

**EDISON OPTO CORPORATION  
AND SUBSIDIARIES**

**Consolidated Financial Statements**

**With Independent Auditors' Review Report  
For the Six Months Ended June 30, 2024 and 2023**

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The independent auditors' review 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' review report and consolidated financial statements, the Chinese version shall prevail.

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## Independent Auditors' Review Report

To the Board of Directors of EDISON OPTO CORPORATION:

### Introduction

We have reviewed the accompanying consolidated balance sheets of EDISON OPTO CORPORATION and its subsidiaries as of June 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2024 and 2023, as well as the changes in equity and cash flows for the six months ended June 30, 2024 and 2023, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### Scope of Review

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

### Basis for Qualified Conclusion

As stated in Note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to \$490,301 thousand and \$405,427 thousand, constituting 11.91% and 10.99% of consolidated total assets at June 30, 2024 and 2023, respectively, total liabilities amounting to \$145,928 thousand and \$75,698 thousand, constituting 13.61% and 8.99% of consolidated total liabilities at June 30, 2024 and 2023, respectively, and total comprehensive income (loss) amounting to \$(1,671) thousand, \$1,034 thousand, \$(2,398) thousand and \$(7,451) thousand, constituting (2.58)%, (4.41)%, (1.58)% and 110.19% of consolidated total comprehensive income (loss) for the three months and six months ended June 30, 2024 and 2023, respectively.

**Qualified Conclusion**

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of EDISON OPTO CORPORATION and its subsidiaries as of June 30, 2024 and 2023, and of its consolidated financial performance for the three months and six months ended June 30, 2024 and 2023, as well as its consolidated cash flows for the six months ended June 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the audit resulting in this independent auditors’ report are Lin, Heng-Shen and Chen, Pei-Chi.

KPMG

Taipei, Taiwan (Republic of China)  
August 8, 2024

**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 review such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors’ review 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’ review 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

June 30, 2024, December 31, 2023, and June 30, 2023

(Expressed in Thousands of New Taiwan Dollars)

Assets		June 30, 2024		December 31, 2023		June 30, 2023		Liabilities and Equity		June 30, 2024		December 31, 2023		June 30, 2023	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
11xx	<b>Current assets:</b>							21xx	<b>Current liabilities:</b>						
1100	Cash and cash equivalents (note 6(a))	\$ 1,106,303	27	1,086,224	28	1,048,739	29	2100	Short-term borrowings (notes 6(j), 7 and 8)	\$ 210,000	5	180,705	5	100,000	3
1110	Current financial assets at fair value through profit or loss (note 6(b))	6,552	-	11,831	-	12,143	-	2130	Current contract liabilities	26,312	1	24,904	1	22,222	-
1136	Current financial assets at amortized cost, net (note 6(d))	31,858	1	27,669	1	8,706	-	2170	Accounts and notes payable	389,074	9	338,336	9	233,414	6
1141	Current contract assets	3,040	-	-	-	-	-	2200	Other payables (note 6(u))	151,225	4	149,499	4	150,248	4
1170	Accounts and notes receivable, net (notes 6(e)(t))	754,700	18	548,544	15	409,876	11	2216	Dividends payable (note 6(q))	71,055	2	-	-	40,000	1
1180	Accounts receivable due from related parties, net (note 7)	-	-	13,218	-	-	-	2230	Current tax liabilities	11,828	-	6,000	-	14,019	-
1200	Other receivables (notes 6(f), 7 and 9)	3,691	-	1,574	-	1,650	-	2280	Current lease liabilities (note 6(m))	16,053	-	15,243	-	11,739	-
1310	Inventories(note 6(g))	298,240	7	328,391	8	297,646	8	2321	Bonds payable, current portion (notes 6(l) and 8)	-	-	-	-	59,105	2
1410	Prepayments	74,321	2	57,443	2	71,163	2	2322	Long-term borrowings within one year(notes 6(k) and 8)	16,080	-	16,080	1	16,080	1
1470	Other current assets (note 8)	59,367	1	30,736	1	9,284	-	2399	Other current liabilities, others	17,407	-	13,872	-	12,739	1
	<b>Total current assets</b>	<u>2,338,072</u>	<u>56</u>	<u>2,105,630</u>	<u>55</u>	<u>1,859,207</u>	<u>50</u>		<b>Total current liabilities</b>	<u>909,034</u>	<u>21</u>	<u>744,639</u>	<u>20</u>	<u>659,566</u>	<u>18</u>
15xx	<b>Non-current assets:</b>							25xx	<b>Non-Current liabilities:</b>						
1517	Non-current financial assets at fair value through other comprehensive income (note 6(c))	1,228	-	1,477	-	1,810	-	2540	Long-term borrowings (notes 6(k) and 8)	110,180	3	118,220	3	126,260	4
1600	Property, plant and equipment (notes 6(h), 8 and 9)	1,633,996	41	1,623,932	42	1,659,850	45	2570	Deferred tax liabilities	1,805	-	1,805	-	3,008	-
1755	Right-of-use assets (note 6(i))	52,867	1	51,921	1	50,435	1	2580	Non-current lease liabilities (note 6(m))	10,858	-	12,075	1	13,815	-
1780	Intangible assets	1,850	-	2,309	-	2,280	-	2600	Other non-current liabilities (note 6(n))	40,214	1	38,935	1	39,751	1
1840	Deferred tax assets	56,054	1	56,054	1	59,430	2		<b>Total non-current liabilities</b>	<u>163,057</u>	<u>4</u>	<u>171,035</u>	<u>5</u>	<u>182,834</u>	<u>5</u>
1915	Prepayments for business facilities	9,018	-	16,777	-	31,048	1		<b>Total liabilities</b>	<u>1,072,091</u>	<u>25</u>	<u>915,674</u>	<u>25</u>	<u>842,400</u>	<u>23</u>
1990	Other non-current assets, others (notes 8 and 9)	23,873	1	21,885	1	23,652	1	31xx	<b>Equity attributable to owners of parent (notes 6(c)(q)(r)):</b>						
	<b>Total non-current assets</b>	<u>1,778,886</u>	<u>44</u>	<u>1,774,355</u>	<u>45</u>	<u>1,828,505</u>	<u>50</u>		<b>Share capital:</b>						
	<b>Total assets</b>	<u>\$ 4,116,958</u>	<u>100</u>	<u>3,879,985</u>	<u>100</u>	<u>3,687,712</u>	<u>100</u>	3110	Capital stock	1,436,094	35	1,436,094	37	1,418,884	38
								3200	Capital surplus	1,505,915	37	1,562,759	40	1,527,894	41
								3310	Legal reserve	10,594	-	5,835	-	5,835	-
								3320	Special reserve	26,392	1	-	-	-	-
								3350	Unappropriated retained earnings (accumulated deficit)	74,607	2	47,591	1	25,743	1
								3410	Exchange differences on translation of foreign financial statements	(106,809)	(2)	(180,453)	(5)	(185,521)	(5)
								3420	Unrealized gains (loss) on financial assets at fair value through other comprehensive income	(1,224)	-	(976)	-	(643)	-
								3500	Treasury shares	(34,164)	(1)	(34,164)	(1)	(86,416)	(2)
									<b>Total equity attributable to owners of parent</b>	<u>2,911,405</u>	<u>72</u>	<u>2,836,686</u>	<u>72</u>	<u>2,705,776</u>	<u>73</u>
								36xx	Non-controlling interests	133,462	3	127,625	3	139,536	4
									<b>Total equity</b>	<u>3,044,867</u>	<u>75</u>	<u>2,964,311</u>	<u>75</u>	<u>2,845,312</u>	<u>77</u>
									<b>Total liabilities and equity</b>	<u>\$ 4,116,958</u>	<u>100</u>	<u>3,879,985</u>	<u>100</u>	<u>3,687,712</u>	<u>100</u>

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 six months ended June 30, 2024 and 2023**  
(Expressed in Thousands of New Taiwan Dollars Except Earnings Per Share)

