Stock Code:3591

EDISON OPTO CORPORATION AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2024 and 2023

Address: 17F, No. 17, Qiaohe Rd., Zhonghe Dist., New Taipei City
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Representation Letter

The entities that are required to be included in the combined financial statements of EDISON OPTO CORPORATION as of and for the year ended December 31, 2024 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 ,"Consolidated Financial Statements." endored by the Financial Supervisory Commission of the Republic of China. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, EDISON OPTO CORPORATION and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: EDISON OPTO CORPORATION
Chairman: Jason Wu
Date: February 26, 2025.

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Independent Auditors' Report

To the Board of Directors of EDISON OPTO CORPORATION:

Opinion

We have audited the consolidated financial statements of EDISON OPTO CORPORATION and its subsidiaries ("the Edison Group"), which comprise the consolidated statement of financial position as of December 31, 2024 and 2023, and the consolidated statement of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the EDISON OPTO CORPORATION and subsidiaries as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the year ended December 31, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards (" IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Enggements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Account of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.The key auditor matters that, in our professional judgment, should be communicated are as follows:

1. Impairment evaluation of accounts receivable

   Please refer to Note 4(g) "Financial instruments", Note 5(b) "Significant accounting assumptions and judgments, and major sources of estimation uncertainty", and Note 6(e) "Notes and accounts receivable".

   For the year ended December 31, 2024, the accounts receivable accounted for 19% of the total assets are material to the financial statements. In addition, the provision of bad debt allowance is a subject to the management's judgment. Therefore, it has been identified as a key audit matter.

   Our principal audit procedures included:

   - Assess the impairment of accounts receivable and whether the impairment has been modified by policy.

   - Examine the aging analysis table, analyze the reason of overdue collection and the situation of subsequent collection.

   - Evaluate the adequacy of impairment on the financial report date EDISON OPTO CORPORATION and subsidiaries.

2.Revenue recognition

   Please refer to Note 4(l) Revenue from contracts with customers, and Note 6(v) "Revenue".

   The major business activities of EDISON OPTO CORPORATION and subsidiaries are manufacturing, selling, research and development of LED components and modules. Operating Revenue is the main indicator for the management of Edison Consolidated Company and investor to evaluate the financial and business performance of Edison Consolidated Company. Therefore, it has been identified as a key audit matter.

   Our principal audit procedures included:

   - Test the design and implementation of internal controls related with revenue recognition.

   - A sample of sales revenue throughout the year is selected, and the external orders, packing lists and various vouchers are checked to confirm that the operating income is recognized.

   - Choose the period between the financial reporting, then examine the recognition of income transactions and vouchers cover for the appropriate period.

Other Matter

Edison Opto Corporation has prepared its parent-company-only financial report for the year 2024 and 2023, on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Edison Opto Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Edison Opto Corporation Limited's internal control.

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

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

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

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Edison Opto Corporation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Consolidated Company audit.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Yang, Shu-Chih and Chen, Pei-Chi.

KPMG

Taipei, Taiwan (Republic of China)
February 26, 2025

Notes to Readers

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

The independent auditors' audit report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

EDISON OPTO CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023	
	Assets	**Amount**	**%**	**Amount**	**%**
11xx	**Current assets:**				
1100	Cash and cash equivalents (note 6(a))	$ 1,140,781	27	1,086,224	28
1110	Current financial assets at fair value through profit or loss (note 6(b))	6,255	-	11,831	-
1136	Current financial assets at amortized cost, net (note 6(d))	72,822	2	27,669	1
1141	Current contract assets (note 6(v))	2,821	-	-	-
1170	Accounts and notes receivable, net (notes 6(e)(v))	783,716	19	548,544	15
1180	Accounts receivable due from related parties, net (note 7)	-	-	13,218	-
1200	Other receivables (notes 6(f), 7 and 9)	8,540	-	1,574	-
1310	Inventories(note 6(g))	299,175	7	328,391	8
1410	Prepayments	51,202	1	57,443	2
1470	Other current assets (note 8)	11,042	-	30,736	1
	Total current assets	2,376,354	56	2,105,630	55
15xx	**Non-current assets:**				
1517	Non-current financial assets at fair value through other comprehensive income (note 6(c))	1,059	-	1,477	-
1600	Property, plant and equipment (notes 6(j), 8 and 9)	1,611,539	39	1,623,932	42
1755	Right-of-use assets (note 6(k))	49,829	1	51,921	1
1780	Intangible assets	1,163	-	2,309	-
1840	Deferred tax assets (note 6(r))	52,853	1	56,054	1
1915	Prepayments for business facilities (note 9)	29,757	1	16,777	-
1990	Other non-current assets, others (notes 8 and 9)	62,797	2	21,885	1
	Total non-current assets	1,808,997	44	1,774,355	45
	Total assets	**$ 4,185,351**	**100**	**3,879,985**	**100**

		December 31, 2024		December 31, 2023	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
21xx	**Current liabilities:**				
2100	Short-term borrowings (notes 6(l) and 7)	$ -	-	180,705	5
2130	Current contract liabilities(note 6(v))	11,491	-	24,904	1
2170	Accounts and notes payable	438,151	10	338,336	9
2200	Other payables (note 6(w))	162,296	4	149,499	4
2230	Current tax liabilities	24,243	1	6,000	-
2280	Current lease liabilities (note 6(o))	16,636	-	15,243	-
2322	Long-term borrowings within one year(notes 6(m) and 8)	-	-	16,080	1
2399	Other current liabilities, others	23,766	-	13,872	-
	Total current liabilities	676,583	15	744,639	20
25xx	**Non-Current liabilities:**				
2530	Bonds payable (note 6(n))	276,220	7	-	-
2540	Long-term borrowings (notes 6(m) and 8)	-	-	118,220	3
2570	Deferred tax liabilities(note 6(r))	1,790	-	1,805	-
2580	Non-current lease liabilities (note 6(o))	7,391	-	12,075	1
2600	Other non-current liabilities (notes 6(p)(q))	39,815	1	38,935	1
	Total non-current liabilities	325,216	8	171,035	5
	Total liabilities	1,001,799	23	915,674	25
31xx	**Equity attributable to owners of parent** (notes 6(n)(s)(t)):				
3110	Capital stock	1,436,094	34	1,436,094	37
3200	Capital surplus	1,527,876	37	1,562,759	40
3310	Legal reserve	10,594	-	5,835	-
3320	Special reserve	26,392	1	-	-
3350	Unappropriated retained earnings (accumulated deficit)	144,506	3	47,591	1
3410	Exchange differences on translation of foreign financial statements	(101,880)	(1)	(180,453)	(5)
3420	Unrealized gains (loss) on financial assets at fair value through other comprehensive income	(1,394)	-	(976)	-
3500	Treasury shares	(34,164)	(1)	(34,164)	(1)
	Total equity attributable to owners of parent	3,008,024	73	2,836,686	72
36xx	Non-controlling interests	175,528	4	127,625	3
	Total equity	3,183,552	77	2,964,311	75
	Total liabilities and equity	**$ 4,185,351**	**100**	**3,879,985**	**100**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

EDISON OPTO CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars Except Earnings Per Share)

		2024		2023	
		Amount	%	Amount	%
4000	**Operating revenue** (notes 6(v) and 7)	$ 2,558,790	100	1,991,061	100
5000	**Operating costs** (notes 6(g)(j)(k)(q))	1,926,389	75	1,479,712	74
	Gross profit from operations	632,401	25	511,349	26
	Operating expenses (notes 6(e)(f)(j)(k)(o)(q)(t)(w)):				
6100	Selling expenses	151,033	6	143,761	7
6200	Administrative expenses	192,028	8	196,562	10
6300	Research and development expenses	146,068	5	129,774	7
6450	Expected impairment loss (reversed)	(7)	-	(6,541)	-
	Total operating expenses	489,122	19	463,556	24
6900	**Net operating income**	143,279	6	47,793	2
	Non-operating income and expenses (notes 6(n)(o)(p)(x) and 7):				
7100	Interest income	14,455	-	15,595	1
7010	Other income	7,956	-	5,582	-
7020	Other gain and losses	18,757	1	(6,448)	-
7050	Finance costs	(10,185)	-	(13,109)	(1)
	Total non-operating income and expenses	30,983	1	1,620	-
7900	**Profit from continuing operations before tax**	174,262	7	49,413	2
7950	**Less: Income tax expenses** (note 6(r))	21,910	1	4,911	-
	Profit	152,352	6	44,502	2
8300	**Other comprehensive income:**				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**				
8311	Gains (losses) on remeasurements of defined benefit plans (note 6(q))	372	-	63	-
8316	Unrealized (gains) losses from investments in equity instruments measured at fair value through other comprehensive income (note 6(c))	(418)	-	(976)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
		(46)	-	(913)	-
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	82,188	3	(25,350)	(1)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will be reclassified to profit or loss	82,188	3	(25,350)	(1)
8300	**Other comprehensive income (loss)**	82,142	3	(26,263)	(1)
8500	**Total comprehensive income**	**$ 234,494**	**9**	**18,239**	**1**
	Profit (loss), attributable to:				
8610	Attributable to owners of parent	$ 141,905	6	47,528	2
8620	Attributable to non-controlling interests	10,447	-	(3,026)	-
		$ 152,352	**6**	**44,502**	**2**
	Comprehensive income (loss) attributable to:				
8710	Attributable to owners of parent	$ 220,432	9	21,199	1
8720	Attributable to non-controlling interests	14,062	-	(2,960)	-
		$ 234,494	**9**	**18,239**	**1**
	Earnings per share (note 6(u))				
9750	**Basic earnings per share**	**$ 1.00**		**0.35**	
9850	**Diluted earnings per share**	**$ 0.99**		**0.35**	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

EDISON OPTO CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent										
			Retained earnings			Other equity					
	Capital stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2023	$ 1,353,353	1,519,350	16,903	112,126	(123,194)	(155,037)	-	(86,416)	2,637,085	145,414	2,782,499
Appropriation and distribution of retained earnings:											
Legal reserve appropriated for the net operating loss	-	-	(11,068)	-	11,068	-	-	-	-	-	-
Special reserve appropriated for the net operating loss	-	-	-	(112,126)	112,126	-	-	-	-	-	-
	-	-	(11,068)	(112,126)	123,194	-	-	-	-	-	-
Net income	-	-	-	-	47,528	-	-	-	47,528	(3,026)	44,502
Other comprehensive income	-	-	-	-	63	(25,416)	(976)	-	(26,329)	66	(26,263)
Total comprehensive income	-	-	-	-	47,591	(25,416)	(976)	-	21,199	(2,960)	18,239
Other changes in capital surplus:											
Cash dividends from capital surplus	-	(40,000)	-	-	-	-	-	-	(40,000)	-	(40,000)
Other changes in capital surplus	-	(9,915)	-	-	-	-	-	9,915	-	-	-
Conversion of convertible bonds	99,541	73,914	-	-	-	-	-	-	173,455	-	173,455
Retirement of treasury share	(16,800)	(6,912)	-	-	-	-	-	23,712	-	-	-
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	153	-	-	-	-	-	-	153	-	153
Changes in ownership interests in subsidiaries	-	10,329	-	-	-	-	-	-	10,329	(10,329)	-
Share-based payments	-	15,840	-	-	-	-	-	18,625	34,465	-	34,465
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(4,500)	(4,500)
Balance at December 31, 2023	1,436,094	1,562,759	5,835	-	47,591	(180,453)	(976)	(34,164)	2,836,686	127,625	2,964,311
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	4,759	-	(4,759)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	26,392	(26,392)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(14,211)	-	-	-	(14,211)	-	(14,211)
	-	-	4,759	26,392	(45,362)	-	-	-	(14,211)	-	(14,211)
Net income	-	-	-	-	141,905	-	-	-	141,905	10,447	152,352
Other comprehensive income	-	-	-	-	372	78,573	(418)	-	78,527	3,615	82,142
Total comprehensive income	-	-	-	-	142,277	78,573	(418)	-	220,432	14,062	234,494
Other changes in capital surplus:											
Due to recognition of equity component of convertible bonds (preference share) issued	-	22,414	-	-	-	-	-	-	22,414	-	22,414
Cash dividends from capital surplus	-	(56,844)	-	-	-	-	-	-	(56,844)	-	(56,844)
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	263	-	-	-	-	-	-	263	-	263
Changes in ownership interests in subsidiaries	-	(716)	-	-	-	-	-	-	(716)	716	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	33,125	33,125
Balance at December 31, 2024	**$ 1,436,094**	**1,527,876**	**10,594**	**26,392**	**144,506**	**(101,880)**	**(1,394)**	**(34,164)**	**3,008,024**	**175,528**	**3,183,552**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

