$ 16,503	$ 47,786

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

	For the three months ended March 31	
	2026	2025
Revenue recognized that was included in the contract liability balance at the beginning of the period:	$ 1,302	$ 47,786

(14) Profit (loss) of the period

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

A. Interest income

	For the three months ended March 31	
	2026	2025
Interest on bank deposits	$ 637	$ 93
Financial assets measured at amortized cost	-	13
Other interest income	109	123
Total	$ 746	$ 229

B. Other income

	For the three months ended March 31	
	2026	2025
Rental income	$ 1,618	$ 690
Other income	1,038	1,482
Total	$ 2,656	$ 2,172

C. Other gains and losses

	For the three months ended March 31	
	2026	2025
Gain (Loss) on disposal of property, plant and equipment	$ 71,898	($ 17)
Gain (Loss) on disposal of investment property	7,010	-
Net foreign exchange (losses) gains	3,423	97
Other gains and losses, net	(835)	112
Total	$ 81,496	$ 192

D. Finance costs

	For the three months ended March 31	
	2026	2025
Bank borrowings	$ 10,820	$ 10,755
Other borrowings	1,447	7,708
Short-term bills payable	-	66
Lease liabilities	252	243
Financial expenses, others	5	-
Total	$ 12,524	$ 18,772

E. Depreciation and amortization

	For the three months ended March 31	
Depreciation and amortization:	2026	2025
Property, plant and equipment	$ 20,187	$ 25,047
Right-of-use assets	2,146	3,612
Other intangible assets	433	569
Total	$ 22,766	$ 29,228

F. Analysis of employee benefit expense by function

	For the three months ended March 31	
	2026	2025
Wages and salaries	$ 51,223	$ 63,998
Labor and health insurance fees	3,634	5,394
Post-employment benefits		
Defined contribution pension plan	875	1,172
Defined benefit pension plan	706	849
Other personnel expenses	2,222	3,318
Total	$ 58,660	$ 74,731

	For the three months ended March 31	
	2026	2025
Employee benefits expenses summarized by function:		
Operating costs	24,905	39,128
Operating expenses	33,755	35,603
	$ 58,660	$ 74,731

Employees' compensation and directors' remuneration

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

For the three months ended March 31, 2026 and 2025, the estimated employees' compensation and directors' remuneration recognized under salary expenses are as follows:

	For the three months ended March 31	
	2026	2025
Estimated accrual rate		
Employees′ compensation	5.0%	5.0%
Remuneration of directors	1.0%	1.0%

	For the three months ended March 31	
	2026	2025
Cash		
Employee compensation	$ 851	$ -
Director remuneration	170	-

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 and adjusted in the following year.

For the year ended December 31, 2025, 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 12, 2026, that the actual amounts to be distributed were consistent with the amounts recognized in the 2025 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.

(15) Income tax

A. Income tax expense

The major components of tax expense were as follows:

	For the three months ended March 31	
	2026	2025
Current tax	$ 15,778	$ 861
Deferred tax		
Origination and reversal of temporary differences	(35)	5,935
Income tax expense (benefit)	$ 15,743	$ 6,796

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

	March 31, 2026	December 31, 2025	March 31, 2025
Current tax assets	$ 1,535	$ 3,067	$ 680

C. Current tax liability

	March 31, 2026	December 31, 2025	March 31, 2025
Current tax liabilities	$ 547	$ 487	$ 1,584

D. Income tax assessment

The Company’s income tax returns through 2024 have been assessed and approved by the Tax Authority.