	For the three months ended June 30				For the six months ended June 30				
	2024		2023		2024		2023		
	Amount	%	Amount	%	Amount	%	Amount	%	
4000	<b>Operating revenue</b> (note 6(t))								
	\$	668,680	100	477,722	100	1,208,143	100	927,110	100
5000	<b>Operating costs</b> (notes 6(g)(h)(i)(o))								
		501,110	75	355,845	74	904,253	75	682,142	74
	<b>Gross profit from operations</b>								
		167,570	25	121,877	26	303,890	25	244,968	26
	<b>Operating expenses</b> (notes 6(e)(f)(h)(i)(m)(o)(r)(u)):								
6100		36,542	5	37,344	8	73,931	6	68,080	7
6200		49,058	7	43,695	9	92,622	8	88,318	10
6300		35,363	5	37,604	8	68,808	6	66,683	7
6450		6,503	1	(4,502)	(1)	5,966	-	(5,092)	(1)
		127,466	18	114,141	24	241,327	20	217,989	23
	<b>Total operating expenses</b>								
6900		40,104	7	7,736	2	62,563	5	26,979	3
	<b>Net operating income</b>								
	<b>Non-operating income and expenses</b> (notes 6(l)(m)(n)(v)8):								
7100		4,175	1	4,201	1	7,153	1	7,378	1
7010		2,215	-	720	-	2,663	-	2,626	-
7020		8,269	1	9,351	2	11,873	1	2,628	-
7050		(2,200)	-	(3,711)	(1)	(4,505)	-	(9,031)	(1)
		12,459	2	10,561	2	17,184	2	3,601	-
	<b>Total non-operating income and expenses</b>								
7900		52,563	9	18,297	4	79,747	7	30,580	3
7950		5,417	1	4,182	1	6,363	1	5,102	-
	<b>Profit from continuing operations before tax</b>								
		47,146	8	14,115	3	73,384	6	25,478	3
	<b>Less: Income tax expenses</b> (note 6(p))								
		47,146	8	14,115	3	73,384	6	25,478	3
	<b>Profit</b>								
8300	<b>Other comprehensive income:</b>								
8310	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>								
8316		(246)	-	(182)	-	(248)	-	(643)	-
8349		-	-	-	-	-	-	-	-
		(246)	-	(182)	-	(248)	-	(643)	-
8360	<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>								
8361		16,187	2	(37,415)	(8)	78,475	6	(31,597)	(3)
8399		-	-	-	-	-	-	-	-
		16,187	2	(37,415)	(8)	78,475	6	(31,597)	(3)
		15,941	2	(37,597)	(8)	78,227	6	(32,240)	(3)
	<b>Other comprehensive income (loss)</b>								
8500		63,087	10	(23,482)	(5)	151,611	12	(6,762)	-
	<b>Total comprehensive income</b>								
		63,087	10	(23,482)	(5)	151,611	12	(6,762)	-
	<b>Profit (loss), attributable to:</b>								
8610		44,821	8	13,082	3	72,378	6	25,743	3
8620		2,325	-	1,033	-	1,006	-	(265)	-
		47,146	8	14,115	3	73,384	6	25,478	3
	<b>Comprehensive income (loss) attributable to:</b>								
8710		59,643	9	(23,376)	(5)	145,774	12	(5,384)	-
8720		3,444	1	(106)	-	5,837	-	(1,378)	-
		63,087	10	(23,482)	(5)	151,611	12	(6,762)	-
	<b>Earnings per share</b> (note 6(s))								
9750		0.32		0.10		0.51		0.20	
9850		0.32		0.10		0.51		0.20	

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 six months ended June 30, 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
<b>Balance at January 1, 2023</b>	\$ 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	-	-	-	-	25,743	-	-	-	25,743	(265)	25,478
Other comprehensive income	-	-	-	-	-	(30,484)	(643)	-	(31,127)	(1,113)	(32,240)
Total comprehensive income	-	-	-	-	25,743	(30,484)	(643)	-	(5,384)	(1,378)	(6,762)
Cash dividends from capital surplus	-	(40,000)	-	-	-	-	-	-	(40,000)	-	(40,000)
Conversion of convertible bonds	65,531	48,544	-	-	-	-	-	-	114,075	-	114,075
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(4,500)	(4,500)
<b>Balance at June 30, 2023</b>	<b>\$ 1,418,884</b>	<b>1,527,894</b>	<b>5,835</b>	<b>-</b>	<b>25,743</b>	<b>(185,521)</b>	<b>(643)</b>	<b>(86,416)</b>	<b>2,705,776</b>	<b>139,536</b>	<b>2,845,312</b>
<b>Balance at January 1, 2024</b>	\$ 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	-	-	-	-	72,378	-	-	-	72,378	1,006	73,384
Other comprehensive income	-	-	-	-	-	73,644	(248)	-	73,396	4,831	78,227
Total comprehensive income	-	-	-	-	72,378	73,644	(248)	-	145,774	5,837	151,611
Cash dividends from capital surplus	-	(56,844)	-	-	-	-	-	-	(56,844)	-	(56,844)
<b>Balance at June 30, 2024</b>	<b>\$ 1,436,094</b>	<b>1,505,915</b>	<b>10,594</b>	<b>26,392</b>	<b>74,607</b>	<b>(106,809)</b>	<b>(1,224)</b>	<b>(34,164)</b>	<b>2,911,405</b>	<b>133,462</b>	<b>3,044,867</b>

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 six months ended June 30, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars)**

	<b>For the six months ended</b>	
	<b>June 30</b>	
	<b>2024</b>	<b>2023</b>
<b>Cash flows from (used in) operating activities:</b>		
<b>Profit before tax</b>	\$ 79,747	30,580
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation expense	61,086	62,993
Amortization expense	734	1,210
Expect impairment loss (reversed)	5,966	(5,092)
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	241	(1,637)
Interest expense	4,505	9,031
Interest income	(7,153)	(7,378)
Loss (Gain) on disposal of property, plant and equipment	(1,354)	4,732
Loss on disposal of intangible assets	65	-
Gain on disposal of other assets	(28)	-
<b>Total adjustments to reconcile profit</b>	<b>64,062</b>	<b>63,859</b>
<b>Changes in operating assets and liabilities:</b>		
Contract assets	(3,040)	-
Accounts and notes receivable	(238,325)	30,803
Accounts receivable due from related parties	13,218	-
Other receivables	(2,117)	(106)
Inventories	30,151	77
Prepayments	(13,674)	(5,347)
Other current assets	(3,804)	(318)
Other operating assets	1,071	(1,543)
Contract liabilities	26,312	-
Accounts and notes payable	50,738	(7,506)
Other payable	1,738	23,402
Other current liabilities	(21,369)	(3,496)
Net defined benefit liability	355	354
<b>Total changes in operating assets and liabilities</b>	<b>(158,746)</b>	<b>36,320</b>
Cash inflow generated from operations	(14,937)	130,759
Interest received	7,294	7,298
Interest paid	(4,517)	(6,345)
Income taxes	(641)	(10,474)
<b>Net cash flows from (used in) operating activities</b>	<b>(12,801)</b>	<b>121,238</b>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at fair value through profit or loss	(381,580)	(6,090)
Proceeds from disposal of financial assets at fair value through profit or loss	385,488	-
Acquisition of property, plant and equipment	(22,555)	(53,195)
Proceeds from disposal of property, plant and equipment	1,519	692
Decrease (increase) in refundable deposits	(2,132)	2,718
Acquisition of intangible assets	(289)	(732)
Decrease in restricted deposits	-	9,992
Increase in other non-current assets	(9)	(7)
Increase in prepayments for business facilities	(5,825)	(12,117)
<b>Net cash flows from (used in) investing activities</b>	<b>(25,383)</b>	<b>(58,739)</b>
<b>Cash flows from (used in) financing activities:</b>		
Increase in short-term loans	310,000	278,675
Decrease in short-term loans	(281,185)	(273,505)
Repayments of long-term debt	(8,040)	(148,440)
Increase in guarantee deposits received	8	858
Payment of lease liabilities	(8,159)	(7,584)
Change in non-controlling interests	-	(4,500)
<b>Net cash flows from (used in) financing activities</b>	<b>12,624</b>	<b>(154,496)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>45,639</b>	<b>(13,601)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>20,079</b>	<b>(105,598)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>1,086,224</b>	<b>1,154,337</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 1,106,303</b>	<b>1,048,739</b>

See accompanying notes to consolidated financial statements



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

## **EDISON OPTO CORPORATION AND SUBSIDIARIES**

### **Notes to the Consolidated Financial Statements**

**June 30, 2024 and 2023**

**(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)**

#### **(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 August 8, 2024.

#### **(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”

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**EDISON OPTO CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

- (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:

<b>Standards or Interpretations</b>	<b>Content of amendment</b>	<b>Effective date per IASB</b>
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>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.</p> <ul style="list-style-type: none"> <li>● 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.</li> <li>● 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.</li> <li>● 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.</li> </ul>	January 1, 2027

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## EDISON OPTO CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

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

#### (4) Summary of material accounting policies:

##### (a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS Accounting Standards endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2023. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2023.

##### (b) Basis of consolidation

##### (i) List of subsidiaries in the consolidated financial statements

Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			June 30, 2024	December 31, 2023	June 30, 2023	
The Company	Edison Opto Corporation	Business of opto-electronics	100.00 %	100.00 %	100.00 %	Note 4
The Company	Ledison Opto Corporation	Business of opto-electronics	100.00 %	100.00 %	100.00 %	
The Company	Best Opto Corporation	Business of opto-electronics	100.00 %	100.00 %	100.00 %	
The Company	Edison Fund Investment Corporation	Investment	100.00 %	100.00 %	100.00 %	
The Company	Edison-Litek Opto Corporation Limited (note 1)	Investment	24.62 %	24.62 %	44.58 %	Note 1 & 4
The Company	Edison-Litek Opto Corporation	Business of opto-electronics	81.67 %	81.67 %	78.57 %	Note 3
The Company	Edison-Egypt Opto Corporation	Business of opto-electronics	100.00 %	100.00 %	100.00 %	Note 4

(Continued)

**EDISON OPTO CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

Name of investor	Name of subsidiary	Principal activity	Shareholding			Note
			June 30, 2024	December 31, 2023	June 30, 2023	
Ledison Opto Corporation	Edison Opto (Dong Guan) Co., Ltd.	Business of optoelectronics	100.00 %	100.00 %	100.00 %	
Best Opto Corporation	Best Led Corporation	Investment	100.00 %	100.00 %	100.00 %	
Best Led Corporation	Yangzhou Edison Opto Corporation	Business of optoelectronics	100.00 %	100.00 %	100.00 %	
Yangzhou Edison Opto Corporation	Yangzhou Aichuang Electronic Trade Corporation	Business of optoelectronics	100.00 %	100.00 %	100.00 %	Note 4
Edison Fund Investment Corporation	Edison Opto USA Corporation	Business of optoelectronics	55.00 %	55.00 %	55.00 %	Note 4
Edison Fund Investment Corporation	Edison Auto Lighting Corporation	Business of optoelectronics	100.00 %	100.00 %	100.00 %	Note 4
Edison Fund Investment Corporation	Ledionopto intelligent Technology Co., Ltd.	Business of optoelectronics	100.00 %	100.00 %	100.00 %	Note 4
Edison-Litek Opto Corporation Limited	Yangzhou Edison-Litek Opto Corporation	Business of optoelectronics	100.00 %	100.00 %	100.00 %	Note 4
Edison-Litek Opto Corporation	Edison-Litek Opto Corporation Limited (note 1)	Investment	60.27 %	60.27 %	28.06 %	Note 1 & 2 & 4

Note 1: The Company and Edison-Litek Opto Corporation. directly and indirectly, respectively, held 73.84% shares of Edison-Litek Opto Corporation Limited. in total.