EDISON OPTO CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	2024	2023
Cash flows from (used in) operating activities:		
Profit before tax	$ 174,262	49,413
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	122,122	124,565
Amortization expense	1,419	2,028
Expect impairment reversed	(7)	(6,541)
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	242	(1,415)
Interest expense	10,185	13,109
Interest income	(14,455)	(15,595)
Share-based payments	-	15,840
Loss on disposal of property, plant and equipment	750	8,192
Loss on disposal of intangible assets	65	7
Loss on disposal of lease modification	2,369	-
Loss on bond redemption	-	3
Total adjustments to reconcile profit	122,690	140,193
Changes in operating assets and liabilities:		
Current contract assets	(2,821)	-
Accounts and notes receivable	(213,416)	(131,109)
Accounts receivable due from related parties	13,218	(13,218)
Other receivables	(4,119)	(115)
Inventories	29,216	(30,668)
Prepayments	9,575	5,577
Other current assets	(5,742)	2,777
Other operating assets	1,160	(280)
Current contract liabilities	(13,413)	-
Accounts and notes payable	99,815	97,416
Other payable	12,956	22,598
Other current liabilities	9,894	319
Net defined benefit liability	709	708
Total changes in operating assets and liabilities	(62,968)	(45,995)
Cash inflow generated from operations	233,984	143,611
Interest received	14,455	15,604
Interest paid	(9,534)	(9,796)
Income taxes	(997)	(13,333)
Net cash flows from operating activities	237,908	136,086
Cash flows from (used in) investing activities:		
Acquisition of financial assets at amortized cost	(37,500)	(27,669)
Proceeds from disposal of financial assets at amortised cost	-	8,702
Acquisition of financial assets at fair value through profit or loss	(541,798)	(8,367)
Proceeds from disposal of financial assets at fair value through profit or loss	547,132	2,367
Acquisition of property, plant and equipment	(52,646)	(68,357)
Proceeds from disposal of property, plant and equipment	2,103	3,162
Decrease in refundable deposits	373	3,004
Acquisition of intangible assets	(290)	(1,563)
Increase in restricted deposits	-	10,000
Increase in other non-current assets	(41,909)	(36)
Increase in prepayments for business facilities	(26,810)	(2,212)
Net cash flows used in investing activities	(151,345)	(80,969)
Cash flows from (used in) financing activities:		
Increase in short-term loans	310,000	681,009
Decrease in short-term loans	(491,185)	(595,259)
Proceeds from issuing bonds	297,983	-
Repayments of bonds	-	(300)
Repayments of long-term debt	(134,300)	(156,480)
Increase (Decrease) in guarantee deposits received	8	(3)
Payment of lease liabilities	(17,709)	(14,867)
Cash dividends paid	(70,792)	(39,847)
Treasury shares sold to employees	-	18,625
Change in non-controlling interests	33,125	(4,500)
Net cash flows used in financing activities	(72,870)	(111,622)
Effect of exchange rate changes on cash and cash equivalents	40,864	(11,608)
Net increase(decrease) in cash and cash equivalents	54,557	(68,113)
Cash and cash equivalents at beginning of period	1,086,224	1,154,337
Cash and cash equivalents at end of period	$ **1,140,781**	**1,086,224**

See accompanying notes to consolidated financial statements

(1) Company history

Edison Opto Corporation (the "Company") was approved by the Ministry of Economic Affairs on October 4, 2001 and incorporated in 17F, No.17, Qiao he Rd., Zhong He Dist., New Taipei City, Taiwan. The Company's shares were listed on the Taiwan Stock Exchange in November 2010. The company and its subsidiaries (hereinafter referred as Group) are mainly engaged in manufacturing, selling, research and development of LED components, modules and finished products in general lighting and automotive lighting area.

(2) Approval date and procedures of the consolidated financial statements:

These consolidated financial statements were authorized for issuance by the Board of Directors on February 26, 2025.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2024:

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"
- Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

(b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2025, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS21 "Lack of Exchangeability"

(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.	January 1, 2027
IFRS 18 "Presentation and Disclosure in Financial Statements"	● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company's main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	January 1, 2027

(Continued)

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(4) Summary of material accounting policies:

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C. (altogether referred to “ IFRS Accounting Standards” endorsed by the “FSC”).

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the consolidated financial statements have been prepared on a historical cost basis:

1) Financial instruments at fair value through profit or loss are measured at fair value;

2) Fair value through other comprehensive income (Available-for-sale financial) are assets measured at fair value;

3) The defined benefit liabilities are measured at fair value of the plan assets less the present value of the defined benefit obligation.

(ii) Functional and presentation currency

The functional currency of a consolidated entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan dollars, which is the Company’s functional currency. All financial information presented in New Taiwan dollars has been rounded to the nearest thousand.

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, 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.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income 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.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances. Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

(ii) List of subsidiaries in the consolidated financial statements

			Shareholding		
Name of investor	**Name of subsidiary**	**Principal activity**	**December 31, 2024**	**December 31, 2023**	**Note**
The Company	Edison Opto Corporation	Business of opto-electronics	100.00 %	100.00 %	
The Company	Ledison Opto Corporation	Business of opto-electronics	100.00 %	100.00 %	
The Company	Best Opto Corporation	Business of opto-electronics	100.00 %	100.00 %	
The Company	Edison Fund Investment Corporation	Investment	100.00 %	100.00 %	
The Company	Edison-Litek Opto Corporation Limited	Investment	24.62 %	24.62 %	Note 1
The Company	Edison-Litek Opto Corporation	Business of opto-electronics	79.89 %	81.67 %	Note 3、4
The Company	Ledison Opto Corporation Limited	Business of opto-electronics	100.00 %	100.00 %	Note 2
Ledison Opto Corporation	Edison Opto (Dong Guan) Co., Ltd.	Business of opto-electronics	100.00 %	100.00 %	
Best Opto Corporation	Best Led Corporation	Investment	100.00 %	100.00 %	
Best Led Corporation	Yangzhou Edison Opto Corporation	Business of opto-electronics	100.00 %	100.00 %	
Yangzhou Edison Opto Corporation	Yangzhou Aichuang Electronic Trade Corporation	Business of opto-electronics	100.00 %	100.00 %	
Edison Fund Investment Corporation	Edison Opto USA Corporation	Business of opto-electronics	55.00 %	55.00 %	
Edison Fund Investment Corporation	Edison Auto Lighting Corporation	Business of opto-electronics	100.00 %	100.00 %	
Edison Fund Investment Corporation	Ledionopto intelligent Technology Co., Ltd.	Business of opto-electronics	100.00 %	100.00 %	
Edison-Litek Opto Corporation Limited	Yangzhou Edison-Litek Opto Corporation	Business of optoelectronics	100.00 %	100.00 %	

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of investor	Name of subsidiary	Principal activity	Shareholding December 31, 2024	Shareholding December 31, 2023	Note
Edison-Litek Opto Corporation	Edison-Litek Opto Corporation Limited	Investment	60.27 %	60.27 %	Note 1

Note 1: In December 2023, Edison Litek Opto Corp. acquired the 32.21% equity interest of Edison Litek Opto Corp. Ltd., at the amount of USD1,000,000, in cash, resulting in its shareholding ratio to increase from 28.06% to 60.27%. As of December 31, 2024, both the Company and Edison Litek Opto Corp., directly and indirectly, respectively, held 72.77% shares of Edison Litek Opto Corp. Ltd. in total.

Note 2: Edison Egypt Opto Corp. changed its name to Ledison Opto Co., Ltd. in October 2024.

Note 3: In December, 2023, the Company handled a cash capital increase of 2,600 thousand shares, and the Company fully subscribed for 52,000 thousand in cash, and the shareholding ratio of the Company increased from 78.57% to 81.67%

Note 4: In November, 2024, the Company conducted a cash capital increase by issuing 5,000 thousand shares. After reserving the shares for employees in accordance with the Company Act, the Company fully subscribed for $91,875 thousand in cash, resulting in its shareholding ratio to decreased from 81.67% to 79.89%.

(iii) Subsidiaries excluded from the consolidated financial statements: None.

(d) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Nonmonetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

1) an investment in equity securities designated as at fair value through other comprehensive income;

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to noncontrolling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, Exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(e) Assets and liabilities classified as current and non-current

The Group classifies the asset as current under one of the following criteria, and all other assets are classified as non-current.

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

(iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies the liability as current under one of the following criteria, and all other liabilities are classified as non-current.

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The Group does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(f) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short term cash commitments rather than for investment, or other purposes, should be recognized as cash equivalents.

EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(g) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

· it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

· its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

· it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

· it is contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(Continued)

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Group’s right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses are recognized in profit or loss.

4) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and trade receivables, other receivable, leases receivable, guarantee deposit paid and other financial assets), debt investments measured at FVOCI and contract assets.

The Group measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12-month ECL:

· Bank balances for which credit risk (i.e . the risk of default occuring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group’s historical experience and informed credit assessment as well as forward-looking information.

EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Group considers a financial asset to be in default when the financial asset is unlikely to pay its credit obligations to the Group in full.

The time deposits held by the Group are with financial institutions that have an investment grade rating or higher, and are therefore considered to have low credit risk.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charge to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(Continued)

5) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Group are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital suplus is not sufficient to be written down).

4) Compound financial instruments

Compound financial instruments issued by the Group comprise convertible bonds denominated in NTD that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

(Continued)

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognized in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognized.

5) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

6) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

7) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(h) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted-average method and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(Continued)

(i) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straightline basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1)	Buildings and construction	3 to 45 years
2)	Machinery and equipment	3 to 10 years
3)	Molding Equipment	2 to 6 years
4)	Office and Other equipment	2 to 6 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(j) Leases

(i) Identifying a lease

At inception of a contract, the Group assesses whether a contract is (or contains) a lease. A contract is (or contains) a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(Continued)

(ii) As a leasee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group’s incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

— fixed payments;

— variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

— amounts expected to be payable under a residual value guarantee; and

— payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

— there is a change in future lease payments arising from the change in an index or rate; or

— there is a change in the Group’s estimate of the amount expected to be payable under a residual value guarantee; or

– there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or

— there is a change of its assessment on whether it will exercise a purchase, extension or termination option; or

— there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

(Continued)

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of machinery and plant that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(k) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, contract assets, deferred tax assets and investment properties and biological assets, measured at fair value, less costs) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(l) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below.

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES
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(i) Sale of goods

The Group manufactures and sells LED components. The Group recognizes revenue 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, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

(ii) The average credit term for sale of goods is 60 days to 90 days. It is consistent with industry practice. so it does not contain financing element.

The Group recognized accounts receivables while delivery, because the Group has the right to collect the consideration.

(iii) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money

(m) Government grants and government assistance

The Company recognizes an unconditional government grant related to a biological asset in profit or loss as other income when the grant becomes receivable. Other government grants related to assets are initially recognized as deferred income at fair value if there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant; they are then recognized in profit or loss as other income on a systematic basis over the useful life of the asset.

(n) Employee benefits

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year.

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

(Continued)

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided.

(o) Share-based payment

The grant-date fair value of share-based payment awards granted to employees is recognized as employee expenses, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards whose related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share based payment awards with non-vesting conditions, the grant date fair value of the share based payment is measured to reflect such conditions, and there is no true up for differences between expected and actual outcomes.

The fair value of the amount payable of the amount payable to employees in respect of shar appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes in the liability are recognized in profit or loss.

Grant date of a share-based payment award is the date which the Group and the employees reach an agreement on the subscription price and the number of shares that can be subscribed.

(p) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.The Group has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary difference.

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if the following criteria are met:

(i) the Group has a legally enforceable right to set off currenttax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(q) Earnings per share

The Group discloses the Company’s basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company, divided by the weighted-average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as employee remuneration and convertible corporate bonds.

(r) Operating segments

An operating segment is a component of the Consolidated Company that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Consolidated Company). Operating results of the operating segment are regularly reviewed by the Consolidated Company’s chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

In preparing these consolidated financial statements, management has made judgments and estimates, about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group’s risk management and climate-related commitments where appropriate. Revisions to estimates are recognized prospectively in the period of the change and future periods.