(16) Earnings (Losses) per share

	For the three months ended March 31	
Basic earnings per share	2026	2025
Profit (Loss) from continuing operations attributable to owners of the parent	$ 5,218	($ 81,474)
Weighted average number of common shares (in thousands) outstanding used in the computation of basic earnings per share	173,459	171,458
Basic earnings (losses) per share (in dollars)	$ 0.03	($ 0.48)

(17) Changes in liabilities from financing activities

For the three months ended March 31, 2026

			Changes in Noncash Transactions				
	As at January 1, 2026	Cash flows from financing activities	New (Terminated) Leases	Amortization of interest expense	Exchange rate effect	Other	As at March 31, 2026
Short-term borrowings	$ 391,400	($ 83,886)	$ -	$ -	$ -	$ -	$ 307,514
Long-term borrowings (including current portion)	907,641	(66,720)	-	-	-	-	840,921
Long-term payables to related parties	439,307	3,800	-	-	1,130	-	444,237
Lease liabilities (including noncurrent portion)	24,336	(1,150)	-	240	639	-	24,065
Guarantee deposits received	18,320	(123)	-	-	-	-	18,197
Total	$ 1,781,004	($ 148,079)	$ -	$ 240	$ 1,769	$ -	$ 1,634,934

For the three months ended March 31, 2025

			Changes in Noncash Transactions				
	As at January 1, 2025	Cash flows from financing activities	New (Terminated) Leases	Amortization of interest expense	Exchange rate effect	Other	As at March 31, 2025
Short-term borrowings	$ 408,000	$ 889,781	$ -	$ -	$ -	$ -	$ 1,297,781
Long-term borrowings (including current portion)	1,265,351	(946,632)	-	-	2,761	-	321,480
Short-term bills payable	29,971	(30,000)	-	-	-	29	-
Long-term payables to related parties	22,000	120,005	-	-	-	-	142,005
Lease liabilities (including noncurrent portion)	35,807	(736)	-	-	994	(243)	35,822
Guarantee deposits received	17,704	(5)	-	-	-	-	17,699
Total	$ 1,778,833	$ 32,413	$ -	$ -	$ 3,755	($ 214)	$ 1,814,787

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
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 March 31	
	2026	2025
Starlite Creations Inc	$ 67,966	$ 54,826

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 March 31	
	2026	2025
Ever Merit Trading Limited	$ 1,531	$ 9,007

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

C. Rent income

	For the three months ended March 31	
	2026	2025
Digicrown Technologies Ltd.	$ 11	$ -

D. Financial cost

	For the three months ended March 31	
	2026	2025
Digicrown Technologies Ltd.	707	-
Esteemed Glory Holdings Limited	341	49
Guan Hong Energy Co., Ltd.	69	49
Total	$ 1,117	$ 98

E. Receivables from related parties

	March 31, 2026	December 31, 2025	March 31, 2025
Aggregate receivables from related parties:			
Starlite Creations Inc.	$ 86,658	$ 143,567	$ 91,091
Loss allowance	(151)	(235)	-
Accounts receivable from related parties, net	$ 86,507	$ 143,332	$ 91,091

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.

F. Payables to related parties and Other Payables to related parties

	March 31, 2026	December 31, 2025	March 31, 2025
Accounts payable to related parties:			
Ever Merit Trading Limited	$ 12,612	$ 10,868	$ 21,634
Other payables to related parties:			
Ding Wang Electronics Technology Co., Ltd	$ 6,648	$ 6,529	$ 6,899
Evermerit Technology Electronic Co., Ltd.	-	-	46
Esteemed Glory Holdings Limited	268	268	145
Guan Hong Energy Co., Ltd.	395	326	150
Digicrown Technologies Ltd.	2,749	2,042	-
Total	$ 10,060	$ 9,165	$ 7,240

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.

G. Loans from related parties

	March 31, 2026	December 31, 2025	March 31, 2025
Loans from related parties			
Esteemed Glory Holdings Limited	$ 80,332	$ 62,902	$ 38,851
Guan Hong Energy Co., Ltd.	14,000	14,000	10,000
Tsai, Nai Chen	176,450	214,450	81,050
Song, Min Kui	-	7,500	7,500
Digicrown Technologies Ltd.	173,455	140,455	53,455
Total	$ 444,237	$ 439,307	$ 190,856

(a) 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 Digicrown Technologies Ltd on March 21, 2025. These loans were recognized as "Long-term borrowings".