Note 2: On December, 2023, Edison-Litek Opto Corporation. acquired the equity interest of Edison Litek Opto Corporation Limited with cash of USD1,000,000 increasing the shareholding ratio from 28.06% to 60.27%.

Note 3: On 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: The Company is a non-significant subsidiary, its financial statements have not been reviewed.

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

(c) Classification of current and non-current assets and liabilities

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

- (i) It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- (ii) It holds the asset primarily for the purpose of trad
- (iii) It expects to realize the asset 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.

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**EDISON OPTO CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

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

- (i) It expects to settle the liability in its normal operating cycle;
- (ii) It holds the liability primarily for the purpose of trading;
- (iii) The liability is due to be settled within twelve months after the reporting period; or
- (iv) It 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.

(d) 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.

(e) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period by the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period.

For a change in tax rate that is substantively enacted in an interim period, the effect of the change should immediately be recognized in the interim period in which the change occurs.

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

The preparation of the consolidated financial statements in conformity with the Regulations and IFRS Accounting Standards (in accordance with IAS 34 “Interim Financial Reporting” and endorsed by the FSC) requires management to make judgments, estimates and assumptions 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.

In the preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2023. For the related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2023.

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**EDISON OPTO CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**(6) Explanation of significant accounts:**

Except for the following disclosures, there is no significant difference as compared with those disclosed in the consolidated financial statements for the year ended December 31, 2023.

Please refer to note 6 in the consolidated financial statements for the year ended December 31, 2023.

(a) Cash and cash equivalents

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Cash	\$ 6,475	5,432	3,934
Demand Deposit	1,027,328	488,498	868,832
Time Deposit	<u>72,500</u>	<u>592,294</u>	<u>175,973</u>
	<u>\$ 1,106,303</u>	<u>1,086,224</u>	<u>1,048,739</u>

For bank deposit which original maturity date of bank deposit is less than a year is not for investment but to meet its short-term commitment. It could be transferred into cash and the risk is considered low so was classified as cash and cash equivalents.

Please refer to note 6(w) 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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Current financial assets at fair value through profit or loss:			
Convertible corporate bonds	\$ 6,552	6,468	6,336
Listed common shares — domestic companies	-	5,363	5,736
Convertible corporate bonds - call options	<u>-</u>	<u>-</u>	<u>71</u>
Total	<u>\$ 6,552</u>	<u>11,831</u>	<u>12,143</u>

The above financial assets of the Group were not pledged.

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**EDISON OPTO CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Unlisted common shares—Domestic Company – Taiwan Hydroxyl Technology Co., Ltd.	\$ <u>1,228</u>	<u>1,477</u>	<u>1,810</u>

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.

For the six months June 30, 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 \$(248) thousand and \$(643) thousand, which was recognized under "other equity".

The above financial assets of the Group were not pledged.

(d) Financial assets measured at amortized cost

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
More than three months' time Deposit	\$ 31,858	27,669	-
Government international bonds	-	-	8,706
	\$ <u>31,858</u>	<u>27,669</u>	<u>8,706</u>

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

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Notes receivable-non-related parties	\$ 74,122	65,922	13,290
Accounts receivable (include related parties)	689,604	498,375	398,709
Less: Loss allowance	<u>(9,026)</u>	<u>(2,535)</u>	<u>(2,123)</u>
	\$ <u>754,700</u>	<u>561,762</u>	<u>409,876</u>

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**EDISON OPTO CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

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:

	<b>June 30, 2024</b>		
	<b>Gross carrying amount</b>	<b>Weighted- average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 695,845	0.002%	11
1 to 30 days past due	57,620	4.89%	2,823
31 to 90 days past due	2,211	7%	155
91 to 180 days past due	8,024	75%	6,018
Past due over 180 days	<u>26</u>	73%	<u>19</u>
	<b><u>\$ 763,726</u></b>		<b><u>9,026</u></b>
	<b>December 31, 2023</b>		
	<b>Gross carrying amount</b>	<b>Weighted- average loss rate</b>	<b>Loss allowance provision</b>
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	<u>833</u>	100%	<u>833</u>
	<b><u>\$ 564,297</u></b>		<b><u>2,535</u></b>
	<b>June 30, 2023</b>		
	<b>Gross carrying amount</b>	<b>Weighted- average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 393,044	0.005%	21
1 to 30 days past due	17,625	5.3%	935
31 to 90 days past due	184	11.41%	21
Past due over 180 days	<u>1,146</u>	100%	<u>1,146</u>
	<b><u>\$ 411,999</u></b>		<b><u>2,123</u></b>

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**EDISON OPTO CORPORATION AND SUBSIDIARIES**  
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Movements of the loss allowance for notes and accounts receivable were as follows:

	<b>For the six months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ 2,535	19,824
Impairment losses recognized	6,371	1,014
Reclassify	-	(18,680)
Net income on foreign exchange	120	(35)
Balance at June 30	<u>\$ 9,026</u>	<u>2,123</u>

Note and account receivables of the Group were not pledged.

(f) Other receivables

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Other accounts receivable	\$ 45,928	44,040	45,877
Less: Loss allowance	(42,237)	(42,466)	(44,227)
Total	<u>\$ 3,691</u>	<u>1,574</u>	<u>1,650</u>

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

	<b>For the six months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ 42,466	31,772
Impairment losses recognized	(405)	(6,106)
Reclassify	-	18,680
Net income (losses) on foreign exchange	176	(119)
Balance at June 30	<u>\$ 42,237</u>	<u>44,227</u>

Other receivables of the Group were not pledged.

(g) Inventories

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Raw materials	\$ 99,272	133,927	123,931
Supplies	3,784	3,703	3,081
Work in progress	112,766	112,361	92,410
Finished goods	82,418	78,400	78,224
	<u>\$ 298,240</u>	<u>328,391</u>	<u>297,646</u>

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**EDISON OPTO CORPORATION AND SUBSIDIARIES**  
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The details of the cost of sales were as follows:

	<b>For the three months ended</b>		<b>For the six months ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Inventory that has been sold	\$ 490,712	348,515	889,662	665,693
Write-down of inventories (gain on reversal)	2,777	(845)	466	(1,984)
Unallocated production overheads	7,621	8,175	14,125	18,433
	<b>\$ 501,110</b>	<b>355,845</b>	<b>904,253</b>	<b>682,142</b>

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

(h) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the six months ended June 30, 2024 and 2023, were as follows:

	<b>Land</b>	<b>Building and construction</b>	<b>Machinery and equipment</b>	<b>Molding equipment</b>	<b>Other facilities</b>	<b>Total</b>
<b>Cost or decked cost:</b>						
Balance at January 1, 2024	\$ 637,862	1,028,212	1,104,491	33,022	203,379	3,006,966
Additions	-	708	11,834	430	9,583	22,555
Disposal	-	-	(36,518)	(235)	(41)	(36,794)
Reclassify	-	-	8,978	139	587	9,704
Effect of movements in exchange rates	-	30,020	30,796	1,016	7,974	69,806
Balance at June 30, 2024	<b>\$ 637,862</b>	<b>1,058,940</b>	<b>1,119,581</b>	<b>34,372</b>	<b>221,482</b>	<b>3,072,237</b>
Balance at January 1, 2023	\$ 637,862	1,037,179	1,189,890	33,553	216,604	3,115,088
Additions	-	3,685	45,440	423	3,647	53,195
Disposal	-	(2,951)	(81,481)	-	(17,855)	(102,287)
Reclassify	-	-	9,165	146	710	10,021
Effect of movements in exchange rates	-	(13,835)	(17,705)	(716)	(3,658)	(35,914)
Balance at June 30, 2023	<b>\$ 637,862</b>	<b>1,024,078</b>	<b>1,145,309</b>	<b>33,406</b>	<b>199,448</b>	<b>3,040,103</b>
<b>Depreciation and impairments loss:</b>						
Balance at January 1, 2024	\$ -	325,398	945,411	30,119	82,106	1,383,034
Depreciation	-	18,441	26,914	318	7,028	52,701
Disposal	-	-	(36,356)	(235)	(38)	(36,629)
Effect of movements in exchange rates	-	9,971	24,110	806	4,248	39,135
Balance at June 30, 2024	<b>\$ -</b>	<b>353,810</b>	<b>960,079</b>	<b>31,008</b>	<b>93,344</b>	<b>1,438,241</b>

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**EDISON OPTO CORPORATION AND SUBSIDIARIES**  
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	<u>Land</u>	<u>Building and construction</u>	<u>Machinery and equipment</u>	<u>Molding equipment</u>	<u>Other facilities</u>	<u>Total</u>
Balance at January 1, 2023	\$ -	295,069	1,032,085	30,537	85,675	1,443,366
Depreciation	-	18,123	28,778	532	7,759	55,192
Disposal	-	(2,656)	(78,640)	-	(15,567)	(96,863)
Disposal	-	-	-	-	(153)	(153)
Effect of movements in exchange rates	-	(4,342)	(14,364)	(620)	(1,963)	(21,289)
Balance at June 30, 2023	<u>\$ -</u>	<u>306,194</u>	<u>967,859</u>	<u>30,449</u>	<u>75,751</u>	<u>1,380,253</u>
<b>Carrying amounts:</b>						
Balance at January 1, 2024	<u>\$ 637,862</u>	<u>702,814</u>	<u>159,080</u>	<u>2,903</u>	<u>121,273</u>	<u>1,623,932</u>
Balance at June 30, 2024	<u>\$ 637,862</u>	<u>705,130</u>	<u>159,502</u>	<u>3,364</u>	<u>128,138</u>	<u>1,633,996</u>
Balance at January 1, 2023	<u>\$ 637,862</u>	<u>742,110</u>	<u>157,805</u>	<u>3,016</u>	<u>130,929</u>	<u>1,671,722</u>
Balance at June 30, 2023	<u>\$ 637,862</u>	<u>717,884</u>	<u>177,450</u>	<u>2,957</u>	<u>123,697</u>	<u>1,659,850</u>

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.