Information about assumptions and estimation uncertainty that have significant effect on the amounts recognized in the consolidated financial statements is as follow:

(a) The loss allowance of trade receivable

The Company has estimated the loss allowance of trade receivable that is based on the risk of a default occurring and the rate of expected credit loss.

The Company has considered historical experience, current economic conditions and forward-looking information at the reporting date to determine the assumptions to be used in calculating the impairments and the selected inputs. The relevant assumptions and input values, please refer to note 6(e).

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(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash	$ 5,278	5,432
Demand Deposit	938,423	488,498
Time Deposit	197,080	592,294
	$ 1,140,781	**1,086,224**

Time deposit, which refers to bank deposit and has a maturity date of less than 3 months, is for meeting short-term commitment, and not for investment. It could be transferred into cash, in which the risk is considered low; hence, has been classified as cash and cash equivalents.

Please refer to note 6(y) for interest rate risk and sensitive analysis of financial assets and financial liabilities for the Group.

(b) Financial assets at fair value through profit or loss

	December 31, 2024	December 31, 2023
Current financial assets at fair value through profit or loss:		
Convertible corporate bonds	$ 6,135	6,468
Listed common shares — domestic companies	-	5,363
Convertible corporate bonds - call options	120	-
Total	**$ 6,255**	**11,831**

The above financial assets of the Group were not pledged.

(c) Financial assets at fair value through other comprehensive income

	December 31, 2024	December 31, 2023
Unlisted common shares—Domestic Company – Taiwan Hydroxyl Technology Co., Ltd.	**$ 1,059**	**1,477**

The Group designated the investments shown above should recognize as fair value through other comprehensive income, because these investments were intended to be held for long-term strategic purposes.

(Continued)

For 2024 and 2023, due to changes in fair value, the amount of unrealized gain (loss) on investments in equity instruments measured at fair value through other comprehensive income was $(418) thousand and $(976) thousand, which was recognized under "other equity".

The above financial assets of the Group were not pledged.

(d) Financial assets measured at amortized cost

	December 31, 2024	December 31, 2023
More than three months' time Deposit	$ 72,822	27,669

The Group have assessed that the financial assets are held to maturity to collect contractual cash flows, which consists of payments of principal and interest on principal amount outstanding. Therefore, the investments were classified as financial assets measured at amortized costs.

The above financial assets of the Group were not pledged.

(e) Notes and accounts receivable

	December 31, 2024	December 31, 2023
Notes receivable-non-related parties	$ 72,733	65,922
Accounts receivable (include related parties)	716,393	498,375
Less: Loss allowance	(5,410)	(2,535)
	$ 783,716	561,762

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provision in Taiwan was determined as follows:

	December 31, 2024		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 679,837	0%	-
1 to 30 days past due	76,948	4.79%	3,686
31 to 90 days past due	30,123	4.99%	1,506
91 to 180 days past due	2,218	9.83%	218
	$ 789,126		5,410

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	December 31, 2023		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Current	$ 523,591	0.003%	17
1 to 30 days past due	24,121	4.29%	1,036
31 to 90 days past due	15,749	4.12%	649
91 to 180 days past due	3	0%	-
Past due over 180 days	833	100%	833
	$ 564,297		**2,535**

Movements of the loss allowance for notes and accounts receivable were as follows:

	2024	**2023**
Balance at January 1	$ 2,535	19,824
Impairment losses recognized	2,840	1,410
Reclassify	-	(18,680)
Net income (losses) on foreign exchange	35	(19)
Balance at December 31	**$ 5,410**	**2,535**

Note and account receivables of the Group were not pledged.

(f) Other receivables

	December 31, 2024	**December 31, 2023**
Other accounts receivable	$ 47,390	44,040
Less: Loss allowance	(38,850)	(42,466)
Total	**$ 8,540**	**1,574**

Movements of the loss allowance for notes and accounts receivable were as follows:

	2024	**2023**
Balance at January 1	$ 42,466	31,772
Reversal of impairment losses	(2,847)	(7,951)
The amount written off this year as uncollectible	(922)	-
Reclassify	-	18,680
Net income on foreign exchange	153	(35)
Balance at December 31	**$ 38,850**	**42,466**

Other receivables of the Group were not pledged.

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(g) Inventories

	December 31, 2024	December 31, 2023
Raw materials	$ 96,937	133,927
Supplies	4,082	3,703
Work in progress	94,490	112,361
Finished goods	103,666	78,400
	$ 299,175	**328,391**

The details of the cost of sales were as follows:

	2024	2023
Inventory that has been sold	$ 1,904,573	1,447,981
Gain on reversal of inventories	(6,825)	(2,212)
Unallocated production overheads	28,641	33,943
	$ 1,926,389	**1,479,712**

The Group did not provide any inventories as collateral for its loans.

(h) Changes in ownership interests in subsidiaries

(i) In May 2023, Edison-Litek Opto Corporation a subsidiary company of the Company, distributed a stock dividend of $14,000 thousand to shareholders as decided at the shareholders' meeting. As a result, the Company's holding of Edison-Litek Opto Corporation shares increased from 11,000 thousand shares to 12,100 thousand shares, while maintaining the same ownership percentage.

(ii) On December 2023, Sub-subsidiary Edison Litek Opto Corporation of the Company’s issue new common stock by cash in total of $52,000 thousand for 2,600 thousand shares with full subscription of the financial report, the company's ownership stake Edison Litek Opto Corporation in equity stake has increased from 78.57% to 81.67%.

(iii) On December 2023, Sub-subsidiary Edison Litek Opto Corporation subscribed with cash of $31,285 thousand Edison-Litek Opto Corporation Limited issue new common stock by cash the entire equity stake , resulted in the Company’s and Edison Litek Opto Corporation to Edison-Litek Opto Corporation Limited total equity has increased from 72.64% to 84.89%.

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES
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(iv) In November 2024, Edison-Litek Opto Corporation, a subsidiary of the Company, conducted a cash capital increase by issuing a total of 5,000 thousand shares. In accordance with Article 267 of the Company Act, 10% of the shares were reserved for employee subscription, while the remaining 4,500 thousand shares were subscribed by existing shareholders in proportion to their shareholdings. The Company subscribed in cash amounting to 3,675 thousand shares for $91,875 thousand, resulting in its shareholding ratio in Edison-Litek Opto Corporation to decrease from 81.67% to 79.89%.

	2024	2023
Capital surplus differences between consideration and carrying amounts subsidiaries acquired	$ 716	10,329

(i) Subsidiaries with material non-controlling interests

Subsidiaries	Main operation place	Parentage of non-controlling interests December 31, 2024	Parentage of non-controlling interests December 31, 2023
Edison-Litek Opto Corporation Limited	Hong Kong	15.11 %	15.11 %
Edison-Litek Opto Corporation	Taiwan	20.11 %	18.33 %

The following information on the aforementioned subsidiaries has been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Included in these information are the fair value adjustments made during the acquisition and relevant difference in accounting principles between the Group as at the acquisition date. Intragroup transactions were not eliminated in this information.

(i) Edison-Litek Opto Corporation Limited's collective financial information

	December 31, 2024	December 31, 2023
Current assets	$ 290,446	278,704
Non-current assets	80,571	78,109
Current liabilities	(126,724)	(108,417)
Net assets	$ 244,293	248,396
Non-controlling interests	$ 36,913	37,533

	2024	2023
Sales revenue	$ 403,842	266,487
Net income	$ (17,185)	(14,023)
Other comprehensive income	13,079	(3,922)
Total Comprehensive income	$ (4,106)	(17,945)
Profit, attributable to non-controlling interests	$ (2,597)	(3,837)
Comprehensive income, attributable to non-controlling	$ (620)	(3,556)

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	2024	2023
Net cash flows from operating activities	$ (48,044)	(33,602)
Net cash flows from investing activities	16,771	(29,290)
Net cash flows from financing activities	-	31,155
Effect of exchange rate changes on cash and cash equivalents	(1,784)	(1,706)
Net decrease in cash and cash equivalents	**$ (33,057)**	**(33,443)**

(ii) Edison-Litek Opto Corporation's collective financial information

	December 31, 2024	December 31, 2023
Current assets	$ 501,713	225,848
Non-current assets	200,851	228,183
Current liabilities	(173,420)	(110,979)
Non-current liabilities	(3)	(2,795)
Net assets	**$ 529,141**	**340,257**
Non-controlling interests	**$ 106,403**	**62,380**

	2024	2023
Sales revenue	**$ 613,004**	**321,794**
Net income	$ 56,001	132
Other comprehensive income	7,883	(938)
Total comprehensive income	**$ 63,884**	**(806)**
Profit, attributable to non-controlling interests	**$ 11,261**	**28**
Comprehensive income, attributable to non-controlling	**$ 12,846**	**(169)**

	2024	2023
Net cash flows from operating activities	$ 43,584	17,702
Net cash flows from investing activities	(8,365)	(77,564)
Net cash flows from financing activities	112,634	(11,460)
Net decrease in cash and cash equivalents	**$ 147,853**	**(71,322)**

(j) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the years ended December 31, 2024 and 2023, were as follows:

		Land	Building and construction	Machinery and equipment	Molding equipment	Other facilities	Total
Cost or decked cost:							
Balance at January 1, 2024	$	637,862	1,028,212	1,104,491	33,022	203,379	3,006,966
Additions		-	3,707	32,794	631	15,514	52,646
Disposal		-	(8,212)	(62,781)	(248)	(3,393)	(74,634)
Reclassify		-	-	9,306	140	590	10,036
Effect of movements in exchange rates		-	31,075	31,851	1,069	8,305	72,300
Balance at December 31, 2024	$	**637,862**	**1,054,782**	**1,115,661**	**34,614**	**224,395**	**3,067,314**
Balance at January 1, 2023	$	637,862	1,037,179	1,189,890	33,553	216,604	3,115,088
Additions		-	4,266	56,168	877	7,046	68,357
Disposal		-	(2,958)	(142,720)	(1,032)	(20,107)	(166,817)
Reclassify		-	-	11,686	146	2,638	14,470
Effect of movements in exchange rates		-	(10,275)	(10,533)	(522)	(2,802)	(24,132)
Balance at December 31, 2023	$	**637,862**	**1,028,212**	**1,104,491**	**33,022**	**203,379**	**3,006,966**
Deprecation and impairments loss:							
Balance at January 1, 2024	$	-	325,398	945,411	30,119	82,106	1,383,034
Depreciation		-	37,173	51,268	607	14,822	103,870
Disposal		-	(16,971)	(41,234)	(307)	(13,269)	(71,781)
Effect of movements in exchange rates		-	10,300	25,124	851	4,377	40,652
Balance at December 31, 2024	$	**-**	**355,900**	**980,569**	**31,270**	**88,036**	**1,455,775**
Balance at January 1, 2023	$	-	295,069	1,032,085	30,537	85,675	1,443,366
Depreciation		-	36,416	56,326	980	15,331	109,053
Disposal		-	(2,662)	(134,678)	(945)	(17,178)	(155,463)
Reclassify		-	-	-	-	(155)	(155)
Effect of movements in exchange rates		-	(3,425)	(8,322)	(453)	(1,567)	(13,767)
Balance at December 31, 2023	$	**-**	**325,398**	**945,411**	**30,119**	**82,106**	**1,383,034**
Carrying amounts:							
Balance at December 31, 2024	$	**637,862**	**698,882**	**135,092**	**3,344**	**136,359**	**1,611,539**
Balance at January 1, 2023	$	**637,862**	**742,110**	**157,805**	**3,016**	**130,929**	**1,671,722**
Balance at December 31, 2023	$	**637,862**	**702,814**	**159,080**	**2,903**	**121,273**	**1,623,932**

In 2021, the Group borrowed the amount of NT$321,600 from CTBC Bank by pledging its real estate as collateral. The loan was fully repaid on December 4, 2024. However, as of December 31, 2024, the release of the collateral has yet to be completed.

Some of the property, plant and equipment that belongs to the Group had been pledged as collateral for long-term borrowings and the issuance of the corporate bonds; please refer to note 8.

