

**EDISON OPTO CORPORATION  
AND SUBSIDIARIES**

**Consolidated Financial Statements**

**With Independent Auditors' Review Report  
For the Nine Months Ended September 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 September 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2024 and 2023, as well as the changes in equity and cash flows for the nine months ended September 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 \$353,222 thousand and \$426,365 thousand, constituting 8.76% and 11.43% of consolidated total assets at September 30, 2024 and 2023, respectively, total liabilities amounting to \$144,563 thousand and \$96,582 thousand, constituting 13.79% and 13.21% of consolidated total liabilities at September 30, 2024 and 2023, respectively, and total comprehensive income (loss) amounting to \$(8,691) thousand, \$10,052 thousand, \$(12,970) thousand and \$2,601 thousand, constituting (44.62)%, 12.72%, (7.58)% and 3.60% of consolidated total comprehensive income (loss) for the three months and nine months ended September 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 September 30, 2024 and 2023, and of its consolidated financial performance for the three months and nine months ended September 30, 2024 and 2023, as well as its consolidated cash flows for the nine months ended September 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)  
November 1, 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

September 30, 2024, December 31, 2023, and September 30, 2023

(Expressed in Thousands of New Taiwan Dollars)

Assets		September 30, 2024		December 31, 2023		September 30, 2023		Liabilities and Equity		September 30, 2024		December 31, 2023		September 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))	\$ 1,072,871	27	1,086,224	28	987,945	27	2100	Short-term borrowings (notes 6(j), 7 and 8)	\$ 148,000	4	180,705	5	-	-
1110	Current financial assets at fair value through profit or loss (note 6(b))	6,402	-	11,831	-	13,738	-	2130	Current contract liabilities (note 6(t))	25,678	1	24,904	1	24,229	-
1136	Current financial assets at amortized cost, net (note 6(d))	63,979	2	27,669	1	8,704	-	2170	Accounts and notes payable	426,514	11	338,336	9	293,874	8
1141	Current contract assets (note 6(t))	13,067	-	-	-	-	-	2200	Other payables (note 6(u))	140,815	3	149,499	4	157,648	4
1170	Accounts and notes receivable, net (notes 6(e)(t))	736,617	18	548,544	15	478,882	13	2230	Current tax liabilities	16,121	-	6,000	-	12,845	-
1180	Accounts receivable due from related parties, net (note 7)	-	-	13,218	-	-	-	2280	Current lease liabilities (note 6(m))	20,156	-	15,243	-	15,404	-
1200	Other receivables (notes 6(f), 7 and 9)	4,772	-	1,574	-	2,377	-	2321	Bonds payable, current portion (notes 6(l) and 8)	-	-	-	-	18,748	1
1310	Inventories (note 6(g))	309,717	8	328,391	8	310,002	8	2322	Long-term borrowings within one year (notes 6(k) and 8)	16,080	-	16,080	1	16,080	1
1410	Prepayments	48,930	1	57,443	2	61,606	2	2399	Other current liabilities, others	18,831	-	13,872	-	10,002	1
1470	Other current assets (note 8)	14,630	-	30,736	1	22,060	1		<b>Total current liabilities</b>	<u>812,195</u>	<u>19</u>	<u>744,639</u>	<u>20</u>	<u>548,830</u>	<u>15</u>
	<b>Total current assets</b>	<u>2,270,985</u>	<u>56</u>	<u>2,105,630</u>	<u>55</u>	<u>1,885,314</u>	<u>51</u>	25xx	<b>Non-Current liabilities:</b>						