(i) 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:

	<u>Land</u>	<u>Building and Construction</u>	<u>Vehicles</u>	<u>Total</u>
<b>Cost:</b>				
Balance at January 1, 2024	\$ 32,242	51,457	1,935	85,634
Additions	-	12,625	-	12,625
Disposals	-	(10,237)	(686)	(10,923)
Effect of changes in foreign exchange rates	1,615	2,056	-	3,671
Balance at June 30, 2024	<u>\$ 33,857</u>	<u>55,901</u>	<u>1,249</u>	<u>91,007</u>
Balance at January 1, 2023	\$ 32,795	63,254	6,804	102,853
Additions	-	3,793	-	3,793
Disposals	-	(21,061)	(4,421)	(25,482)
Effect of changes in foreign exchange rates	(745)	(872)	-	(1,617)
Balance at June 30, 2023	<u>\$ 32,050</u>	<u>45,114</u>	<u>2,383</u>	<u>79,547</u>
<b>Accumulated depreciation:</b>				
Balance at January 1, 2024	\$ 4,251	28,313	1,149	33,713
Depreciation	441	7,679	265	8,385
Disposals	-	(4,808)	(686)	(5,494)
Effect of changes in foreign exchange rates	219	1,317	-	1,536
Balance at June 30, 2024	<u>\$ 4,911</u>	<u>32,501</u>	<u>728</u>	<u>38,140</u>

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**EDISON OPTO CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	<u>Land</u>	<u>Building and Construction</u>	<u>Vehicles</u>	<u>Total</u>
Balance at January 1, 2023	\$ 3,459	38,744	5,154	47,357
Depreciation	433	6,843	525	7,801
Disposals	-	(21,061)	(4,421)	(25,482)
Effect of changes in foreign exchange rates	(89)	(475)	-	(564)
Balance at June 30, 2023	<u>\$ 3,803</u>	<u>24,051</u>	<u>1,258</u>	<u>29,112</u>
<b>Carrying amount:</b>				
Balance at January 1, 2024	<u>\$ 27,991</u>	<u>23,144</u>	<u>786</u>	<u>51,921</u>
Balance at June 30, 2024	<u>\$ 28,946</u>	<u>23,400</u>	<u>521</u>	<u>52,867</u>
Balance at January 1, 2023	<u>\$ 29,336</u>	<u>24,510</u>	<u>1,650</u>	<u>55,496</u>
Balance at June 30, 2023	<u>\$ 28,247</u>	<u>21,063</u>	<u>1,125</u>	<u>50,435</u>

## (j) Short-term borrowings

The short-term borrowings were summarized as follows:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Unsecured bank loans	<u>\$ 210,000</u>	<u>180,705</u>	<u>100,000</u>
Unused short-term credit lines	<u>\$ 975,025</u>	<u>1,099,740</u>	<u>1,489,798</u>
Range of interest rates	<u>1.87~2.0729%</u>	<u>1.8%~6.44%</u>	<u>1.776%</u>

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

## (k) Long-term borrowings

<b>June 30, 2024</b>			
<u>Currency</u>	<u>Rate</u>	<u>Maturity year</u>	<u>Amount</u>
Secured bank loans	TWD	1.196%~ 2.112%	\$ 126,260
Less: due within one year			(16,080)
Total			<u>\$ 110,180</u>
<b>December 31, 2023</b>			
<u>Currency</u>	<u>Rate</u>	<u>Maturity year</u>	<u>Amount</u>
Secured bank loans	TWD	1.1960%~ 1.9805%	\$ 134,300
Less: due within one year			(16,080)
Total			<u>\$ 118,220</u>

(Continued)

**EDISON OPTO CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	<b>June 30, 2023</b>			
	<b>Currency</b>	<b>Rate</b>	<b>Maturity year</b>	<b>Amount</b>
Secured bank loans	TWD	1.98%~ 2.06430%	2041	\$ 142,340
Less: due within one year				(16,080)
Total				\$ 126,260

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

(1) Bonds payable

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Total convertible corporate bonds issued	\$ -	300,000	300,000
Less: Unamortized discounted corporate bonds payable	-	-	(1,395)
Cumulative converted amount	-	(299,700)	(239,500)
Cumulative creditors repurchase amount	-	(300)	-
Convertible bonds issued balance	\$ -	-	59,105
Embedded derivative-call options (included in financial assets at fair value through profit or loss)	\$ -	-	71
Equity components-conversion options (included in capital surplus-share options)	\$ -	-	6,451
	<b>For the three months ended June 30,</b>	<b>For the six months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>
Interest expense	\$ -	1,207	-
			2,918

<b>Items</b>	<b>Third secured domestic convertible bonds</b>
1.Total issue amount	300,000 thousand
2.Par value	100 thousand
3.Maturity date	January 25, 2021 ~ January 25, 2024
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.

(Continued)

**EDISON OPTO CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

<b>Items</b>	<b>Third secured domestic convertible bonds</b>
7.Redemption method	<p>(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.</p> <p>(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.</p>
8.Conversion period	<p>(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.</p> <p>(2) For the circumstances below, the conversion terminates in compliance with the method issued by the Company.</p> <p>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.</p>
9.Conversion price	<p>The conversion price is 19.3 per share when issuance.</p> <p>(1) The Company announced on July 29, 2021, that due to the allotment of cash dividends on the ordinary shares, the conversion price has been adjusted from NTD 19.3 per share to NTD 19.1 per share since August 21, 2021.</p> <p>(2) The Company announced on August 8, 2022, that due to the allotment of cash dividends and stock dividends on the ordinary shares, the conversion price has been adjusted from NTD 19.1 per share to NTD 17.9 per share since August 30, 2022.</p> <p>(3)The Company announced on June 20, 2023 that due to the allotment of cash dividends on ordinary shares, the conversion price has been adjusted from NTD 17.9 per share to NTD 17.7 per share since July 16, 2023.</p>
10. Pledge	For the collateral for bonds payable, please refer to note 8.

(Continued)

**EDISON OPTO CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(m) Lease liability

The carrying values of the lease liabilities were as follows:

	<u>June 30,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>June 30,</u> <u>2023</u>
Current	\$ <u>16,053</u>	<u>15,243</u>	<u>11,739</u>
Non-current	\$ <u>10,858</u>	<u>12,075</u>	<u>13,815</u>

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

The amounts recognized in profit or loss were as follows:

	<u>For the three months ended</u> <u>June 30,</u>		<u>For the six months ended</u> <u>June 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Interest on lease liabilities	\$ <u>1,206</u>	<u>931</u>	<u>2,126</u>	<u>1,938</u>
Expenses relating to short-term leases	\$ <u>519</u>	<u>296</u>	<u>819</u>	<u>677</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ <u>122</u>	<u>69</u>	<u>190</u>	<u>143</u>

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

	<u>For the six months ended</u> <u>June 30,</u>	
	<u>2024</u>	<u>2023</u>
Total cash outflow for leases	\$ <u>11,294</u>	<u>10,342</u>

(i) 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.

(ii) 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.

(Continued)

**EDISON OPTO CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

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.

(n) 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 June 30, 2024, December 31 and June 30, 2023 the amount of unamortized deferred revenue was \$27,777 thousand, \$26,860 thousand and \$27,106 thousand, respectively.

(o) Employee benefits

(i) Defined benefit plans

	<b>For the three months ended</b>		<b>For the six months ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Operating cost	\$ 27	27	53	53
Operating expenses	151	150	302	301
	<b>\$ 178</b>	<b>177</b>	<b>355</b>	<b>354</b>

(ii) Defined contribution plans

The Group's expenses under the pension plan cost to the Bureau of Labor Insurance were as follows:

	<b>For the three months ended</b>		<b>For the six months ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Operating cost	\$ 4,085	3,350	7,783	6,612
Operating expenses	3,151	2,849	6,139	5,677
	<b>\$ 7,236</b>	<b>6,199</b>	<b>13,922</b>	<b>12,289</b>

(Continued)



**EDISON OPTO CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(p) Income taxes

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

	<b>For the three months ended</b>		<b>For the six months ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Current tax expense				
Current period	\$ 5,417	4,182	6,363	5,102
Adjust the current income tax of the previous period	-	-	-	-
Income tax expense	<u>\$ 5,417</u>	<u>4,182</u>	<u>6,363</u>	<u>5,102</u>

(ii) Assessment of tax

The Company's tax returns for the years through 2021 were assessed by the Taipei National Tax Administration.