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(k) Right-of-use assets

The Group leases many assets including land, buildings and vehicles. Information about leases for which the Group as a lessee was presented below:

	Land	Building and Construction	Vehicles	Total
Cost:				
Balance at January 1, 2024	$ 32,242	51,457	1,935	85,634
Additions	-	18,823	685	19,508
Disposals	-	(10,565)	(686)	(11,251)
Effect of changes in foreign exchange rates	1,672	2,100	-	3,772
Balance at December 31, 2024	**$ 33,914**	**61,815**	**1,934**	**97,663**
Balance at January 1, 2023	$ 32,795	63,254	6,804	102,853
Additions	-	12,857	-	12,857
Disposals	-	(24,052)	(4,869)	(28,921)
Effect of changes in foreign exchange rates	(553)	(602)	-	(1,155)
Balance at December 31, 2023	**$ 32,242**	**51,457**	**1,935**	**85,634**
Accumulated depreciation:				
Balance at January 1, 2024	$ 4,251	28,313	1,149	33,713
Depreciation	885	16,856	511	18,252
Disposals	-	(5,087)	(686)	(5,773)
Effect of changes in foreign exchange rates	230	1,412	-	1,642
Balance at December 31, 2024	**$ 5,366**	**41,494**	**974**	**47,834**
Balance at January 1, 2023	$ 3,459	38,744	5,154	47,357
Depreciation	868	13,780	864	15,512
Disposals	-	(23,806)	(4,869)	(28,675)
Effect of changes in foreign exchange rates	(76)	(405)	-	(481)
Balance at December 31, 2023	**$ 4,251**	**28,313**	**1,149**	**33,713**
Carrying amount:				
Balance at December 31, 2024	**$ 28,548**	**20,321**	**960**	**49,829**
Balance at January 1, 2023	**$ 29,336**	**24,510**	**1,650**	**55,496**
Balance at December 31, 2023	**$ 27,991**	**23,144**	**786**	**51,921**

(l) Short-term borrowings

The short-term borrowings were summarized as follows:

	December 31, 2024	December 31, 2023
Unsecured bank loans	**$ -**	**180,705**
Unused short-term credit lines	**$ 1,127,663**	**1,099,740**
Range of interest rates	**-**	**1.8%~6.44%**

A key management personnel provided a joint guarantee for the borrowings of the Group from certain financial institutions. Please refer to note 7.

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES
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(m) Long-term borrowings

The long-term borrowings were summarized as follows, all of which were fully repaid in 2024.

	December 31, 2023			
	Currency	Rate	Maturity year	Amount
Secured bank loans	TWD	1.1960%~ 1.9805%	2041	$ 134,300
Less: due within one year				(16,080)
Total				$ 118,220

For the collateral for long-term borrowings, please refer to note 8.

(n) Bonds payable

	December 31, 2024	December 31, 2023
Total convertible corporate bonds issued	$ 300,000	300,000
Less: Unamortized discounted corporate bonds payable	(23,780)	-
Cumulative converted amount	-	(299,700)
Cumulative creditors repurchase amount	-	(300)
Convertible bonds issued balance	$ 276,220	-
Embedded derivative-call options (included in financial assets at fair value through profit or loss)	$ 120	-
Equity components-conversion options (included in capital surplus-share options)	$ 22,414	-

	2024	2023
Interest expense	$ 651	3,490

(i) On November 22, 2024, the Company has issued the first series of unsecured convertible corporate bonds in Taiwan, with an aggregate principal amount of NT$303,000 thousand. After deducting issuance costs of $5,017 thousand, the net proceeds of $297,983 thousand have been fully received. The main issuance terms are as follows:

Items	Fourth secured domestic convertible bonds
1.Total issue amount	300,000 thousand
2.Par value	100 thousand
3.Maturity date	November 22, 2024~Novermber 22, 2027
4.Outstanding period	3 years
5.Coupon rate	0%
6.Redemption at maturity	The Company redeems the convertible bond at par value by cash from the bondholders when it meets maturity.

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Items	Fourth secured domestic convertible bonds
7.Redemption method	(1) If the closing price of shares for each of 30 consecutive trading days is at least 130% of the conversion price between the 3 months after the share issuance date and the 40th day before the maturity date, the Company may redeem all the outstanding bonds at their par value. (2) If the amount outstanding of bonds is less than 10% of the principal amount between the 3 months after the share issuance date and the 40th day before the maturity date, the Company may redeem the outstanding bonds at their principal amount within five business days before the maturity date.
8.Conversion period	(1) The bondholder can convert its bonds into shares at any time between 3 months after the issuance date and the day before the maturity day. (2) For the circumstances below, the conversion terminates in compliance with the method issued by the Company. The closing period in accordance with the applicable laws. The period that starts from the fifteen business days prior to the date of record for determination wherein the shareholders are entitled to receive the distributions or rights to subscribe for new shares in a capital increase for cash, and ends on the date of record for the distribution of the rights/benefits. The period starts from the date of record of the capital decrease and ends one day prior to the reissuance of the trading of shares after the capital decrease.
9.Conversion price	The conversion price is 25.5 per share when issuance.
10. Pledge	The convertible bond is an unsecured bond. However, if the Company issues or privately places other secured bonds with warrants or convertible bonds after the issuance of this convertible bond, this convertible bond will also be granted the same level of creditor's rights or the same priority of collateral as those secured bonds with warrants or secured convertible bonds.

(ii) The Group issued its third domestic convertible bonds in 2021, with a total amount of $300,000 thousand. As of December 11, 2023, all bonds have been fully converted and repaid.

(o) Lease liability

(i) The carrying values of the lease liabilities were as follows:

	December 31, 2024	December 31, 2023
Current	$ 16,636	15,243
Non-current	$ 7,391	12,075

(ii) For the maturity analysis, please refer to note 6(y).

(iii)The amounts recognized in profit or loss were as follows:

	2024	2023
Interest on lease liabilities	$ 4,750	3,985
Expenses relating to short-term leases	$ 1,665	1,340
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	$ 496	286

(iv)The amounts recognized in the statement of cash flows for the Group were as follows:

	2024	2023
Total cash outflow for leases	$ 24,620	20,478

(v) Real estate leases

The Group leases building for its employee dormitories and plant offices. The lease terms ranged for a period of 1 to 2 years and 2 to 5 years for employee dormitories and plant offices, respectively. Some of the terms can be extended upon maturity. However, if the option of extension is uncertain, the related expenditures incurred in the covered period cannot be accounted for as lease liabilities.

(vi) Other leases

The Group leases vehicle, with lease terms ranging for a period of 4 to 5 years. Some of the terms can be extended upon maturity. However, if the option of extension is uncertain, the related expenditures incurred in the covered period would not be accounted for as lease liabilities.

Some buildings leased by the Group have a term with no more than a year are considered as short-term leases. Therefore, the Group decided to apply the exemption for recognition to recognize its right of use assets and lease liabilities.

(p) Deferred income

The agreement between Yangzhou Edison Opto Corporation and Yangzhou Land And Resources Bureau entitled right of land use of Yangzhou Economic Development Zone, from December, 2006 to December, 2056. The right of land use of CNY $9,788 thousand is subsidized by the Administrative Commission of Yangzhou Economic Development Zone, generating the long-term deferred revenue of CNY $9,393 thousand recognized under other non-current liabilities and is amortized for 50 years to recognize revenue. As of December 31, 2024 and December 31, 2023, the amount of unamortized deferred revenue was $27,395 thousand and $26,860 thousand, respectively.

EDISON OPTO CORPORATION AND SUBSIDIARIES
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(q) Employee benefits

(i) Defined benefit plans

The reconciliation of defined benefit obligation at present value and plant asset at fair value are as follows:

	December 31, 2024	December 31, 2023
Present value of the defined benefit obligations	$ 22,961	21,649
Fair value of plan assets	(10,580)	(9,605)
Net defind benefit liabilities	**$ 12,381**	**12,044**

The Group makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

1) Composition of plan assets

The Group allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Group's Bank of Taiwan labor pension reserve account amounted to $10,580 thousand as of December 31, 2024. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of the defined benefit obligations

The movement in present value of the defined benefit obligations for the Consolidated Company were as follows:

	2024	2023
Defined benefit obligations at January 1	$ 21,649	20,804
Current service costs and interest cost	865	873
Re-measurements of the net defined benefit liability	447	(28)
Defined benefit obligations at December 31	**$ 22,961**	**21,649**

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3) Movements of defined benefit plan assets

The movements in the present value of the defined benefit plan assets for the Consolidated Company were as follows:

	2024	2023
Fair value of plan assets at January 1	$ 9,605	9,405
Interest income	156	165
Re-measurements of the net defined benefit liability	819	35
Fair value of plan assets at December 31	**$ 10,580**	**9,605**

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Consolidated Company were as follows:

	2024	2023
Current service costs	$ 513	509
Net interest of net liabilities for defined benefit	196	199
	$ 709	**708**
Operating cost	$ 105	105
Operating expenses	604	603
	$ 709	**708**

5) Re-measurement of net defined benefit liability recognized in other comprehensive income

The Group's re-measurement of the net defined benefit liability recognized in other comprehensive income, was as follows:

	2024	2023
Accumulated amount at January 1	$ 4,045	4,108
Recognized during the period	(372)	(63)
Accumulated amount at December 31	**$ 3,673**	**4,045**

6) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

	December 31, 2024	December 31, 2023
Discount rate	2.000 %	1.625 %
Future salary increase rate	3.000 %	2.500 %

The expected allocation payment to be made by the Consolidated Company to the defined benefit plans for the one-year period after the reporting date is $766 thousand.

The weighted-average lifetime of the defined benefits plans is 12.33 years.

7) Sensitivity analysis

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	Influences of defined benefit obligation	
	Increased 0.25%	Decreased 0.25%
December 31, 2024		
Discount rate (movement of 0.25%)	$ (515)	529
Future salary increasing rate (movement of 0.25%)	511	(500)
December 31, 2023		
Discount rate (movement of 0.25%)	(537)	555
Future salary increasing rate (movement of 0.25%)	537	(523)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2024 and 2023 .

(ii) Defined contribution plans

The Company allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The consolidated subsidiary implements the method of determining the withdrawal of retirement funds, appropriate pensions in accordance with local laws, and recognizes the pensions each period as current expenses.

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES
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The pension costs incurred from the contribution to the Bureau of the Labor Insurance amounted were $28,862 thousand and $25,314 thousand.

(r) Income taxes

(i) The components of income tax were as follows:

		2024	2023
Current tax expense			
Current period	$	18,724	5,296
Adjust the current income tax of the previous period		-	(2,558)
		18,724	2,738
Deferred tax income			
Occurrence and reversal of temporary difference		3,186	2,173
Income tax expense		**21,910**	**4,911**

Reconciliation of income tax and income before tax in 2024 and 2023, was as follows:

		2024	2023
Gain before income tax	**$**	**174,262**	**49,413**
Income tax using subsidiaries tax rate	$	35,010	9,882
Effect of tax rate in foreign jurisdiction		1,814	2,728
Tax-exempt income		(395)	8,109
Unrecognized tax loss		20,143	(907)
Changes in unrecognized temporary differences		(21,118)	4,602
Used tax loss		(20,227)	(6,779)
Gain of investing foreign company		(205)	(8,880)
Prior year income tax adjustment		-	(2,558)
Others		6,888	(1,286)
Total	**$**	**21,910**	**4,911**

(ii) Deferred tax assets and liabilities

1) Unrecognized Deferred Tax Liabilities

The consolidated entity is able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries as at December 31, 2024 and 2023. Also, management considers it probable that the temporary differences will not reverse in the foreseeable future. Hence, such temporary differences are not recognized under deferred tax liabilities. Details are as follows:

		December 31, 2024	December 31, 2023
Aggregated amount of temporary differences related to investment subsidiaries	**$**	**107,309**	**121,411**

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	December 31, 2024	December 31, 2023
Tax effect of deductible Temporary Differences	$ 88,882	88,882
Unrecognized tax loss	530,477	624,164
	$ 619,359	**713,046**

The R.O.C Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Consolidated Company can utilize the benefits therefrom.

3) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2024 and 2023 were as follows:

	Allowance for obsolete inventory	Others	Tax deduction	Total
Deferred tax assets：				
January 1, 2024	$ 1,340	6,451	48,263	56,054
Recognized in profit or loss	(585)	(850)	(1,766)	(3,201)
December 31, 2024	**$ 755**	**5,601**	**46,497**	**52,853**
January 1, 2023	$ 1,608	4,172	53,650	59,430
Recognized in profit or loss	(268)	2,279	(5,387)	(3,376)
December 31, 2023	**$ 1,340**	**6,451**	**48,263**	**56,054**

	Equity investment	Others	Total
Deferred tax liabilities：			
January 1, 2024	$ 1,805	-	1,805
Recognized in profit or loss	(15)	-	(15)
December 31, 2024	**$ 1,790**	**-**	**1,790**
January 1, 2023	$ 1,829	1,179	3,008
Recognized in profit or loss	(24)	(1,179)	(1,203)
December 31, 2023	**$ 1,805**	**-**	**1,805**

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

4) As at December 31, 2024, the expiry years of the Company's unutilized business losses for which no deferred tax assets were recognized are as follows:

	Unutilized business loss						
Year of loss	**Edison Opto Corporation**	**Edison Fund Investment Corporation**	**Ledionopto Intelligent Technology Corporation**	**Ledision Opto Corporation Limited**	**Edison Auto Lighting Corporation**	**Total**	**Expiry year**
2015	$ 40.040	2.317	22.384	-	-	64.741	2025
2016	93.672	-	-	-	-	93.672	2026
2017	90.158	-	16.630	-	-	106.788	2027
2018	47.537	122.473	14.670	-	-	184.680	2028
2019	28.818	66.135	316	-	-	95.269	2029
2020	-	171	53.303	4.219	1.843	59.536	2030
2021	-	4.041	240	-	925	5.206	2031
2022	9.711	142.353	40	-	289	152.393	2032
2024	-	-	-	677	-	677	2034
	$ 309.936	**337.490**	**107.583**	**4.896**	**3.057**	**762.962**	

(iii) Assessment of tax

The Company’s tax returns for the years through 2022 were assessed by the Taipei National Tax Administration.

(s) Capital and other equity

As of December 31, 2024 and 2023, the number of authorized ordinary shares were $2,000,000 thousand shares with par value of $10 per share. The total value of authorized ordinary shares was amounted to 200,000 thousand shares. As of December 31, 2024 and 2023, 143,609 thousand and 143,609 thousand of ordinary shares were issued, respectively. All issued shares were paid up upon issuance.

	Ordinary shares	
(in thousands of shares)	**December 31, 2024**	**December 31, 2023**
Balance on January 1	143,609	135,335
Conversion of convertible bonds to ordinary shares	-	9,954
Retirement of treasury share	-	(1,680)
Balance on December 31	**143,609**	**143,609**

(i) Issuance and cancellation of ordinary shares

The domestic secured convertible bonds issued by the Company were converted in 2,380 thousand shares, 4,173 thousand ordinary shares, 2,345 thousand ordinary shares and 1,056 thousand ordinary shares in the 1st ,2nd, 3rd and 4th quarter, respectively, totaling 9,954 thousand shares of 2023. All the statutory registration procedures above had been completed as of the reporting date.

The Company retired 1,680 thousand treasury share in November 10, 2023 , respectively. All the statutory registration procedures above had been completed as of the reporting date.

EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Capital surplus

The balances of capital surplus were as follows:

	December 31, 2024	December 31, 2023
Premium on issuance of capital stock	$ 1,407,114	1,463,695
Employee share options	72,142	72,142
Conversion options	22,414	-
Restricted stock	10,074	10,790
Treasury shares transferred to employees of the Company	15,840	15,840
Changes in net equity of related companies accounted for using the equity method	292	292
	$ 1,527,876	1,562,759

According to the ROC Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock, and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring paid-in capital in excess of par value should not exceed 10% of the total common stock outstanding.

A resolution was approved during the shareholders' meeting held on May 30, 2024 and 2023 to distribute the cash dividends of $56,844 thousand and $40,000 thousand by using the capital surplus. Each share could receive a cash dividends of $0.4 and $0.3 from the capital reserve.

(iii) Retained earnings

The Company's article of incorporation stipulate that Company's net earnings should first be used to offset the prior years'deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, and then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

The dividend policy of the Company is coordinated with the share capital, financial structure, operating status, future development plan, fund requirements, competitions, shareholders' benefits, etc. by distributing no less than 60% of the distributable earnings every year. Nonetheless, when the distributable earnings are lower than 20% of the common stock outstanding, no distribution shall be made during the year. Dividends may be distributed either by cash or by share. However, if the dividends are to be distributed in cash, it shall be no less than 10% of the total dividends issued.

(Continued)

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

In accordance with the regulation of the Financial Supervisory Commission, a portion of the current-period earnings and undistributed prior-period earnings shall be reclassified as special earnings reserve during the earnings distribution. The amount to be reclassified should equal the current-period total net reduction of other shareholders' equity. Similarly, a portion of undistributed prior-period earnings shall be reclassified as special earnings reserve, which does not qualify for earnings distribution, to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

Earnings distribution for the 2023 was decided by the resolution adopted, at the Board of Director held on May 30, 2024, respectively. The relevant dividend distributions to shareholders were as follows:

	2023		
	Amount per share (NT dollar)		**Total amount**
Dividends distributed to ordinary shareholders			
Cash	$	0.1	14,211

A proposed was made during the shareholders' meeting held on May 30, 2023, after the legal reserve and special reserve are established by legal, there is no more surplus to be distributed.

(iv) Treasury shares

1) The Company purchased 4,500 thousand shares of treasury stock, for the purpose of motivating employees, in accordance with Article 28-2 of the Securities and Exchange Act. In December 2023, the Company decided to retire 1,680 thousand treasury shares, at the amount of $23,712 thousand. The related registration procedures were completed as of the reporting date. In August 2023, the Company transferred treasury stock to employees, the total amount of treasury stock transferred was 1,320 thousand shares, and the purchase cost was $18,625 thousand, the treasury stock was recognized by employees on August 10, 2023, and was delivered to employees on September 1, 2023, date of shares granted. The Company recognize capital surplus - treasury shares on the date that the shares was delivered to employees. The Company has recognized employee remuneration cost of $15,840 thousand on the date of granted and will recognize capital surplus - treasury stock on the date that the shares was delivered to employees. As of December 31, 2024, the total number of untransferred shares was 1,500 thousand shares.

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Ledionopto intelligent Technology Co., Ltd., sub-subsidiary of the Company, held 526 thousand shares of the Company's treasury shares. As of December 31, 2024, all treasury shares were not sold. The market price on December 31, 2024 and 2023 were $26.00 amd $24.40 per share, respectively.

3) In compliance with the Securities and Exchange Act, treasury shares held by the Group should not be pledged, and shareholder rights are not entitled before the transfer.

(v) OCI accumulated in reserves, net of tax

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance at January 1, 2024	$ (180,453)	(976)	(181,429)
Exchange differences on foreign operations	78,573	(418)	78,155
Balance at December 31, 2024	**$ (101,880)**	**(1,394)**	**(103,274)**

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance at January 1, 2023	$ (155,037)	-	(9,623)
Exchange differences on translation of foreign financial statements	(25,416)	-	(25,416)
Unrealized loss of financial assets measured at fair value through other comprehensive income	-	(976)	(976)
Balance at December 31, 2023	**$ (180,453)**	**(976)**	**(36,015)**

(t) Share-based payment

(i) Treasury stock transfer employee plan

	Equity-settled **Treasury shares transferred to employees**
Date of shares granted	August 3, 2023
Number of shares granted	1,320,000
Contract term	1 months
Grant object	employee
Vesting conditions	Provide future service of 1 years

1) Determining the fair value of equity instruments granted

The Consolidated Company used Black-Scholes method in measuring the fair value of the share-based payment at the grant date. The measurement inputs were as follows:

	Treasury shares transferred to employees
Fair value on date of grant	12.00
Stock price on grant day	26.15
Exercise price	14.11
Expected volatility (%)	36.48%
Stock option duration	0.079
Risk-free rate (%)	1.015%

2) Number of treasury shares transferred to employees:

	2024	**2023**
	Number of Warrants (Shares)	**Number of Warrants (Shares)**
Outstanding at January 1 (number)	1,500,000	4,500,000
Current period exercise quantity	-	(1,320,000)
Current period cancellation quantity	-	(1,680,000)
Outstanding at December 31 (number)	**1,500,000**	**1,500,000**

(ii) The expenses incurred by the merged company for Share-based Payment are as follows:

	2024	**2023**
Treasury shares transferred to employees	**$ -**	**15,840**

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(u) Earnings per share

The calculation of basic earnings per share and diluted earnings per share is as follows:

Basic earnings per share		**2024**	**2023**
Profit of the Company for the year	$	**141,905**	**47,528**
Weighted average number of ordinary shares (in thousands of shares)		**141,584**	**135,756**
Basic earnings per share (in New Taiwan Dollars)	$	**1.00**	**0.35**
Diluted earnings per share			
Profit of the Company for the year	$	141,905	47,528
Effect of dilutive potential ordinary share (note)		521	-
Profit attributable to common stockholders of the Company (including effect of dilutive potential ordinary share)	$	**142,426**	**47,528**
Weighted average number of ordinary shares (in thousands of shares)		141,584	135,756
Effect of employee share bonus (in thousands of shares)		316	109
Effect of convertible bonds (in thousands of shares)		1,289	-
Weighted average number of ordinary shares (in thousands of shares)		**143,189**	**135,865**
Diluted earnings per share (in New Taiwan Dollars)	$	**0.99**	**0.35**

Note. The effect of convertible bonds would have been anti-dilutive if included in the calculation of the Group's diluted earnings per share in 2023, and were therefore not included in the calculation of diluted earnings per share.

(v) Revenue from contracts with customers

(i) Revenue detail

	2024						
	The Company	**Edison Opto (Dong Guan) Co., Ltd.**	**Yangzhou Edison Opto Corporation**	**Yangzhou Edison-Litek Opto Corporation**	**Edison-Litek Opto Corporation**	**Other**	**Total**
Major market							
China	$ 48,430	246,289	258,053	295,641	-	-	848,413
America and Europe	436,984	(328)	-	-	482,049	78,321	997,026
Taiwan	258,675	5,201	-	-	128,250	-	392,126
Africa	24,075	-	-	-	-	-	24,075
Others	288,687	2,797	3,802	-	1,864	-	297,150
	$ 1,056,851	**253,959**	**261,855**	**295,641**	**612,163**	**78,321**	**2,558,790**
Major product:							
LED transmitter component	$ 20,450	98,450	-	-	-	3,390	122,290
LED lighting product	970,773	152,762	103,115	-	-	69,745	1,296,395
LED automotive product	48,891	-	158,534	292,366	608,746	4,266	1,112,803
Others	16,737	2,747	206	3,275	3,417	920	27,302
	$ 1,056,851	**253,959**	**261,855**	**295,641**	**612,163**	**78,321**	**2,558,790**

(Continued)

	2023						
	The Company	Edison Opto (Dong Guan) Co., Ltd.	Yangzhou Edison Opto Corporation	Yangzhou Edison-Litek Opto Corporation	Edison-Litek Opto Corporation	Other	Total
Major market							
China	$ 57,487	192,288	203,073	187,622	-	-	640,470
America and Europe	381,743	17,245	-	505	266,486	77,287	743,266
Taiwan	231,101	2,932	-	-	49,185	-	283,218
Africa	33,999	-	-	-	-	-	33,999
Others	269,007	2,164	13,333	-	5,604	-	290,108
	$ 973,337	**214,629**	**216,406**	**188,127**	**321,275**	**77,287**	**1,991,061**
Major product:							
LED transmitter component	$ 18,631	119,170	-	-	-	-	137,801
LED lighting product	907,208	90,481	124,880	-	-	67,326	1,189,895
LED automotive product	33,105	-	90,399	185,666	310,218	1,944	621,332
Others	14,393	4,978	1,127	2,461	11,057	8,017	42,033
	$ 973,337	**214,629**	**216,406**	**188,127**	**321,275**	**77,287**	**1,991,061**

(ii) Contract balances

	December 31, 2024	December 31, 2023
Note receivables	$ 72,733	65,922
Accounts receivables (include related parties)	716,393	498,375
Contract assets	2,821	-
Less: Loss allowance	(5,410)	(2,535)
Total	**$ 786,537**	**561,762**
Contract liabilities	**$ 11,491**	**24,904**

For details on accounts receivable and allowance for impairment, please refer to note 6(e).

The major change in the balance of contract assets and contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received. There were no provisions for loss allowance on current contract assets as of December 31, 2024 and December 31, 2023.

(w) Remuneration to employees, directors

In accordance with the Articles of incorporation, the Company should contribute 5%~15% of the profit as employee remuneration and less than 3% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The amount of remuneration of each director and of remuneration for employees entitled to receive the abovementioned employee remuneration is approved by the Board of Directors. The recipients of shares and cash may include the employees of the Company’s affiliated companies who meet certain conditions.