(b) Since September 23, 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.

(c) 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", which were used for working capital purposes and fully repaid on March 12, 2026.

(d) The Company obtained a series loans from shareholders 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 (9) and 6 (10).

I. Equity contributions in cash and in kind by the Company and its subsidiaries: Please refer to Note 4(3).

(3) Key management compensation is as follows:

	For the three months ended March 31	
	2026	2025
Short-term employee benefits	$ 3,367	$ 2,809
Post-employment benefits	103	74
Total	$ 3,470	$ 2,883

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	March 31, 2026	December 31, 2025	March 31, 2025	Purpose
Restricted bank deposits (classified as financial assets measured at amortized cost)	$ 19,415	$ 19,492	$ 20,697	Repayment account for bank borrowings
Pledged time deposits (classified as financial assets measured at amortized cost)	4,173	4,498	4,460	Collateral for import duties
Property, plant and equipment	260,533	303,759	342,211	Credit facility for bank borrowings
Investment property	68,437	98,017	108,220	Credit facility for bank borrowings
	$ 352,558	$ 425,766	$ 475,588	

On October 18, 2024, because of the requirements of the lead bank for a syndicated loan, the Company and its subsidiaries provided full collateral by pledging the shares of True Glory Investments Limited, the parent company of Cijambe (which holds investment property). The pledged shares 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

	March 31, 2026	December 31, 2025	March 31, 2025
Non-derivative financial instruments			
Financial assets			
Cash and cash equivalents	$ 162,962	$ 215,539	$ 128,106
Financial assets at amortized cost	23,623	24,024	25,179
Accounts receivable (including related parties)	173,094	210,174	239,989
Other receivables (including related parties)	286,310	2,145	4,411
Refundable deposits	1,306	978	669
	$ 650,295	$ 452,860	$ 400,756
Financial liabilities			
Short-term borrowings	$ 307,514	$ 391,400	$ 1,297,781
Accounts payable (including related parties)	139,321	92,893	198,811
Other payables (including related parties)	348,603	81,953	70,566
Long-term borrowings and long-term payables to related parties (including current maturity)	1,285,158	1,346,948	463,485
Lease liabilities	24,065	24,336	35,822
	$ 2,104,661	$ 1,937,530	$ 2,066,465

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:

March 31, 2026	Monetary items	Foreign currency amount		Exchange rate	Book value
Financial assets					
Monetary items	USD	USD	3,052	31.9950	97,649
Monetary items	RMB	CNY	703	4,6290	3,254
Monetary items	IDR	RP	197,200	0.00188	371
Monetary items	VND	VND	433,216	0.00120	520
Financial liabilities					
Monetary items	USD	USD	1,721	31.9950	55,063
Monetary items	RMB	CNY	1,522	4.6290	7,045
Monetary items	IDR	RP	2,515,674	0.00188	4,729

December 31, 2025	Monetary items	Foreign currency amount		Exchange rate	Book value
Financial assets					
Monetary items	USD	USD	3,468	31.430	108,999
Monetary items	RMB	CNY	306	4.4945	1,375
Monetary items	IDR	RP	164,363	0.00188	309
Monetary items	VND	VND	620,376	0.00118	732
Financial liabilities					
Monetary items	USD	USD	1,791	31.430	56,291
Monetary items	RMB	CNY	1,048	4.4945	4,710
Monetary items	IDR	RP	530,168	0.00188	997

March 31, 2025	Monetary items	Foreign currency amount		Exchange rate	Book value
Financial assets					
Monetary items	USD	USD	33,587	33.205	1,115,256
Monetary items	RMB	CNY	6,325	4.573	28,924
Monetary items	IDR	RP	294,581	0.00203	598
Monetary items	VND	VND	620,376	0.00128	794
Financial liabilities					
Monetary items	USD	USD	2,466	33.205	81,884
Monetary items	RMB	CNY	102	4.573	466