(q) Capital and other equity

Except for the following disclosure, there was no significant change for capital and other equity for the periods from January 1 to June 30, 2024 and 2023. For the related information, please refer to note 6(s) of the consolidated financial statements for the year ended December 31, 2023.

(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 and 2,345 thousand ordinary shares in the 1st, 2nd and 3rd quarter, respectively, of 2023. All the statutory registration procedures above had been completed as of the reporting date.

(ii) Capital surplus

The balances of capital surplus were as follows:

	<b>June 30,</b>	<b>December 31,</b>	<b>June 30,</b>
	<b>2024</b>	<b>2023</b>	<b>2023</b>
Premium on issuance of capital stock	\$ 1,406,851	1,463,695	1,448,548
Employee share options	72,142	72,142	72,142
Difference arising from subsidiary's share price and its carrying value	10,790	10,790	461
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	292
Conversion options	-	-	6,451
	<u>\$ 1,505,915</u>	<u>1,562,759</u>	<u>1,527,894</u>

(Continued)

**EDISON OPTO CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

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

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

	<b>2023</b>	
	<b>Amount per share (NT dollar)</b>	<b>Total amount</b>
Dividends distributed to ordinary shareholders		
Cash	\$ 0.1	14,211

1) Earnings distribution

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 June 30, 2024, the total number of untransferred shares was 1,500 thousand shares.
- 2) Ledionopto intelligent Technology Co., Ltd., sub-subsidiary of the Company, held 526 thousand shares of the Company's treasury shares. As of June 30, 2024, all treasury shares were not sold. The market price on June 30, 2024, December 31 and June 30, 2023 were \$28.80, \$24.40 and \$27.35 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.

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**EDISON OPTO CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(r) Share-based payment

Except for the following disclosure, there were no significant changes for share-based payment during the periods from January 1 to June 30, 2024 and 2023. For the related information, please refer to note 6(t) of the consolidated financial statements for the year ended December 31, 2023.

(s) Earnings per share

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

	For the three months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023
<b>Basic earnings per share</b>				
Profit of the Company for the year	\$ <u>44,821</u>	<u>13,082</u>	<u>72,378</u>	<u>25,743</u>
Weighted average number of ordinary shares (in thousands of shares)	<u>141,584</u>	<u>133,302</u>	<u>141,584</u>	<u>131,806</u>
Basic earnings per share (in New Taiwan Dollars)	\$ <u>0.32</u>	<u>0.10</u>	<u>0.51</u>	<u>0.20</u>
<b>Diluted earnings per share</b>				
Profit of the Company for the year	\$ <u>44,821</u>	<u>13,082</u>	<u>72,378</u>	<u>25,743</u>
Weighted average number of ordinary shares (in thousands of shares)	141,584	133,302	141,584	131,806
Effect of employee share bonus (in thousands of shares)	63	53	199	53
Weighted average number of ordinary shares (in thousands of shares)	<u>141,647</u>	<u>133,355</u>	<u>141,783</u>	<u>131,859</u>
<b>Diluted earnings per share (in New Taiwan Dollars)</b>	\$ <u>0.32</u>	<u>0.10</u>	<u>0.51</u>	<u>0.20</u>

(t) Revenue from contracts with customers

(i) Revenue detail

	For the three months ended June 30, 2024						Total
	The Company	Edison Opto (Dong Guan) Co., Ltd.	Yangzhou Edison Opto Corporation	Yangzhou Edison-Litek Opto Corporation	Edison-Litek Opto Corporation	Other	
Major market:							
China	\$ 16,287	56,598	54,902	64,519	5	-	192,311
America and Europe	111,544	2	-	-	128,899	16,951	257,396
Taiwan	69,504	1,178	-	-	42,629	-	113,311
Africa	14,830	-	-	-	-	-	14,830
Others	91,525	21	73	-	(787)	-	90,832
	<u>\$ 303,690</u>	<u>57,799</u>	<u>54,975</u>	<u>64,519</u>	<u>170,746</u>	<u>16,951</u>	<u>668,680</u>
Major product:							
LED transmitter component	\$ 5,951	28,726	-	-	-	24	34,701
LED lighting product	274,898	31,670	27,705	-	-	15,727	350,000
LED automotive product	18,971	-	27,145	63,707	171,049	1,226	282,098
Others	3,870	(2,597)	125	812	(303)	(26)	1,881
	<u>\$ 303,690</u>	<u>57,799</u>	<u>54,975</u>	<u>64,519</u>	<u>170,746</u>	<u>16,951</u>	<u>668,680</u>

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**EDISON OPTO CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

		For the three months ended June 30, 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	\$	16,324	50,280	35,372	37,363	-	139,339
	America and Europe		90,293	4,485	-	-	75,966	195,426
	Taiwan		36,527	-	-	-	2,382	38,909
	Africa		15,386	-	-	-	-	15,386
	Others		82,724	1,574	4,364	-	-	88,662
		\$	<u>241,254</u>	<u>56,339</u>	<u>39,736</u>	<u>37,363</u>	<u>78,348</u>	<u>477,722</u>
Major product:								
	LED transmitter component	\$	5,779	37,163	-	-	-	42,942
	LED lighting product		230,733	17,292	22,518	-	21,070	291,613
	LED automotive product		7,435	-	16,214	37,085	73,465	134,738
	Others		(2,693)	1,884	1,004	278	4,883	8,429
		\$	<u>241,254</u>	<u>56,339</u>	<u>39,736</u>	<u>37,363</u>	<u>78,348</u>	<u>477,722</u>
		For the six months ended June 30, 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	\$	23,420	99,769	105,195	110,420	6	338,810
	America and Europe		227,049	149	-	-	206,258	468,349
	Taiwan		144,234	1,859	-	-	70,081	216,174
	Africa		17,836	-	-	-	-	17,836
	Others		160,514	1,453	3,779	-	1,228	166,974
		\$	<u>573,053</u>	<u>103,230</u>	<u>108,974</u>	<u>110,420</u>	<u>277,573</u>	<u>1,208,143</u>
Major product:								
	LED transmitter component	\$	15,406	50,314	-	-	1,683	67,403
	LED lighting productt		521,377	51,873	48,144	-	31,123	652,517
	LED automotive product		26,842	-	60,713	109,446	277,145	476,224
	Others		9,428	1,043	117	974	428	11,999
		\$	<u>573,053</u>	<u>103,230</u>	<u>108,974</u>	<u>110,420</u>	<u>277,573</u>	<u>1,208,143</u>

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**EDISON OPTO CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

		For the six months ended June 30, 2023						
		Edison Opto (Dong Guan) Co., Ltd.	Yangzhou Edison Opto Corporation	Yangzhou Edison-Litek Opto Corporation	Edison-Litek Opto Corporation	Other	Total	
		<u>The Company</u>	<u>Edison Opto (Dong Guan) Co., Ltd.</u>	<u>Yangzhou Edison Opto Corporation</u>	<u>Yangzhou Edison-Litek Opto Corporation</u>	<u>Edison-Litek Opto Corporation</u>	<u>Other</u>	<u>Total</u>
Major market								
China	\$	27,969	94,025	97,055	61,021	-	-	280,070
America and Europe		184,101	5,487	-	-	155,208	43,905	388,701
Taiwan		96,997	1,097	36	-	4,022	-	102,152
Africa		24,561	-	-	-	-	-	24,561
Others		121,786	1,574	8,266	-	-	-	131,626
	\$	<u>455,414</u>	<u>102,183</u>	<u>105,357</u>	<u>61,021</u>	<u>159,230</u>	<u>43,905</u>	<u>927,110</u>
Major product:								
LED transmitter component	\$	7,286	62,095	-	-	-	-	69,381
LED lighting product		437,478	37,270	104,293	-	-	37,031	616,072
LED automotive product		-	-	-	59,878	157,854	-	217,732
Others		10,650	2,818	1,064	1,143	1,376	6,874	23,925
	\$	<u>455,414</u>	<u>102,183</u>	<u>105,357</u>	<u>61,021</u>	<u>159,230</u>	<u>43,905</u>	<u>927,110</u>

## (ii) Contract balances

	June 30, 2024	December 31, 2023	June 30, 2023
Note receivables	\$ 74,122	65,922	13,290
Accounts receivables (include related parties )	689,604	498,375	398,709
Current contract assets	3,040	-	-
Less: Loss allowance	(9,026)	(2,535)	(2,123)
Total	<u>\$ 757,740</u>	<u>561,762</u>	<u>409,876</u>
Contract liabilities	<u>\$ 26,312</u>	<u>24,904</u>	<u>22,222</u>

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

## (u) 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 three months and six months ended June 30, 2024 and 2023, the Company accrued and recognized its employee remuneration amounting to \$2,080 thousand, \$1,455 thousand, \$3,880 thousand and \$1,455 thousand, respectively; as well as its remuneration to directors amounting to \$380 thousand, \$295 thousand, \$780 thousand and \$295 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. The amounts, as stated in the consolidated financial statements, are identical to those of the actual distributions for 2023 and 2022. The related information can be accessed from the Market Observation Post System website.