For the years ended December 31, 2024 and 2023, the Company accrued and recognized its employee remuneration amounting to $7,800 thousand and $2,660 thousand, respectively; as well as its remuneration to directors amounting to $1,800 thousand and $540 thousand, respectively. These amounts were calculated by using the Company's pre-tax net profit for the period before deducting the amounts of the remuneration to employees and directors, multiplied by the distribution of ratio of the remuneration to employees and directors based on the Company's articles of incorporation, and expensed under operating costs or expenses. For the years ended December 31, 2023 and 2022, the estimated amounts of employee remuneration were $2,660 thousand and $1,500 thousand, respectively, and the estimated amounts of directors' remuneration were NT$540 thousand and NT$300 thousand, respectively, are identical to those of the actual distributions for 2023. The Board of Directors resolved not to distribute employee compensation and director's remuneration due to the Company has accumulated deficits in 2022, and recognized the difference between the actual distribution and the estimated profit or loss in the 1st quarter of 2023. The related information can be accessed from the Market Observation Post System website.

(x) Non-operating income and expenses

(i) Interest income

The details of net other income were as follows:

		2024	2023
Interest income from bank deposits	$	11,328	10,616
Other interest income		3,127	4,979
	$	**14,455**	**15,595**

(ii) Other income

		2024	2023
Other income	$	**7,956**	**5,582**

(iii) Other gains and losses

The details of other gains and losses were as follows:

		2024	2023
Loss on disposal of Property, plant, and equipment	$	(750)	(8,192)
Net gain (losses) on financial assets at fair value		(242)	1,415
Net gain on foreign exchange		24,022	6,401
Others		(4,273)	(6,072)
	$	**18,757**	**(6,448)**

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(iv) Finance costs

The details of finance costs were as follows:

		2024	2023
Interest expenses	$	10,185	13,109

(y) Financial instruments

(i) Credit risk

1) Concentration of credit risk

Accounts receivable were due from many customers. Therefore, there was no concentration of credit risk. In order to reduce the credit risk of accounts receivable, the Company continually evaluates each customer's financial situation. Otherwise, the customer will have to provide bank guarantees or collaterals.

2) Receivable

For credit risk exposure of note and trade receivables, please refer to note 6(e). Other financial assets at amortized cost includes other receivables and time deposits.

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. Regarding how the financial instruments are considered to have low credit risk, please refer to note 4(g) of the consolidated financial statements for the year ended December 31, 2024.

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

		Carrying amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years
December 31, 2024								
Non-derivative financial liabilities								
Lease liabilities	$	24,027	(29,485)	(12,768)	(6,498)	(5,897)	(4,322)	-
Notes payable and accounts payable		438,151	(438,151)	(438,151)	-	-	-	-
Other payable		162,296	(162,296)	(162,296)	-	-	-	-
Bonds payable		276,220	(300,000)	-	-	-	(300,000)	-
	$	**900,694**	**(929,932)**	**(613,215)**	**(6,498)**	**(5,897)**	**(304,322)**	**-**

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	Carrying amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years
December 31, 2023							
Non-derivative financial liabilities							
Short term loans	$ 180,705	(181,599)	(181,599)	-	-	-	-
Long term loans	134,300	(140,773)	(8,817)	(8,781)	(17,406)	(51,063)	(54,706)
Lease liabilities	27,318	(31,168)	(9,203)	(9,023)	(11,950)	(992)	-
Notes payable and accounts payable	338,336	(338,336)	(338,336)	-	-	-	-
Other payable	149,499	(149,499)	(149,499)	-	-	-	-
	$ 830,158	**(841,375)**	**(687,454)**	**(17,804)**	**(29,356)**	**(52,055)**	**(54,706)**

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iii) Market risk

1) Currency risk

The Group's significant exposure to foreign currency risk was as follows:

	December 31, 2024				December 31, 2023			
	Foreign currency	Exchange rate		TWD	Foreign currency	Exchange rate		TWD
Financial assets								
Monetary items								
USD	$ 19,169	USD/TWD=	32.785	628,456	9,271	USD/TWD=	30.705	284,666
USD	6,115	USD/CNY=	7.1884	200,462	3,730	USD/CNY=	7.0827	114,537
CNY	11,989	CNY/TWD=	4.5604	54,675	8,819	CNY/TWD=	4.3355	38,235
Financial liabilities								
Monetary items								
USD	8,218	USD/TWD=	32.785	269,427	7,368	USD/TWD=	30.705	226,234
USD	633	USD/CNY=	7.1884	20,751	477	USD/CNY=	7.0827	14,647
CNY	8,598	CNY/TWD=	4.5604	39,210	9	CNY/TWD=	4.3355	39

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, trade and other receivables, financial assets at fair value through other comprehensive income, loans and borrowings; and trade and other payables that are denominated in foreign currency. A strengthening (weakening) of 5% of the TWD against the USD and CNY as at December 31, 2024 and 2023 would have increased (decreased) the equity by $27,710 thousand and $9,826 thousand due to cash flow hedges. The analysis is performed on the same basis for prior year.

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the years ended December 31, 2024 and 2023, foreign exchange loss (including realized and unrealized portions) amounted to $24,022 thousand and $6,401 thousand, respectively.

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(iv) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Consolidated Company's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 0.5% when reporting to management internally, which also represents the Consolidated Company management's assessment of the reasonably possible interest rate change.

If the interest rate had increased / decreased by 50 basis points, the Group’s net loss would have increased / decreased by $0 thousand and $1,575 thousand for the year ended December 31, 2024 and 2023, with all other variable factors remaining constant. This is mainly due to the Group’s borrowing at variable rates and investment in variablerate bills.

(v) Fair value of financial instruments

1) The fair value of financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income (available for sale financial assets) is measured on a recurring basis. The carrying amount and fair value of the Group’ s financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required :

	December 31, 2024				
		Fair Value			
	Book Value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss-current securities of:					
Embedded derivative of convertible bonds	$ 120	-	120	-	120
Corporate bonds	6,135	6,135	-	-	6,135
Subtotal	6,255	6,135	120	-	6,255
Financial assets at fair value through other comprehensive income-securities of unlisted companies	1,059	-	-	1,059	1,059
Subtotal	13,569	12,270	240	1,059	13,569

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	December 31, 2024				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 1,140,781	-	-	-	-
Fixed deposits with original maturity exceeding three months	72,822	-	-	-	-
Notes and trade receivables	783,716	-	-	-	-
Other receivables	8,540	-	-	-	-
	2,821	-	-	-	-
Subtotal	2,008,680	-	-	-	-
Total	$ 2,015,994	6,135	120	1,059	7,314
Financial liabilities at amortized cost					
Notes and trade payables	$ 438,151	-	-	-	-
Other payables	162,296	-	-	-	-
Lease liabilities	24,027	-	-	-	-
Bonds payables	276,220	-	-	-	-
Total	$ 900,694	-	-	-	-

	December 31, 2023				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss-current securities of: Listed companies	$ 5,363	5,363	-	-	5,363
Corporate bonds	6,468	6,468	-	-	6,468
Subtotal	11,831	11,831	-	-	11,831
Financial assets at fair value through other comprehensive income-Securities of unlisted companies	1,477	-	-	1,477	1,477
	13,308	11,831	-	1,477	13,308
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 1,086,224	-	-	-	-
Fixed deposits with original maturity exceeding three months	27,669	-	-	-	-
Notes and trade receivables (include related parties)	561,762	-	-	-	-
Other receivables	1,574	-	-	-	-
Subtotal	1,677,229	-	-	-	-
Total	$ 1,690,537	11,831	-	1,477	13,308

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	December 31, 2023				
		Fair Value			
	Book Value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial liabilities at amortized cost					
Short-term bank loans	$ 180,705	-	-	-	-
Long-term bank loans (including due within one year)	134,300	-	-	-	-
Notes and trade payables	338,336	-	-	-	-
Other payables	149,499	-	-	-	-
Lease liabilities	27,318	-	-	-	-
Total	**$ 830,158**	**-**	**-**	**-**	**-**

Valuation techniques for financial instruments measured at fair value

A. Non-derivative financial instruments

When financial instrument is regarded as being quoted in an active market, those prices should be used as the fair value. The market prices announced by major exchanges and the over-the-counter trading centers for central government bonds deemed as popular securities are considered the basis for the fair value of listed equity instruments and debt instruments with publicly quoted prices in an active market.

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well-established, only small volumes are traded, or bid-ask spreads are very wide.

For financial instruments held by the Group that have active markets, their fair value is determined by market quotations; for those without active markets, their fair value is evaluated using net asset value.

B. Derivative financial instruments

Measurement of the fair value of derivative instruments is based on the valuation techniques generally accepted by market participants such as the discounted cash flow or option pricing models (Black-Scholes models).

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2) Reconciliation of Level 3 fair values

		Fair value through other comprehensive income
January 1, 2024	$	1,477
In other comprehensive income		(418)
December 31, 2024	**$**	**1,059**
January 1, 2023	$	2,453
In other comprehensive income		(976)
December 31, 2023	**$**	**1,477**

For the years ended December 31, 2024 and 2023, total gains and losses that were included in unrealized gains and losses from financial assets at fair value through other comprehensive income were as follows:

	2024	2023
Total gains and losses recognized:		
In other comprehensive income, and presented in "unrealized gains and losses from financial assets at fair value through other comprehensive income"	**$ (418)**	**(976)**

3) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's financial instruments that use Level 3 inputs to measure fair value include "financial assets measured at fair value through profit or loss – debt investments" and "fair value through other comprehensive income (available-for-sale financial assets) – equity investments".

Most fair values in Level 3 include one significant unobservable input, and the fair values of investments in equity instrument without active market consist of multiple significant unobservable inputs. Therefore, significant unobservable inputs of investments in equity instrument without active market are independent with no inter-relationship.

(Continued)

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income equity investments without an active market	Weighted average of market comparable companies and asset-based approach	· equity ratio multiple · Discount for lack of marketability · Discount of control	· The higher multiple, the higher the fair value · The higher the discount for lack of marketability, the lower the fair value · The higher the discount of control, the lower the fair value

4) Fair value measurements in Level 3－ sensitivity analysis of reasonably possible alternative assumptions

The fair value measurement of financial instruments by the Group is reasonable, but the use of different evaluation models or evaluation parameters may result in different evaluation results. For fair value measurements in Level 3, if the evaluation parameters change, would have the following effects of profit or loss or other comprehensive income:

			Recognized in other comprehensive income	
	Input	Change	Favorable change	Unfavorable change
December 31, 2024				
Financial assets fair value through other comprehensive income	1.27	1%	$ 11	(11)
December 31, 2023				
Financial assets fair value through other comprehensive income	1.22	1%	$ 15	(15)

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

(z) Financial risk management

(i) Overview

The Consolidated Company have exposures to the following risks from its financial instruments:

1) credit risk

2) liquidity risk

3) market risk

The following likewise discusses the Consolidated Company’ s objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying consolidated financial statements.

(ii) Structure of risk management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established the Risk Management Committee, which is responsible for developing and monitoring the Consolidated Company’ s risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Consolidated Company’s risk management policies are established to identify and analyze the risks faced by the Consolidated Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Consolidated Company’s activities. the Consolidated Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(iii) Credit risk

Credit risk is the risk of financial loss to the Consolidated Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Consolidated Company’s receivables from customers and investments in debt securities.

As the Consolidated Company has a large number of Consolidated Company of customers, not significantly focused on dealing with a single customer and the sales area are scattered, so there is no significant concentration of the risk of account receivable. In order to reduce the credit risk, the Company also regularly assess the financial status of customers, if necessary, will require customers to provide security or guarantee.

The credit risk of bank deposits and other financial instruments is measured and monitored by the Consolidated Company finance department. As a result of the Consolidated Company's transactions and compliance with others are good credit banks, no significant compliance concerns, so there is no significant credit risk.

(iv) Liquidity risk

Liquidity risk is the risk that the Consolidated Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Consolidated Company’ s approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Consolidated Company’s reputation. At present, the capital and working capital of the merged company is sufficient to meet all the contractual obligations, so there is no liquidity risk due to the inability to raise funds to meet the contractual obligations.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Consolidated Company’ s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Currency risk

The Consolidated Company is exposed to currency risk on sales, purchases, and borrowings. The functional currency of the Consolidated Company is dominated by TWD and also has USD and CNY. The main currency of the transaction is TWD, USD and CNY.

The Consolidated Company borrows money in USD from banks to balance the accounts receivable against USD and reduces the risk of loss of USD accounts receivable assets due to exchange rate fluctuations.

The monetary assets and liabilities denominated in other foreign currencies, when a short-term imbalance occurs, the Consolidated Company is required to buy or sell foreign currency at instant exchange rate to ensure that the net risk is maintained at an acceptable level.