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

	March 31, 2026		
	Sensitivity analysis		
(Foreign currency: functional currency)	Degree of variation	Effect on profit or loss before tax	Effect on other comprehensive profit or loss income
Financial assets			
Monetary items			
USD	5%	$ 4,882	$ -
RMB	5%	163	-
IDR	5%	19	-
VND	5%	26	-
Financial liabilities			
Monetary items			
USD	5%	$ 2,753	$ -
RMB	5%	352	-
IDR	5%	236	-

	For the year ended December 31, 2025		
	Sensitivity analysis		
(Foreign currency: functional currency)	Degree of variation	Effect on profit or loss before tax	Effect on other comprehensive profit or loss income
Financial assets			
Monetary items			
USD	5%	$ 2,862	$ -
RMB	5%	69	-
IDR	5%	15	-
VND	5%	37	-
Financial liabilities			
Monetary items			
USD	5%	$ 2,815	$ -
RMB	5%	236	-
IDR	5%	50	-

(Foreign currency: functional currency)	March 31, 2025		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss before tax	Effect on other comprehensive profit or loss income
Financial assets			
Monetary items			
USD	5%	$ 55,763	$ -
RMB	5%	1,446	-
IDR	5%	30	-
VND	5%	40	-
Financial liabilities			
Monetary items			
USD	5%	$ 4,094	$ -
RMB	5%	23	-

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 Company for the three-month periods ended March 31, 2026 and 2025, amounted to $3,423 thousand and $4,337 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 of March 31, 2026, December 31, 2025 and March 31, 2025, if the interest rates had increased or decreased by 50 basis points, with all other variables held constant, net income after tax would have decreased or increased by $5,742 thousand, $6,495 thousand and $8,096 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 a debt instrument is credit-impaired:

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 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
March 31, 2026					
Non-derivative financial liabilities					
Short-term borrowings	$ 310,520	$ -	$ -	$ 310,520	$ 307,514
Accounts payable (including related parties)	139,321	-	-	139,321	139,321
Other payables (including related parties)	348,603	-	-	348,603	348,603
Lease liabilities	3,732	18,739	1,594	24,065	24,065
Long-term borrowings and long-term payables to related parties (including current maturity)	168,487	1,062,866	128,831	1,360,184	1,285,158

	Less than 1 year	1 to 5 years	Over 5 years	Total	Book value
December 31, 2025					
Non-derivative financial liabilities					
Short-term borrowings	$ 393,969	$ -	$ -	$ 393,969	$ 391,400
Accounts payable (including related parties)	92,893	-	-	92,893	92,893
Other payables (including related parties)	81,953	-	-	81,953	81,953
Lease liabilities	3,844	18,563	2,502	24,909	24,336
Long-term borrowings and long-term payables to related parties (including current maturity)	182,143	1,116,459	131,812	1,430,414	1,346,948

	Less than 1 year	1 to 5 years	Over 5 years	Total	Book value
March 31, 2025					
Non-derivative financial liabilities					
Short-term borrowings	$ 1,315,076	$ -	$ -	$ 1,315,076	$ 1,291,781
Accounts payable (including related parties)	198,811	-	-	198,811	198,811
Other payables (including related parties)	70,566	-	-	70,566	70,566
Lease liabilities	10,368	20,410	9,970	40,748	35,822
Long-term borrowings and long-term payables to related parties (including current maturity)	74,145	424,427	151,846	650,418	463,485

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 nature, characteristics and risks of the assets and liabilities are as follows:

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

March 31, 2026	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Investment property	$ -	$ -	$ 2,520,128	$ 2,520,128

December 31, 2025	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Investment property	$ -	$ -	$ 2,530,537	$ 2,530,537

March 31, 2025	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Investment property	$ -	$ -	$ 2,175,891	$ 2,175,891

(c) For the three months ended March 31, 2026 and 2025, there was no transfer between Level 1 and Level 2.