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**EDISON OPTO CORPORATION AND SUBSIDIARIES**  
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(v) Non-operating income and expenses

(i) Interest income

The details of net other income were as follows:

	<b>For the three months ended June 30,</b>		<b>For the six months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Interest income from bank deposits	\$ 3,094	2,760	5,040	4,496
Other interest income	1,081	1,441	2,113	2,882
	<b>\$ 4,175</b>	<b>4,201</b>	<b>7,153</b>	<b>7,378</b>

(ii) Other income

	<b>For the three months ended June 30,</b>		<b>For the six months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Other income	\$ 2,215	720	2,663	2,626

(iii) Other gains and losses

The details of other gains and losses were as follows:

	<b>For the three months ended June 30,</b>		<b>For the six months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Gain (losses) disposal of \$ Property, plant, and equipment	137	132	1,354	(4,732)
Net gain (losses) on financial assets at fair value	108	338	(241)	1,637
Net gain on foreign exchange	7,764	8,378	14,315	5,962
Others	260	503	(3,555)	(239)
	<b>\$ 8,269</b>	<b>9,351</b>	<b>11,873</b>	<b>2,628</b>

(iv) Finance costs

The details of finance costs were as follows:

	<b>For the three months ended June 30,</b>		<b>For the six months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Interest expenses	\$ 2,200	3,711	4,505	9,031

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**EDISON OPTO CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(w) Financial instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For the related information, please refer to note 6(y) of the consolidated financial statements for the year ended December 31, 2023.

(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, 2023.

(ii) Liquidity risk

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

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 6 months</u>	<u>6-12 months</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>Over 5 years</u>
<b>June 30, 2024</b>							
Non-derivative financial liabilities							
Short term loans	210,000	(210,996)	(210,996)	-	-	-	-
Long term loans	126,260	(131,955)	(8,781)	(8,721)	(17,310)	(50,777)	(46,366)
Lease liabilities	26,911	(33,859)	(9,855)	(9,654)	(7,748)	(6,602)	-
Notes payable and accounts payable	389,074	(389,074)	(389,074)	-	-	-	-
Other payable	151,225	(151,225)	(151,225)	-	-	-	-
Dividends payable	71,055	(71,055)	(71,055)	-	-	-	-
	<u>\$ 974,525</u>	<u>(988,164)</u>	<u>(840,986)</u>	<u>(18,375)</u>	<u>(25,058)</u>	<u>(57,379)</u>	<u>(46,366)</u>

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**EDISON OPTO CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 6 months</u>	<u>6-12 months</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>Over 5 years</u>
<b>December 31, 2023</b>							
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)	-	-	-	-
	<u>\$ 830,158</u>	<u>(841,375)</u>	<u>(687,454)</u>	<u>(17,804)</u>	<u>(29,356)</u>	<u>(52,055)</u>	<u>(54,706)</u>
<b>June 30, 2023</b>							
Non-derivative financial liabilities							
Short term loans	\$ 100,000	(100,015)	(100,015)	-	-	-	-
Long term loans	142,340	(149,651)	(8,878)	(8,817)	(17,503)	(51,354)	(63,099)
Lease liabilities	25,554	(29,808)	(7,599)	(7,041)	(12,798)	(2,370)	-
Notes payable and accounts payable	233,414	(233,414)	(233,414)	-	-	-	-
Other payable	150,248	(150,248)	(150,248)	-	-	-	-
Bonds payable	59,105	(60,500)	(60,500)	-	-	-	-
Dividends payable	40,000	(40,000)	(40,000)	-	-	-	-
	<u>\$ 750,661</u>	<u>(763,636)</u>	<u>(600,654)</u>	<u>(15,858)</u>	<u>(30,301)</u>	<u>(53,724)</u>	<u>(63,099)</u>

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

(iii) Currency risk

1) Exposure to foreign currency risk

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

	<u>June 30, 2024</u>				<u>December 31, 2023</u>				<u>June 30, 2023</u>			
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD</u>
<u>Financial assets</u>												
<u>Monetary items</u>												
USD	\$ 17,361	USD/TWD= 32.45	563,364	9,271	USD/TWD= 30.705	284,666	13,062	USD/TWD= 31.140	406,751			
USD	7,698	USD/CNY= 7.1268	249,771	3,737	USD/CNY= 7.0827	114,537	6,560	USD/CNY= 7.2258	204,289			
CNY	10,473	CNY/TWD= 4.5527	47,680	819	CNY/TWD= 4.3355	38,235	14,934	CNY/TWD= 4.3098	64,362			
<u>Financial liabilities</u>												
<u>Monetary items</u>												
USD	11,313	USD/TWD= 32.45	367,107	7,368	USD/TWD= 30.705	226,234	8,899	USD/TWD= 11.140	277,115			
USD	244	USD/CNY= 7.1268	7,917	477	USD/CNY= 7.0827	14,647	372	USD/CNY= 7.2258	11,585			
CNY	27	CNY/TWD= 4.5527	123	9	CNY/TWD= 4.3355	39						

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**EDISON OPTO CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

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 June 30, 2024 and 2023 would have increased (decreased) the equity by \$24,283 thousand and \$19,335 thousand due to cash flow hedges. The analysis assumes that all other variables remain constant and ignores any impact of forecasted sales and purchases. 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 six months ended June 30, 2024 and 2023, foreign exchange loss (including realized and unrealized portions) amounted to \$14,315 thousand and \$5,962 thousand, respectively.

(iv) 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 :

	<b>June 30, 2024</b>				
	<b>Book Value</b>	<b>Fair Value</b>			<b>Total</b>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>		
Financial assets at fair value through profit or loss					
Corporate bonds	\$ 6,552	6,552	-	-	6,552
Subtotal	<u>6,552</u>	<u>6,552</u>	<u>-</u>	<u>-</u>	<u>6,552</u>
Financial assets at fair value through other comprehensive income- securities of unlisted companies	<u>1,228</u>	<u>-</u>	<u>-</u>	<u>1,228</u>	<u>1,228</u>
Financial assets measured at amortized cost					
Cash and cash equivalents	1,106,303	-	-	-	-
Fixed deposits with original maturity exceeding three months	31,858	-	-	-	-
Notes and trade receivables (include related parties)	754,700	-	-	-	-
Other receivables	<u>3,691</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>1,896,552</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 1,904,332</u></b>	<b><u>6,552</u></b>	<b><u>-</u></b>	<b><u>1,228</u></b>	<b><u>7,780</u></b>

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**EDISON OPTO CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

		<b>June 30, 2024</b>					
		<b>Fair Value</b>					
	<b>Book Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>		
<b>Financial liabilities at amortized cost</b>							
Short-term bank loans	\$ 210,000	-	-	-	-		
Long-term bank loans (including due within one year)	126,260	-	-	-	-		
Notes and trade payables	389,074	-	-	-	-		
Dividends payables	151,225	-	-	-	-		
Other payables	71,055	-	-	-	-		
Lease liabilities	26,911	-	-	-	-		
<b>Total</b>	<b>\$ 974,525</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
		<b>December 31, 2023</b>					
		<b>Fair Value</b>					
	<b>Book Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>		
<b>Financial assets at fair value through profit or loss-current-securities of listed companies Securities of listed companies</b>							
	\$ 5,363	5,363	-	-	5,363		
Corporate bonds	6,468	6,468	-	-	6,468		
<b>Subtotal</b>	<b>11,831</b>	<b>11,831</b>	<b>-</b>	<b>-</b>	<b>11,831</b>		
<b>Financial assets at fair value through other comprehensive income-securities of unlisted companies</b>							
	1,477	-	-	1,477	1,477		
<b>Financial assets measured at amortized cost</b>							
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	-	-	-	-		
<b>Subtotal</b>	<b>1,677,229</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>Total</b>	<b>\$ 1,690,537</b>	<b>11,831</b>	<b>-</b>	<b>1,477</b>	<b>13,308</b>		
<b>Financial liabilities at amortized cost</b>							
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	-	-	-	-		
<b>Total</b>	<b>\$ 830,158</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		

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**EDISON OPTO CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	<b>June 30, 2023</b>				
	<b>Book value</b>	<b>Fair value</b>			<b>Total</b>
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
Financial assets at fair value through profit or loss-current-securities of listed companies	\$ 5,736	5,736	-	-	5,736
Embedded derivative of convertible bonds	71	-	71	-	71
Corporate bonds	6,336	6,336	-	-	6,336
Financial assets at fair value through other comprehensive income-securities of unlisted companies	1,810	-	-	1,810	1,810
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 1,048,739	-	-	-	-
Notes and trade receivables (including due within one year)	409,876	-	-	-	-
Other receivables	1,650	-	-	-	-
Corporate bonds	8,706	-	-	-	-
Subtotal	1,468,971	-	-	-	-
Total	<b>\$ 1,482,924</b>	<b>12,072</b>	<b>71</b>	<b>1,810</b>	<b>13,953</b>
Financial liabilities at amortized cost					
Short-term bank loans	\$ 100,000	-	-	-	-
Long-term bank loans (including due within one year)	142,340	-	-	-	-
Notes and trade payables	233,414	-	-	-	-
Other payables	150,248	-	-	-	-
Dividends payables	40,000	-	-	-	-
Bonds payables (including due within one year)	59,105	-	-	-	-
Lease liabilities	25,554	-	-	-	-
Total	<b>\$ 750,661</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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**EDISON OPTO CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

2) Reconciliation of Level 3 fair values

	<b>Fair value through other comprehensive income</b>
January 1, 2024	\$ 1,477
In other comprehensive income	<u>(249)</u>
June 30, 2024	<u><b>\$ 1,228</b></u>
January 1, 2023	\$ 2,453
In other comprehensive income	<u>(643)</u>
June 30, 2023	<u><b>\$ 1,810</b></u>

For the years ended June 30, 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:

	<b>For the three months ended</b>		<b>For the six months ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
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”	\$ <u>(246)</u>	<u>(182)</u>	<u>(248)</u>	<u>(643)</u>

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.