The Consolidated Company do not use derivative financial assets for hedging.

2) Interest rate risk

The borrowing of the Consolidated Company is a floating interest rate debt, so the market interest rate changes will make the effective interest rate changes, and the future cash flow fluctuations. The Consolidated Company do not hedge through interest rate swap contracts.

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3) Other market price risk

In addition to supporting the expected consumption and sales demand, the Consolidated Company did not sign a commodity contract.

(aa) Capital management

The Group's objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to the shareholders, reduce the capital for redistribution to shareholders, issue new shares, or sell assets to settle any liabilities.

The Group and other entities in the same industry use the debt-to-equity ratio to manage capital. This ratio is the total net debt divided by the total capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity plus net debt.

The Group's debt-to-equity ratio at the end of the reporting period as at December 31, 2024 and 2023, were as follows:

	December 31, 2024	December 31, 2023
Total liabilities	$ 1,001,799	915,674
Less: cash and cash equivalents	(1,140,781)	(1,086,224)
Net debt	**$ (138,982)**	**(170,550)**
Total equity	$ 3,183,552	2,964,311
Less: hedging reserve	-	-
Adjusted equity	**$ 3,183,552**	**2,964,311**
Debt-to-equity ratio	**- %**	**- %**

(ab) Financing activities not affecting current cash flow

The Group's financing activities which did not affect the current cash flow in the years ended December 31, 2024 and 2023, were as follows:

			Non-cash changes					
	January 1, 2024	**Cash Flows**	**Foreign exchange movement**	**New lease**	**Lease modification**	**Conversion options**	**Others**	**December 31, 2024**
Short-term borrowings	$ 180,705	(181,185)	480	-	-	-	-	-
Lease liabilities	27,318	(17,709)	833	19,508	(5,923)	-	-	24,027
Long-term borrowings (including current portion)	134,300	(134,300)	-	-	-	-	-	-
Bonds payable (included due within one year)	-	297,983	-	-	-	(22,414)	651	276,220
Deposits received	31	8	-	-	-	-	-	39
Total liabilities from financing activities	**$ 342,354**	**(35,203)**	**1,313**	**19,508**	**(5,923)**	**(22,414)**	**651**	**300,286**

(Continued)

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	January 1, 2023	Cash Flows	Non-cash changes: Foreign exchange movement	Non-cash changes: Changes in lease payments	Non-cash changes: Conversion option	Non-cash changes: Discount and premium amortization	Non-cash changes: Others	December 31, 2023
Short-term borrowings	$ 92,130	85,750	2,825	-	-	-	-	180,705
Lease liabilities	29,813	(14,867)	(485)	12,857	-	-	-	27,318
Long-term borrowings(including current portion)	290,780	(156,480)	-	-	-	-	-	134,300
Bonds payable (included due within one year)	170,262	(300)	-	-	(173,455)	3,490	3	-
Deposits received	34	(3)	-	-	-	-	-	31
Total liabilities from financing activities	**$ 583,019**	**(85,900)**	**2,340**	**12,857**	**(173,455)**	**3,490**	**3**	**342,354**

(7) Related-party transactions:

(a) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in the consolidated financial statements:

Name of related party	Relationship with the Group
Wu, Chien-Jung	The Company's chairman
Yangzhou Airui Optoelectronics Co., Ltd.	Related parties (note 1)
Taiwan Hydroxyl Technology Co., Ltd.	Related parties

Note1: The company was not related party from March 21, 2024

(b) Significant transactions with related parties

(i) Sales

The amounts of significant sales by the Consolidated Company to related parties were as follows:

	2024	2023
Yangzhou Airui Optoelectronics Co., Ltd.	**$ 8,868**	**13,844**

The terms and pricing of purchase transactions with related parties were not significantly different from those offered by other sellers.

(ii) Receivables from related parties

The receivables from related parties were as follows:

Account	Relationship	December 31, 2024	December 31, 2023
Accounts receivable	Yangzhou Airui Optoelectronics Co., Ltd.	**$ -**	**13,218**
Other receivable	Taiwan Hydroxyl Technology Co., Ltd.	**$ 147**	**129**

(Continued)

(iii) Others

1) Manage services revenue

		2024	2023
Taiwan Hydroxyl Technology Co., Ltd.	$	**720**	**600**

2) Rental Revenue

		2024	2023
Taiwan Hydroxyl Technology Co., Ltd.	$	**60**	**240**

(iv) Guarantee

A key management personnel provided a joint guarantee for the loan agreement entered by the Group from certain financial institutions.

(c) Key management personnel compensation

Key management personnel compensation comprised:

		2024	2023
Short-term employee benefits	$	38,052	35,279
Post employment benefits		711	774
Share-based payments		-	5,040
	$	**38,763**	**41,093**

Please refer to note 6(t) for further explanations related to share-based payment transactions.

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Object		December 31, 2024	December 31, 2023
Notes receivable (classified under other current assets)	Bank Acceptance	$	-	24,596
Deposits (classified under other non-current assets)	Deposit to customs		6,139	6,096
Property, plant, and equipment	Long-term loans		298,156	245,760
		$	**304,295**	**276,452**

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(9) Commitments and contingencies:

(a) The Group unrecognized contractual commitments are as follows:

	December 31, 2024	December 31, 2023
Acquisition of property, plant and equipment	$ 427,111	23,993

On November 11, 2024, the Company signed a preliminary sales contract with ReaLy Development & Construction Corp. for the purchase of National Landmark at the total contract price of NT$432,880 thousand. As of December 31, 2024, the amount of NT$43,360 thousand has been paid, and the remaining NT$389,520 thousand will be paid according to the progress of the completion.

(b) The Company obtained the tender for the "Tainan City LED Street Light Replacement Project, District 3" in May 2021, and provided a deposit of $20,000 thousand as a performance guarantee. In November 2021, the Company received a letter from the Public Works Bureau of Tainan City Government (“ Works Bureau") to terminate the aforementioned contract, and in January of 2022, the Works Bureau forfeited the aforementioned security deposit and recovered the tender bond of $5,000 thousand. The Company requested the Tainan City Government to return the performance deposit and revoke the recovery of the deposit, but the mediation failed. In 2023, the Group filed a civil litigation and an administrative litigation, which is currently under trial by the Tainan District Court (for the return of the performance deposit). The Kaohsiung High Administrative Court (for the revocation of the recovery of the deposit) lost the case in June 2024. The Company has appealed to the Supreme Administrative Court, and it is currently under trial.

(10) Losses Due to Major Disasters: None.

(11) Subsequent Events: None.

(12) Other:

(a) A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

By function / By item	For the years ended 2024			2023		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits						
Salary	185,476	210,095	395,571	162,179	213,050	375,229
Labor and health insurance	13,275	14,558	27,833	11,551	13,796	25,347
Pension	16,272	13,299	29,571	13,911	12,111	26,022
Directors’ remuneration	-	4,038	4,038	-	2,424	2,424
Others	20,362	12,965	33,327	15,767	10,570	26,337
Depreciation	86,547	35,575	122,122	86,383	38,182	124,565
Amortization	-	1,419	1,419	-	2,028	2,028

(Continued)

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(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group:

(i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period (Note 2)	Ending balance (Note 2)	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 3)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
0	Edison Opto Corporation	Edison Litek Opto Corporation	Other receivables due from related parties	Yes	50,000	50,000	-	2%	2	-	Short-term financing	-	-	-	601,605 (Note 1)	1,203,210 (Note 1)
1	Yangzhou Edison Opto Corporation	Yangzhou Edison-Litek Opto Corporation	Other receivables due from related parties	Yes	46,068 (CNY10,000 thousand)	45,604 (CNY10,000 thousand	-	2%	2	-	Short-term financing	-	-	-	210,984 (Note 1)	421,969 (Note 1)
2	Edison litek Opto Corporation Limited	Edison Litek Opto Corporation	Other receivables due from related parties	Yes	45,969 USD1,400 thousand)	45,899 USD1,400 thousand)	-	2%	2	-	Short-term financing	-	-	-	48,858 (Note 1)	97,716 (Note 1)

Note 1: The allowable aggregate amount of financing provided to others cannot exceed 40% of the lender's stockholders' equity, the maximum amount of financing provided to an individual counterparty cannot exceed 20% of the lender's stockholders' equity.
Note 2: The amount was the financing facility approved by the Board of Directors.
Note 3: Based on the Company's guidelines, the allowable amounts of financing are as follows:
(1) Loan arrangement for business transaction
(2) Short-term financing purpose
Note 4: The amount was eliminated in the consolidated financial statements.

(ii) Guarantees and endorsements for other parties: None.

(iii) Securities held as of December 31, 2024 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of shares)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Highest Percentage of ownership (%)	Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value		
The company	AcBel Polytech Inc.-convertible bonds	None	Current financial assets at fair value through profit or loss	-	6,135	- %	6,135	- %	
Edison Fund Investment Corporation	Taiwan Hydroxyl Technology Co., Ltd	None	Non-current financial assets at fair value through other comprehensive income	300	1,059	12.50 %	1,059	- %	

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(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Category and name of security	Account name	Name of counter-party	Relationship with the company	Beginning Balance		Purchases		Sales				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Price	Cost	Gain (loss) on disposal	Shares	Amount
Yangzhou Edison Opto Corporation	Bank of Communications Co., Ltd. - structured deposits - RMB financial product (Exchange rate and binary structure)	Current financial assets at fair value through profit or loss	Bank of Communications Co., Ltd.	None	-	-	-	501,643 (RMB110,000 thousand)	-	504,607 (RMB110,650 thousand)	501,643	2,964	-	-

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Name of property	Transaction date	Transaction amount	Status of payment	Counter-party	Relationship with the Company	If the counter-party is a related party, disclose the previous transfer information				References for determining price	Purpose of acquisition and current condition	Others
							Owner	Relationship with the Company	Date of transfer	Amount			
The Company	National Landmark 6th floor, Land and 21 parking spaces	2024/11/11	432,880	43,360	ReaLy Development & Construction Corp.	Non-related				-	Appraisal of real estate	Group operating demand	None

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/ Sales	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
Yangzhou Edison Opto Corporation	The Company	Parents	Sales	(399,524)	(60.96)%	60 days	No significant difference	-	91,988	46.33 %	
The Company	Yangzhou Edison Opto Corporation	Subsidiary	Purchase	399,524	66.83 %	60 days	No significant difference	-	(91,988)	(46.99)%	
Edison Opto (Dong Guan) Co., Ltd.	The Company	Parents	Sales	(274,989)	(51.14)%	60 days	No significant difference	-	63,992	45.01 %	
The Company	Edison Opto (Dong Guan) Co., Ltd.	Subsidiary	Purchase	274,989	47.67 %	60 days	No significant difference	-	(63,992)	(32.69)%	

Note: The above transactions have been written off during the preparation of the consolidated report.

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(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock: None

(ix) Trading in derivative instruments: Please refer to notes 13(a)4.

(x) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	Edison Opto USA Corporation	1	Sales	43,129	60 days	1.69%
0	The Company	Edison Opto USA Corporation	1	Accounts receivable	9,053	60 days	0.22%
0	The Company	Edison Opto (Dong Guan) Co., Ltd.	1	Sales	48,444	60 days	1.89%
0	The Company	Yangzhou Edison-Litek Opto Corporation	1	Sales	33,050	60 days	1.29%
1	Yangzhou Edison Opto Corporation	The company	2	Sales	399,924	60 days	15.61%
1	Yangzhou Edison Opto Corporation	The company	2	Accounts receivable	91,988	60 days	2.20%
2	Edison Opto (Dong Guan) Co., Ltd.	The company	2	Sales	274,989	60 days	10.75%
2	Edison Opto (Dong Guan) Co., Ltd.	The company	2	Accounts receivable	63,992	60 days	1.53%
2	Edison Opto (Dong Guan) Co., Ltd.	Edison Auto Lighting Corporation	3	Sales	28,553	60 days	1.12%
2	Edison Opto (Dong Guan) Co., Ltd.	Edison Auto Lighting Corporation	3	Accounts receivable	2,313	60 days	0.06%
3	Yangzhou Edison-Litek Opto Corporation	Edison-Litek Opto Corporation	3	Sales	81,463	60 days	3.18%
3	Yangzhou Edison-Litek Opto Corporation	Edison-Litek Opto Corporation	3	Accounts receivable	14,210	60 days	0.34%
4	Edison Auto Lighting corporation	The company	2	Sales	35,210	60 days	1.38%
4	Edison Auto Lighting corporation	The company	2	Accounts receivable	5,575	60 days	0.13%
5	Yangzhou Edison-Litek Opto Corporation	Yangzhou Edison Opto Corporation	3	Sales	26,737	60 days	1.04%
5	Yangzhou Edison-Litek Opto Corporation	Yangzhou Edison Opto Corporation	3	Accounts receivable	9,063	60 days	0.22%

Note 1: (a) 0 represents The Company
(b) 1 and thereafter represent subsidiaries
Note 2: The relationships between guarantor and guarantee are as follows:
(a) 1 represents parent to subsidiary
(b) 2 represents subsidiary to parent
(c) 3 represents subsidiary to subsidiary
Note 3: Disclose only operating revenue and accounts receivable; related purchase, expense, and prepayment are neglected.
Note 4: The amount was eliminated in the consolidated financial statements.