(d) The movement of Level 3 for the three months ended March 31, 2026 and 2025: Please refer to Note 6(8).

(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:

	Fair value at March 31, 2026	Valuation technique	Significant unobservable input	Range (Weighted average)	Relationship of inputs to fair value
Non-financial instruments					
Investment property	$ 2,520,128	Discounted cash flow method	Discount rate	2.47% - 2.97%	The higher discount rate, the lower fair value
		Land development analysis approach	Rate of return	17.5%	The higher rate of return, the lower the fair value
			Overall capital interest rate	11.88% - 71.28%	The higher overall capital interest rate, the lower the fair value

	Fair value at December 31, 2025	Valuation technique	Significant unobservable input	Range (Weighted average)	Relationship of inputs to fair value
Non-financial instruments					
Investment property	$ 2,530,537	Discounted cash flow method	Discount rate	2.47% - 2.97%	The higher discount rate, the lower fair value
		Land development analysis approach	Rate of return	17.5%	The higher rate of return, the lower the fair value
			Overall capital interest rate	11.88% -71.28%	The higher overall capital interest rate, the lower the fair value

	Fair value at March 31, 2025	Valuation technique	Significant unobservable input	Range (Weighted average)	Relationship of inputs to fair value
Non-financial instruments					
Investment property	$ 2,175,891	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%	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:

	March 31, 2026	December 31, 2025	March 31, 2025
Total borrowings	$ 1,592,672	$ 1,738,348	$ 1,761,266
Less: Cash and cash equivalents	(165,962)	(215,539)	(128,106)
Net debt	1,426,710	1,522,809	1,633,160
Total equity	2,037,020	2,007,409	1,901,613
Total capital	$ 3,463,730	$ 3,530,218	$ 3,534,773
Gearing ratio	41.19%	43.14%	46.20%

(3) Other matters

On February 8, 2026, the Company and its subsidiaries entered into a server sales contract with Company A for a total contract price of USD 81,600,000. Pursuant to the contract, a partial deposit of USD 8,160,000 was collected and recognized under "other payables." Concurrently, to fulfill this sales order, the Company and its subsidiaries placed a procurement order for servers with Supplier B and paid a deposit of USD 8,070,000.

However, due to Supplier B's failure to deliver the servers within the contractually agreed timeframe, the Company and its subsidiaries were unable to fulfill the sales contract with Company A. Consequently, the contract with Company A was mutually terminated on February 10, 2026. Since Supplier B has failed to refund the procurement deposit within the payment period stipulated in the contract, the aforementioned amount of USD 8,070,000 has been reclassified under "other receivables." The Company and its subsidiaries are currently actively pursuing legal remedies and recovery actions for the said payment.

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: None.

E. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more: Please refer to table 3.

F. Significant inter-company transactions during the reporting periods: Please refer to table 4.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China)：Please refer to table 5.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 6.

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

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:

	Segment revenue 2026	Segment revenue 2025	Segment income (loss) 2026	Segment income (loss) 2025
	For the three months ended March 31			
Optoelectronic parts	$ 85,534	$ 123,074	($ 18,320)	($ 35,332)
LED lighting	59,937	69,701	(10,769)	(451)
Energy & Materials	13,169	10,785	1,766	649
Others	-	-	(878)	(2)
Industrial Park Development	-	-	(3,728)	(2,920)
Total from continuing operations	$ 158,640	$ 203,560	($ 31,929)	($ 38,056)
Headquarters management costs			(19,484)	(20,443)
Other income			3,402	2,401
Other gains and losses			81,496	192
Finance costs			(12,524)	(18,772)
Profit (loss) before income tax			$ 20,961	($ 74,678)