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**EDISON OPTO CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

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	<ul style="list-style-type: none"> <li>· equity ratio multiple</li> <li>· Discount for lack of marketability</li> <li>· Discount of control</li> </ul>	<ul style="list-style-type: none"> <li>· The higher multiple, the higher the fair value</li> <li>· The higher the discount for lack of marketability, the lower the fair value</li> <li>· The higher the discount of control, the lower the fair value</li> </ul>

- 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:

	Input	Change	Recognized in other comprehensive income	
			Favorable change	Unfavorable change
<b>June 30, 2024</b>				
Financial assets fair value through other comprehensive income	1.35	1%	\$ <u>12</u>	<u>(12)</u>
<b>December 31, 2023</b>				
Financial assets fair value through other comprehensive income	1.22	1%	\$ <u>15</u>	<u>(15)</u>
<b>June 30, 2023</b>				
Financial assets fair value through other comprehensive income	1.19	1%	\$ <u>18</u>	<u>(18)</u>

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.

- (x) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in Note 6(z) of the consolidated financial statements for the year ended December 31, 2023.

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**EDISON OPTO CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(y) Capital management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the Consolidated financial statements for the year ended December 31, 2023. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2023. Please refer to Note 6(aa) of the Consolidated financial statements for the year ended December 31, 2023 for further details.

(z) Financing activities not affecting current cash flow

The Group's financing activities which did not affect the current cash flow in the years ended June 30, 2024 and 2023, were as follows:

	January 1, 2024	Cash Flows	Non-cash changes				June 30, 2024
			Foreign exchange movement	Changes in lease payments	Lease modification	Discount and premium amortization	
Short-term borrowings	\$ 180,705	28,815	480	-	-	-	210,000
Lease liabilities	27,318	(8,159)	(4,434)	12,625	(439)	-	26,911
Long-term borrowings (including current portion)	134,300	(8,040)	-	-	-	-	126,260
Deposits received	31	8	-	-	-	-	39
Total liabilities from financing activities	<u>\$ 342,354</u>	<u>12,624</u>	<u>(3,954)</u>	<u>12,625</u>	<u>(439)</u>	<u>-</u>	<u>363,210</u>

  

	January 1, 2023	Cash Flows	Non-cash changes				June 30, 2023
			Foreign exchange movement	Changes in lease payments	Lease modification	Discount and premium amortization	
Short-term borrowings	\$ 92,130	5,170	2,700	-	-	-	100,000
Lease liabilities	29,813	(7,584)	(468)	3,793	-	-	25,554
Long-term borrowings(including current portion)	290,780	(148,440)	-	-	-	-	142,340
Bonds payable (included due within one year)	170,262	-	-	-	-	2,918	59,105
Total liabilities from financing activities	<u>\$ 582,985</u>	<u>(150,854)</u>	<u>2,232</u>	<u>3,793</u>	<u>-</u>	<u>2,918</u>	<u>326,999</u>

**(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:

<u>Name of related party</u>	<u>Relationship with the Group</u>
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

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**EDISON OPTO CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(b) Significant transactions with related parties

(i) Sales

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

	<u>For the three months ended</u> <u>June 30,</u>		<u>For the six months ended</u> <u>June 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Yangzhou Airui Optoelectronics Co., Ltd.	\$ <u>-</u>	<u>-</u>	<u>8,868</u>	<u>-</u>

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:

<u>Account</u>	<u>Relationship</u>	<u>June 30,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>June 30,</u> <u>2023</u>
Accounts receivable	Yangzhou Airui Optoelectronics Co., Ltd.	\$ <u>-</u>	<u>13,218</u>	<u>-</u>
Other receivable	Taiwan Hydroxyl Technology Co., Ltd.	\$ <u>127</u>	<u>129</u>	<u>84</u>

(iii) Others

1) Manage services revenue

	<u>For the three months ended</u> <u>June 30,</u>		<u>For the six months ended</u> <u>June 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Taiwan Hydroxyl Technology Co., Ltd.	\$ <u>180</u>	<u>120</u>	<u>360</u>	<u>240</u>

2) Rental Revenue

	<u>For the three months ended</u> <u>June 30,</u>		<u>For the six months ended</u> <u>June 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Taiwan Hydroxyl Technology Co., Ltd.	\$ <u>20</u>	<u>120</u>	<u>20</u>	<u>360</u>

(iv) Guarantee

A key management personnel provided a joint guarantee for the borrowings of the Group from certain financial institutions.

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**EDISON OPTO CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(c) Key management personnel compensation

Key management personnel compensation comprised:

	<b>For the three months ended</b>		<b>For the six months ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Short-term employee benefits	\$ 8,831	7,444	21,431	18,531
Post employment benefits	181	196	373	381
	<b>\$ 9,012</b>	<b>7,640</b>	<b>21,804</b>	<b>18,912</b>

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

**(8) Pledged assets:**

The carrying values of pledged assets were as follows:

<b>Pledged assets</b>	<b>Object</b>	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Notes receivable (classified under other current assets)	Bank Acceptance	\$ 50,630	24,596	-
Deposits (classified under other non-current assets)	Deposit to customs	6,106	6,096	6,068
Property, plant, and equipment	Issuance of corporate bonds guarantee	-	-	196,177
Property, plant, and equipment	Long-term loans	245,034	245,760	246,485
		<b>\$ 301,770</b>	<b>276,452</b>	<b>448,730</b>

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**EDISON OPTO CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**(9) Commitments and contingencies:**

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

	<b>June 30, 2024</b>	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Acquisition of property, plant and equipment	<b>\$ 9,646</b>	<b>23,993</b>	<b>29,278</b>

(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, and the Company has appealed to the Supreme Administrative Court.

**(10) Losses Due to Major Disasters: None.**

**(11) Subsequent Events:**

To meet the funding needs for repayment of bank loans, the Company passed a resolution of the Board of Directors on August 8, 2024, and planned to raise and issue the fourth domestic unsecured convertible bonds with a total face value up to \$300,000 thousand and an issue period of three years. After the proposal is declared effective by the competent authority, it is planned to authorize the chairman to set another issue date and apply for over-the-counter trading to the Taipei Exchange.

**(12) Other:**

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

<b>By item</b>	<b>For the three months ended June 30,</b>					
	<b>2024</b>			<b>2023</b>		
	<b>Cost of sales</b>	<b>Operating expenses</b>	<b>Total</b>	<b>Cost of sales</b>	<b>Operating expenses</b>	<b>Total</b>
Employee benefits						
Salary	50,314	52,808	103,122	42,176	48,842	91,018
Labor and health insurance	3,272	3,558	6,830	2,795	3,489	6,284
Pension	4,112	3,302	7,414	3,377	2,999	6,376
Directors' remuneration	-	944	944	-	865	865
Others	4,920	3,100	8,020	4,039	2,580	6,619
Depreciation	21,584	9,370	30,954	21,043	9,138	30,181
Amortization	-	342	342	-	376	376

(Continued)

**EDISON OPTO CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

By item	By function	For the six months ended June 30,					
		2024			2023		
		Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits							
Salary		93,633	104,050	197,683	77,981	97,000	174,981
Labor and health insurance		6,376	6,847	13,223	5,525	6,800	12,325
Pension		7,836	6,441	14,277	6,665	5,978	12,643
Directors' remuneration		-	1,872	1,872	-	1,081	1,081
Others		9,745	6,171	15,916	7,627	5,424	13,051
Depreciation		42,598	18,488	61,086	43,322	19,671	62,993
Amortization		-	734	734	-	1,210	1,210

**(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	-	-	-	582,281 (Note 1)	1,164,562 (Note 1)
1	Yangzhou Edison Opto Corporation	Yangzhou Edison-Litek Opto Corporation	Other receivables due from related parties	Yes	45,791 (CNY10,000 thousand)	45,527 (CNY10,000 thousand)	22,764	2%	2	-	Short-term financing	-	-	-	209,671 (Note 1)	419,342 (Note 1)
2	Edison litek Opto Corporation Limited	Edison Litek Opto Corporation	Other receivables due from related parties	Yes	45,563 (USD1,400 thousand)	45,430 (USD1,400 thousand)	45,430	2%	2	-	Short-term financing	-	-	-	48,072 (Note 1)	96,144 (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.

(Continued)

**EDISON OPTO CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

- (iii) Securities held as of June 30, 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				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
Edison Fund Investment Corporation	Taiwan Hydroxyl Technology Co., Ltd	None	Financial assets through other fair value measurements-non-current	300	1,228	12.50 %	1,228	
Edison Opto Corporation	AcBel Polytech Inc. convertible bonds	None	Current financial assets at fair value through profit or loss	-	6,552	-	6,552	

- (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	-	-	-	341,453 (RMB75,000 thousand)	-	343,491 (RMB75,448 thousand)	341,453	2,038	-	-

- (v) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: 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	(219,930)	(66.15)%	60 days	No significant difference	-	116,206	58.57 %	
The Company	Yangzhou Edison Opto Corporation	Subsidiary	Purchase	219,930	52.08 %	60 days	No significant difference	-	(116,206)	(54.35)%	
Edison Opto (Dong Guan) Co., Ltd.	The Company	Parents	Sales	(153,080)	(56.51)%	60 days	No significant difference	-	67,508	54.61 %	
The Company	Edison Opto (Dong Guan) Co., Ltd.	Subsidiary	Purchase	153,080	36.25 %	60 days	No significant difference	-	(67,508)	(31.57)%	

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

(Continued)

**EDISON OPTO CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(viii) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period (note 1)	Allowance for bad debts
					Amount	Action taken		
Yangzhou Edison Opto Corporation	The Company	Sub-subsidiary company	116,206 (USD3,581 thousand)	5.43	-		44,872 (USD 1,392 thousand)	-

Note 1: As of July 26, 2024.