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Information on investees:

The following is the information on investees of The Company (excluding information on investees in Mainland China):

(In Thousands of Shares)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount: December 31, 2024	Original investment amount: December 31, 2023	Balance as of December 31, 2024: Shares (thousands)	Balance as of December 31, 2024: Percentage of ownership	Balance as of December 31, 2024: Carrying value	Highest Percentage of ownership	Net income (losses) of investee	Share of profits/losses of investee	Note
The Company	Edison Opto Corporation	Samoa	Selling of LED components and modules	1,041	1,041	30	100.00 %	1,005	100.00 %	(75)	(75)	-
The Company	Ledison Opto Corporation	Samoa	Selling of LED components and modules	145,991	145,991	4,500	100.00 %	247,333	100.00 %	(14,100)	(10,797)	-
The Company	Best Opto Corporation	Samoa	Selling of LED components and modules	1,277,226	1,277,226	41,000	100.00 %	1,052,232	100.00 %	19,358	20,927	-
The Company	Edison Fund Investment Corporation	Taiwan	Investment	686,000	686,000	25,000	100.00 %	93,341	100.00 %	5,361	5,361	-
The Company	Edison-Litek Opto Corporation Limited	Hong Kong	Investment	167,661	167,661	5,500	24.62 %	60,142	24.62 %	(17,185)	(4,231)	-
The Company	Edison-Litek Opto Corporation	Taiwan	Selling of LED components and modules	208,375	116,500	18,375	79.89 %	422,737	81.67 %	56,001	45,528	-
The Company	Ledison Opto Corporation Limited	Taiwan	Selling of LED components and modules	9,800	25,000	980	100.00 %	9,633	100.00 %	(677)	(677)	-
Best Opto Corporation	Best Led Corporation	Samoa	Investment	1,277,226	1,277,226	41,000	100.00 %	1,054,927	100.00 %	19,358	19,358	-
Edison Fund Investment Corporation	Edison Opto USA Corporation	USA	Selling of LED components and modules	6,392	6,392	220	55.00 %	39,369	55.00 %	5,714	3,143	-
Edison Fund Investment Corporation	Ledionopto Intelligent Technology Corporation	Taiwan	Selling of LED components and modules	113,185	113,185	2,200	100.00 %	21,994	100.00 %	318	318	-
Edison Fund Investment Corporation	Edison Auto Lighting Corporation	Taiwan	Selling of LED components and modules	7,570	7,570	1,000	100.00 %	7,056	100.00 %	1,938	1,938	-
Edison-Litek Opto Corporation	Edison-Litek Opto Corporation Limited	Hong Kong	Investment	64,472	64,472	13,463	60.27 %	147,234	60.27 %	(17,185)	(10,358)	-

(c) Information on investment in Mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2024	Investment flows: Outflow	Investment flows: Inflow	Accumulated outflow of investment from Taiwan as of December 31, 2024	Net income (losses) of the investee	Percentage of ownership	Highest Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
Edison Opto (Dong Guan) Co., Ltd.	Manufacturing and selling of LED components and modules	145,991 (USD 4,500 thousand)	(b)	111,408 (USD 3,317 thousand)	-	-	111,408 (USD 3,317 thousand)	(14,099) (USD (439) thousand)	100.00%	100.00 %	(14,099) (USD (439) thousand)	251,262 (USD 7,664 thousand)	34,583 (USD 1,183 thousand)
DongGuan Davinci Opto Co., Ltd. (note 2)	Manufacturing and selling of LED components and modules	-	(b)	52,255 (USD 1,714 thousand)	-	-	52,255 (USD 1,714 thousand)	-	-	-	-	-	-

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES
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Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2024	Investment flows: Outflow	Investment flows: Inflow	Accumulated outflow of investment from Taiwan as of December 31, 2024	Net income (losses) of the investee	Percentage of ownership	Highest Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
Yangzhou Edison Opto Corporation	Manufacturing and selling of LED components and modules	1,277,226 (USD 41,000 thousand)	(b)	1,277,226 (USD 41,000 thousand)	-	-	1,277,226 (USD 41,000 thousand)	19,358 (USD 603 thousand)	100.00%	100.00 %	19,358 (USD 603 thousand)	1,054,922 (USD 32,177 thousand)	-
Yangzhou Aichuan Electronic Trade Corporation	Selling of LED components and modules	2,148 (RMB 500 thousand)	(c)	-	-	-	-	32 (RMB 7 thousand)	100.00%	100.00 %	32 (RMB 7 thousand)	2,463 (RMB 540 thousand)	-
Yangzhou Edison-Litek Opto Corporation	Manufacturing and selling of LED components and modules	270,552 (USD 8,875 thousand)	(b)	167,661 (USD 5,500 thousand)	-	-	167,661 (USD 5,500 thousand)	12,811 (USD 399 thousand)	72.77%	72.77 %	9,322 (USD 290 thousand)	165,789 (USD 5,057 thousand)	-

Note 1: Investments are made through one of three ways:

(a) Direct investment from Mainland China

(b) Indirect investment from third-party country

1. Edison Opto (Dong Guan) Co., Ltd. is indirectly invested by the company through Ledison Opto Corporation.
2. Dong Guan Davinci Opto Corporation is indirectly invested by Ledionopto Intelligent Technology Corporation through Led Plus Limited.
3. Yangzhou Edison Opto Corporation is indirectly invested by Best Opto Corporation and Best Led Corporation.
4. Yangzhou Edison-Litek Opto Corporation is indirectly invested by the Company and Edison-Litek Opto Corporation Limited.

(c) Others

1. Yangzhou Aichuan Electronic Trade Corporation is 100% invested by Yangzhou Edison Opto Corporation.

(ii) Limitation on investment in Mainland China:

Company Name	Accumulated Investment in Mainland China as of December 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
The Company	1,556,295 (USD49,817 thousand)	1,664,494 (note 3) (USD50,770 thousand)	Note 1
Ledionopto Intelligent Technology Corpoation	52,255 (note 2) (USD1,714 thousand)	56,193 (USD1,714 thousand)	-

Note 1: Since the Company acquired the permission from Industrial Development Bureau at August 25, 2022, Ministry of Economic Affairs, the upper limit on investment is not applicable, under " Regulations Governing The Permission of Commercial Behavior in Mainland China", Article 3 (documentation reference number: 11120426210).

Note 2: DongGuan Davinci Opto Co., Ltd., in which Ledionopto Intelligent Technology Corpoation indirectly invested USD2,000 thousand, had completed the cancellation of its business registration and liquidation with the approval of Investment Commission in June 2020. The investment capital amounting to USD286 thousand had been remitted to Ledionopto. However, according to the regulation, the remittance to Mainland China amounting to USD1,714 thousand had been included in the accumulated investment amount.

Note 3: The indirect investment in Yangzhou Ledison Opto Corporation through the Company, with the amount of USD1,000 thousand, was authorized by the Investment Commission. Yangzhou Ledison had completed its liquidation in 2017 and the remitted capital amount of USD1,230 thousand had been cancelled by the Investment Commission. Therefore, the difference between the Accumulated Investment in Mainland China and Investment Amounts Authorized by Investment Commission amounting to USD230 thousand had been deducted by the Company.

(Continued)

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in " Information on significant transactions" and "Business relationships and significant intercompany transactions."

(14) Segment information:

(a) General information

The Company uses the income from operations as the measurement for segment profit and the basis of performance assessment. the Consolidated Company has six reportable segments, which are respectively the Company, Edison Opto (Dong Guan) Co., Ltd., Yangzhou Edison Opto Corporation, Yangzhou Edison-Litek Opto Corporation, Edison-Litek Opto Corporation and other subsidiaries. The Company engages mainly in the research, manufacturing, and selling of the LED components and modules, and lightning transmitter; Edison Opto (Dong Guan) Co., Ltd. engages mainly in the manufacturing and selling of the lightning transmitter; Yangzhou Edison Opto Corporation mainly engages in selling and manufacturing of LED components and modules; Edison-Litek Opto Corporation and Yangzhou Edison-Litek Opto Corporation mainly engage in selling and manufacturing of lightning devices for vehicle.

The reportable segments are the Consolidated Company's strategic divisions. They offer different products and services, and are managed separately because they require different technology and marketing strategies. Most of the strategic divisions were acquired separately. The management of the acquired divisions remains employed by the Consolidated Company.

(b) Information about reportable segments and their measurement and reconciliations

The Consolidated Company uses the internal management report that the chief operating decision maker reviews as the basis to determine resource allocation and make a performance evaluation. The internal management report includes profit before of taxation, but not includes any extraordinary activity and foreign exchange gain or losses because of taxation, extraordinary activity, and foreign exchange gain or losses are managed on a Consolidated Company basis, and hence they are not able to be allocated to each reportable segment. In addition, not all reportable segments include depreciation and amortization of significant non-cash items. The reportable amount is similar to that in the report used by the chief operating decision maker.

The operating segment accounting policies are similar to those described in note 4 " significant accounting policies" except for the recognition and measurement of pension cost, which is on a cash basis.

The Consolidated Company treated intersegment sales and transfers as third-party transactions. They are measured at market price.

(Continued)

EDISON OPTO CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Consolidated Company operating segment information and reconciliation are as follows:

	2024							
	The Company	Edison Opto (Dong Guan) Co., Ltd.	Yangzhou Edison Opto Corporation	Yangzhou Edison-Litek Opto Corporation	Edison-Litek Opto Corporation	Others	Reconciliation and elimination	Total
Revenues:								
Revenue from external customers	$ 1,056,851	253,959	261,855	295,641	612,163	78,321	-	2,558,790
Intersegment revenues	79,195	332,734	428,161	108,201	841	-	(949,132)	-
Total revenue	**$ 1,136,046**	**586,693**	**690,016**	**403,842**	**613,004**	**78,321**	**(949,132)**	**2,558,790**
Reportable segment profit or loss	**$ 145,091**	**(14,099)**	**19,358**	**(1,282)**	**72,159**	**15,158**	**(61,334)**	**175,051**

	2023							
	The Company	Edison Opto (Dong Guan) Co., Ltd.	Yangzhou Edison Opto Corporation	Yangzhou Edison-Litek Opto Corporation	Edison-Litek Opto Corporation	Others	Reconciliation and elimination	Total
Revenues:								
Revenue from external customers	$ 973,337	214,629	216,406	188,127	321,275	77,287	-	1,991,061
Intersegment revenues	70,234	334,108	412,192	78,360	519	34,972	(930,385)	-
Total revenue	**$ 1,043,571**	**548,737**	**628,598**	**266,487**	**321,794**	**112,259**	**(930,385)**	**1,991,061**
Reportable segment profit or loss	**$ 49,761**	**18,770**	**38,004**	**(3,014)**	**132**	**7,370**	**(61,610)**	**49,413**

(c) Product and service information

For revenue from the external customers of the Consolidated Company please refer to note 6(v).

(d) Geographic information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers in the note 6(v) and segment assets are based on the geographical location of the assets.

Geographical information	**December 31, 2024**	**December 31, 2023**
Non-current assets:		
China	$ 711,696	676,027
Taiwan	1,036,381	1,033,085
Other countries	869	1,616
Total	**$ 1,748,946**	**1,710,728**

Non-current assets include property, plant and equipment, investment property, intangible assets, rental prepayment, and other assets, not including financial instruments, deferred tax assets, and other non-current assets.

EDISON OPTO CORPORATION AND SUBSIDIARIES
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(e) Major customers

For the years ended December 31, 2024 and 2023, the customer contributing 10% or higher of Consolidated Company's revenue.

	2024	2023
Customer A4003	$ 397,207	104,132