(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 three months period ended March 31, 2026

Table 1

Expressed in thousands of NTD

Number (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the three months period ended March 31, 2026	Balance at March 31, 2026	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral Item	Collateral Value	Limit on loans granted to a single party (Note 2)	Ceiling on total loans granted (Note 2)	Footnote
0	Cosmo Electronics Corporation	PT Cosmo Technology	Other receivables from related parties	Y	$ -	$ -	$ -	-	Short-term financing	$ -	Operations	$ -	None	$ -	$ 203,702	$ 814,808	Note 2
		Cosmo Electronics (HK) Company Limited	Other receivables from related parties	Y	191,970	143,978	123,181	-	Short-term financing	-	Operations	-	None	-	203,702	814,808	Note 2
1	Dong Guan Guan Zhen Xing Trading Limited	Dongguan Guanwang Electronic Technology Co., Ltd.	Other receivables from related parties	Y	27,774	27,774	-	-	Short-term financing	-	Operations	-	None	-	368,032	368,032	Note 2
2	Real Bonus Limited	PT Cosmo Technology	Other receivables from related parties	Y	95,985	95,985	95,985	3%	Short-term financing	-	Operations	-	None	-	140,648	140,648	Note 2
		Cosmo Electronics (HK) Company Limited	Other receivables from related parties	Y	19,197	19,197	19,197	-	Short-term financing	-	Operations	-	None	-	140,648	140,648	Note 2
3	PT Cosmo Green Technology	PT Cijambe Indah	Other receivables from related parties	Y	31,960	31,960	31,960	3%	Short-term financing	-	Operations	-	None	-	211,652	211,652	Note 2
		PT Cosmo Technology	Other receivables from related parties	Y	18,800	18,800	18,800	3%	Short-term financing	-	Operations	-	None	-	211,652	211,652	Note 2
4	Renown Boom Limited	PT Cijambe Indah	Other receivables from related parties	Y	20,803	20,803	20,803	-	Short-term financing	-	Operations	-	None	-	407,404	555,560	Note 2
5	Cosmo Electronics (HK) Company Limited	PT Cosmo Technology	Other receivables from related parties	Y	63,990	63,990	63,990	3%	Short-term financing	-	Operations	-	None	-	284,126	284,126	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	-	10,033	10,033	Note 2
7	Cosmo Electronics Technology (KunShan) Co., Ltd.	Dongguan Guanwang Electronic Technology Co., Ltd.	Other receivables from related parties	Y	13,887	13,887	13,887	3.5%	Short-term financing	-	Operations	-	None	-	15,659	31,317	Note 2
		Dong Guan Guan Zhen Xing Trading Limited	Other receivables from related parties	Y	9,258	9,258	9,258	3.5%	Short-term financing	-	Operations	-	None	-	15,659	31,317	Note 2
8	Dongguan Guanwang Electronic Technology Co., Ltd.	Dong Guan Guan Zhen Xing Trading Limited	Other receivables from related parties	Y	13,887	13,887	5,323	3.5%	Short-term financing	-	Operations	-	None	-	52,914	52,914	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, Cosmo Electronics(HK) Company Limited and Dongguan Guanwang Electronic Technology Co., Ltd :
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, the lower of the two ceilings mentioned above shall be adopted as the definitive loan limit.

COSMO ELECTRONICS CORPORATION

Provision of endorsements and guarantees to others

For the three months period ended March 31, 2026

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Endorser/guarantor	Party being endorsed/guaranteed: Company name	Party being endorsed/guaranteed: Relationship with the endorser/guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of March 31, 2026	Outstanding endorsement/ guarantee amount as of March 31, 2026	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
0	Cosmo Electronics Corporation	Cosmo Electronics (HK) Company Limited	(2)	814,808	31,995	31,995	25,114	249,941.00	1.57%	1,018,510	Y	N	N	Note 3
1	True Glory Investments Limited	Cosmo Electronics Corporation	(3)	2,037,020	700,000	700,000	646,525	1,581,493	34.31%	2,037,020	N	Y	N	Note 4 Note 5

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: The maximum total amount of endorsements and guarantees shall not exceed 50% of the parent company's net worth, and the limit on endorsements and guarantees to a single party shall not exceed 40% of the parent company's net worth.