Note 2: The amount was eliminated in the consolidated financial statements.

(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	19,194	60 days	1.59%
0	The Company	Edison Opto USA Corporation	1	Accounts receivable	9,404	60 days	0.23%
0	The Company	Edison Opto (Dong Guan) Co., Ltd.	1	Sales	23,823	60 days	1.97%
0	The Company	Yangzhou Edison-Litek Opto Corporation	1	Sales	12,611	60 days	1.04%
1	Yangzhou Edison Opto Corporation	The Company	2	Sales	219,930	60 days	18.20%
1	Yangzhou Edison Opto Corporation	The Company	2	Accounts receivable	116,206	60 days	2.82%
1	Yangzhou Edison Opto Corporation	Yangzhou Edison-Litek Opto Corporation	3	Other accounts receivable	22,764	According to the contract	0.55%
2	Edison Opto (Dong Guan) Co., Ltd.	The company	2	Sales	153,080	60 days	12.67%
2	Edison Opto (Dong Guan) Co., Ltd.	The company	3	Accounts receivable	67,508	60 days	1.64%
2	Edison Opto (Dong Guan) Co., Ltd.	Edison Auto Lighting corporation	3	Sales	11,519	60 days	0.95%
2	Edison Opto (Dong Guan) Co., Ltd.	Edison Auto Lighting corporation	3	Accounts receivable	3,187	60 days	0.08%
3	Yangzhou Edison-Litek Opto Corporation	Edison-Litek Opto Corporation	3	Sales	48,709	60 days	4.03%
3	Yangzhou Edison-Litek Opto Corporation	Edison-Litek Opto Corporation	3	Accounts receivable	33,745	60 days	0.82%
4	Edison-Litek Opto Corporation Limited	Edison-Litek Opto Corporation	3	Other accounts receivable	45,430	According to the contract	1.27%
5	Edison-Litek Opto Corporation	Edison-Litek Opto Corporation Limited	3	Other accounts receivable	15,214	According to the contract	1.26%

(Continued)

**EDISON OPTO CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

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
6	Edison Auto Lighting corporation	The company	2	Sales	12,665	60 days	1.05%
6	Edison Auto Lighting corporation	The company	2	Accounts receivable	3,193	60 days	0.08%

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.

(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		Balance as of June 30, 2024			Net income (losses) of investee	Share of profits/losses of investee	Note
				June 30, 2024	December 31, 2023	Shares (thousands)	Percentage of ownership	Carrying value			
The Company	Edison Opto Corporation	Samoa	Selling of LED components and modules	1,041	1,041	30	100.00 %	1,104	33	33	-
The Company	Ledison Opto Corporation	Samoa	Selling of LED components and modules	145,991	145,991	4,500	100.00 %	241,963	(16,831)	(16,831)	-
The Company	Best Opto Corporation	Samoa	Selling of LED components and modules	1,277,226	1,277,226	41,000	100.00 %	1,042,565	14,541	14,052	-
The Company	Edison Fund Investment Corporation	Taiwan	Investment	686,000	686,000	25,000	100.00 %	88,964	1,499	1,499	-
The Company	Edison-Litek Opto Corporation Limited	Hong Kong	Investment	167,661	167,661	5,500	24.62 %	59,176	(20,451)	(5,035)	-
The Company	Edison-Litek Opto Corporation	Taiwan	Selling of LED components and modules	116,500	116,500	14,700	81.67 %	299,591	18,739	15,303	-
The Company	Edison-Egypt Opto Corporation	Taiwan	Selling of LED components and modules	25,000	25,000	2,500	100.00 %	25,695	184	184	-
Best Opto Corporation	Best Led Corporation	Samoa	Investment	1,277,226	1,277,226	41,000	100.00 %	1,048,359	14,541	14,541	-
Edison Fund Investment Corporation	Edison Opto USA Corporation	USA	Selling of LED components and modules	6,392	6,392	220	55.00 %	36,611	1,469	807	-
Edison Fund Investment Corporation	Ledionopto Intelligent Technology Corporation	Taiwan	Selling of LED components and modules	113,185	113,185	2,200	100.00 %	23,178	30	30	-
Edison Fund Investment Corporation	Edison Auto Lighting Corporation	Taiwan	Selling of LED components and modules	7,570	7,570	1,000	100.00 %	5,656	538	538	-
Edison-Litek Opto Corporation	Edison-Litek Opto Corporation Limited	Hong Kong	Investment	64,472	64,472	13,463	60.27 %	144,865	(20,451)	(12,326)	-

(Continued)

**EDISON OPTO CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(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		Accumulated outflow of investment from Taiwan as of June 30, 2024	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
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)	(16,831) (USD 528 thousand)	100.00%	(16,831) (USD 528 thousand)	248,013 (USD 7,463 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)	-	-	-	-	-
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)	14,541 (USD 456 thousand)	100.00%	14,541 (USD 456 thousand)	1,048,354 (USD 32,307 thousand)	-
Yangzhou Aichuan Electronic Trade Corporation	Selling of LED components and modules	2,148 (RMB 500 thousand)	( c )	-	-	-	-	17 (RMB 4 thousand)	100.00%	17 (RMB 4 thousand)	2,441 (RMB 536 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)	(5,577) (USD 175 thousand)	73.84%	(4,118) (USD 129 thousand)	154,237 (USD 4,753 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 Co., Ltd. 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.

(Continued)

**EDISON OPTO CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(ii) Limitation on investment in Mainland China:

Company Name	Accumulated Investment in Mainland China as of June 30, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
The Company	1,556,295 (USD49,817 thousand)	1,647,486 (note 3) (USD50,770 thousand)	Note 1
Ledionopto Intelligent Technology Corporation	52,255 (note 2) (USD1,714 thousand)	55,619 (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 Corporation 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.

(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."

(d) Major shareholders:

Shareholder's Name	Shareholding	Shares	Percentage
Lighting Investment Corporation		14,671,388	10.21 %
Jeng, Jiun-jung		11,014,000	7.66 %

(Continued)

**EDISON OPTO CORPORATION AND SUBSIDIARIES**  
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**(14) Segment information:**

For the three months ended June 30, 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	\$ 303,690	57,799	54,975	64,519	170,746	16,951	-	668,680
Intersegment revenues	16,434	87,908	123,832	38,481	46	3,548	(270,249)	-
Total revenue	<u>\$ 320,124</u>	<u>145,707</u>	<u>178,807</u>	<u>103,000</u>	<u>170,792</u>	<u>20,499</u>	<u>(270,249)</u>	<u>668,680</u>
Reportable segment profit or loss	<u>\$ 44,821</u>	<u>(16,418)</u>	<u>10,607</u>	<u>781</u>	<u>20,611</u>	<u>2,635</u>	<u>(10,474)</u>	<u>52,563</u>
For the three months ended June 30, 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	\$ 241,254	56,339	39,736	37,363	78,348	24,682	-	477,722
Intersegment revenues	19,868	95,122	107,635	20,222	120	6,262	(249,229)	-
Total revenue	<u>\$ 261,122</u>	<u>151,461</u>	<u>147,371</u>	<u>57,585</u>	<u>78,468</u>	<u>30,944</u>	<u>(249,229)</u>	<u>477,722</u>
Reportable segment profit or loss	<u>\$ 13,082</u>	<u>14,863</u>	<u>2,733</u>	<u>2,611</u>	<u>862</u>	<u>2,767</u>	<u>(18,621)</u>	<u>18,297</u>
For the six months ended June 30, 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	\$ 573,053	103,230	108,974	110,420	277,573	34,893	-	1,208,143
Intersegment revenues	33,844	167,641	223,490	54,270	723	12,665	(492,633)	-
Total revenue	<u>\$ 606,897</u>	<u>270,871</u>	<u>332,464</u>	<u>164,690</u>	<u>278,296</u>	<u>47,558</u>	<u>(492,633)</u>	<u>1,208,143</u>
Reportable segment profit or loss	<u>\$ 72,378</u>	<u>(16,831)</u>	<u>14,541</u>	<u>(5,577)</u>	<u>24,476</u>	<u>4,312</u>	<u>(13,552)</u>	<u>79,747</u>
For the six months ended June 30, 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	\$ 455,414	102,183	105,357	61,021	159,230	43,905	-	927,110
Intersegment revenues	37,581	171,478	193,030	54,622	120	17,859	(474,690)	-
Total revenue	<u>\$ 492,995</u>	<u>273,661</u>	<u>298,387</u>	<u>115,643</u>	<u>159,350</u>	<u>61,764</u>	<u>(474,690)</u>	<u>927,110</u>
Reportable segment profit or loss	<u>\$ 25,743</u>	<u>15,063</u>	<u>18,314</u>	<u>(895)</u>	<u>1,814</u>	<u>5,943</u>	<u>(35,402)</u>	<u>30,580</u>