Note 4: When the parent company serves as the endorser/guarantor for its parent company, the maximum total amount of endorsements and guarantees shall not exceed 100% of the parent company's net worth, and the limit on endorsements and guarantees to a single party shall not exceed 100% of the parent company's net worth.

Note 5: True Glory Investments Limited pledged its 90% equity interest in its subsidiary as collateral to secure an NT$700 million credit facility for Cosmo Electronics Corporation, and provided a joint and several guarantee.

COSMO ELECTRONICS CORPORATION

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

For the three months period ended March 31, 2026

Table 3

Expressed in thousands of NTD

Creditor	Counterparty	Relationship with the counterparty	Balance as at March 31, 2026	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	$ 352,432	109.20%	$ -	-	$ -	$ -	Note
Dong Guan Guan Zhen Xing Trading Limited	Cosmo Electronics (HK) Company Limited	Group	138,623	266.76%	-	-	-	-	Note

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 three months period ended March 31, 2026

Table 4 | Expressed in thousands of NTD

				Transaction			
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Cosmo Electronics Corporation	PT Cosmo Technology	(1)	Sales	$ 17,464	Normal transaction terms	11.01%
		PT Cosmo Technology	(1)	Accounts receivable	79,519	Normal transaction terms	1.76%
		PT Cosmo Technology	(1)	Other receivable	168,065	Normal transaction terms	3.73%
		Cosmo Electronics (HK) Company Limited	(1)	Other receivable	123,181	Financing	2.73%
1	PT Cosmo Technology	Cosmo Electronics Corporation	(2)	Sales	13,188	Normal transaction terms	8.31%
2	Cosmo Electronics (HK) Company Limited	PT Cosmo Technology	(3)	Accounts receivable	352,432	Irregular payment terms	7.82%
		PT Cosmo Technology	(3)	Other receivable	63,990	Financing	1.42%
		PT Cosmo Technology	(3)	Sales	89,704	Normal transaction terms	56.55%
3	Dong Guan Guan Zhen Xing Trading Limited	Cosmo Electronics (HK) Company Limited	(3)	Sales	83,748	Normal transaction terms	52.79%
		Cosmo Electronics (HK) Company Limited	(3)	Accounts receivable	138,623	Normal transaction terms	3.08%
4	PT. CIJAMBE INDAH	PT Cosmo Technology	(3)	Other advance receipts	71,832	Normal transaction terms	1.59%
5	Real Bonus Limited	PT Cosmo Technology	(3)	Other receivable	98,333	Financing	2.18%

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 three months period ended March 31, 2026

Table 5

Expressed in thousands of NTD

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at March 31, 2026			Net profit (loss) of the investee for the three months period ended March 31, 2026	Investment income (loss) recognized by the Company for the three months period ended March 31, 2026	Footnote
				Balance as at March 31, 2026	Balance as at December 31, 2025	Number of shares	Ownership (%)	Book value			
Cosmo Electronics Corporation	Cosmo Electronics (HK) Company Limited	Hong Kong	Trading of electronic products	269,412	269,412	48,900,000	100%	142,063	(3,427)	(3,427)	
	Grand Concept Group Limited	Samoa Islands	Investment activities	395,493	370,200	12,970,000	100%	1,957,866	(6,899)	(6,899)	
	Grandway International Limited	Samoa Islands	Investment activities	941,532	941,532	30,080,000	100%	761,846	(15,157)	(15,157)	
	PT Cosmo Technology	Indonesia	Manufacturing and selling of LED lighting	87,075	87,075	30,000	14%	84,275	(26,890)	(26,890)	Note 1
	Cosmo Green Power Limited	Vietnam	Manufacturing and selling of material of biomass energy	31,760	31,760	-	100%	9,070	(66)	(66)	Note 2
	Juheng Development Corp	Taiwan	Land development	28,000	28,000	2,800,000	100%	25,083	(772)	(772)	
Cosmo Electronics (HK) Company Limited	Cosmo Lighting Inc.	U.S.A	Selling of LED lighting	49,046	49,046	162,000	100%	25,522	(1,663)	(1,663)	
Grand Concept Group Limited	True Glory Investments Limited	Samoa Islands	Investment activities and processing and trading of PCBs	395,493	370,200	12,970,000	100%	1,887,541	(6,367)	(6,367)	
	Real Bonus Limited	Samoa Islands	Selling of LED lighting	-	-	-	100%	70,324	(532)	(532)	Note 2
Grandway International Limited	Truly Top Investments Limited	Samoa Islands	Investment activities	538,516	538,516	16,850,000	100%	484,065	(19,512)	(19,512)	
	Renown Boom Limited	Samoa Islands	Investment activities and processing and selling of routers	402,983	402,983	13,230,000	100%	277,780	4,354	4,354	
True Glory Investments Limited	PT Cosmo Technology	Indonesia	Manufacturing and selling of LED lighting	87,514	87,514	27,500	13%	77,222	(26,890)	(3,504)	Note 1
	PT Cosmo Green Technology	Indonesia	Manufacturing and selling of material of biomass energy	44,603	44,603	15,000	50%	52,913	101	50	Note 1
	PT Cijambe Indah	Indonesia	Land development	484,627	459,334	166,829	96%	1,757,214	(3,024)	(2,910)	Note 1
	PT Cosmo Electronics Indonesia	Indonesia	Manufacturing and selling of new electronic	317	317	10,000	100%	190	-	-	
Truly Top Investments Limited	PT Cosmo Technology	Indonesia	Manufacturing and selling of LED lighting	493,651	493,651	153,500	73%	431,152	(26,890)	(19,562)	Note 1
	PT Cosmo Green Technology	Indonesia	Manufacturing and selling of material of biomass energy	44,865	44,865	15,000	50%	52,913	101	50	Note 1
Renown Boom Limited	PT Cijambe Indah	Indonesia	Land development	266,944	266,944	6,579	4%	69,222	(3,024)	(115)	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.
Note 3: These transactions were eliminated in the preparation of consolidated financial statements.

Information on investments in Mainland China

For the three months period ended March 31, 2026

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

1. Information on investments in Mainland China

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2026	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the three months ended March 31, 2026 — Remitted to Mainland China	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the three months ended March 31, 2026 — Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2026	Net income (loss) of investee for the three months ended March 31, 2026	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the three months ended March 31, 2026 (Note 2)	Book value of investments in Mainland China as ended March 31, 2026	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2026	Footnote
Cosmo Electronics Technology (KunShan) Co., Ltd.	Manufacturing and selling of new electronic parts	$ 193,912	(1)	$ 193,912	$ -	$ -	$ 193,912	$ 664	100%	$ 664	$ 78,293	$ 8,157	
Dong Guan Guan Zhen Xing Trading Limited	Selling of LED lighting	187,563	(2)	85,367	-	-	85,367	4,524	100%	4,524	184,016	-	
Dongguan Guanwang Electronic Technology Co., Ltd.	Developing, manufacturing and selling of electronic products	160,001	(2)	-	-	-	-	8,460	100%	8,460	26,457	-	

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	$ 367,943	$ 1,222,212

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	31-Mar-26	1 : 31.9950	Average	1 : 31.6303
	NTD:RMB	31-Mar-26	1 : 4.6290	Average	1 : 4.5680