15xx	<b>Non-current assets:</b>							2540	Long-term borrowings (notes 6(k) and 8)	106,160	3	118,220	3	122,240	3
1517	Non-current financial assets at fair value through other comprehensive income (note 6(c))	1,233	-	1,477	-	1,732	-	2570	Deferred tax liabilities	1,805	-	1,805	-	3,008	-
1600	Property, plant and equipment (notes 6(h), 8 and 9)	1,615,155	41	1,623,932	42	1,668,086	45	2580	Non-current lease liabilities (note 6(m))	8,199	-	12,075	1	16,330	1
1755	Right-of-use assets (note 6(i))	53,932	1	51,921	1	57,455	1	2600	Other non-current liabilities (note 6(n))	39,958	1	38,935	1	40,924	1
1780	Intangible assets	1,106	-	2,309	-	2,775	-		<b>Total non-current liabilities</b>	<u>156,122</u>	<u>4</u>	<u>171,035</u>	<u>5</u>	<u>182,502</u>	<u>5</u>
1840	Deferred tax assets	56,054	1	56,054	1	59,430	1		<b>Total liabilities</b>	<u>968,317</u>	<u>23</u>	<u>915,674</u>	<u>25</u>	<u>731,332</u>	<u>20</u>
1915	Prepayments for business facilities	13,969	-	16,777	-	33,032	1	31xx	<b>Equity attributable to owners of parent (notes 6(c)(q)(r)):</b>						
1990	Other non-current assets, others (notes 8 and 9)	20,492	1	21,885	1	23,345	1		<b>Share capital:</b>						
	<b>Total non-current assets</b>	<u>1,761,941</u>	<u>44</u>	<u>1,774,355</u>	<u>45</u>	<u>1,845,855</u>	<u>49</u>	3110	Capital stock	1,436,094	36	1,436,094	37	1,442,329	39
	<b>Total assets</b>	<u>\$ 4,032,926</u>	<u>100</u>	<u>3,879,985</u>	<u>100</u>	<u>3,731,169</u>	<u>100</u>	3200	Capital surplus	1,506,178	37	1,562,759	40	1,551,401	41
								3310	Legal reserve	10,594	-	5,835	-	5,835	-
								3320	Special reserve	26,392	1	-	-	-	-
								3350	Unappropriated retained earnings (accumulated deficit)	105,324	3	47,591	1	41,031	1
								3410	Exchange differences on translation of foreign financial statements	(119,779)	(2)	(180,453)	(5)	(125,407)	(3)
								3420	Unrealized gains (loss) on financial assets at fair value through other comprehensive income	(1,220)	-	(976)	-	(721)	-
								3500	Treasury shares	(34,164)	(1)	(34,164)	(1)	(57,876)	(2)
									<b>Total equity attributable to owners of parent</b>	<u>2,929,419</u>	<u>74</u>	<u>2,836,686</u>	<u>72</u>	<u>2,856,592</u>	<u>76</u>
								36xx	Non-controlling interests	135,190	3	127,625	3	143,245	4
									<b>Total equity</b>	<u>3,064,609</u>	<u>77</u>	<u>2,964,311</u>	<u>75</u>	<u>2,999,837</u>	<u>80</u>
									<b>Total liabilities and equity</b>	<u>\$ 4,032,926</u>	<u>100</u>	<u>3,879,985</u>	<u>100</u>	<u>3,731,169</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 nine months ended September 30, 2024 and 2023**  
(Expressed in Thousands of New Taiwan Dollars Except Earnings Per Share)

	For the three months ended September 30				For the nine months ended September 30				
	2024		2023		2024		2023		
	Amount	%	Amount	%	Amount	%	Amount	%	
4000	<b>Operating revenue</b> (note 6(t))								
	\$	675,195	100	532,286	100	1,883,338	100	1,459,396	100
5000	<b>Operating costs</b> (notes 6(g)(h)(i)(o))								
		510,145	75	400,161	75	1,414,398	75	1,082,303	74
	<b>Gross profit from operations</b>								
		165,050	25	132,125	25	468,940	25	377,093	26
	<b>Operating expenses</b> (notes 6(e)(f)(h)(i)(m)(o)(r)(t)):								
6100		40,739	6	32,494	6	114,670	6	100,574	7
6200		47,895	7	57,027	11	140,517	7	145,345	10
6300		37,304	6	32,493	6	106,112	6	99,176	7
6450		(5,200)	(1)	1,752	-	766	-	(3,340)	-
		120,738	18	123,766	23	362,065	19	341,755	24
6900	<b>Net operating income</b>								
		44,312	7	8,359	2	106,875	6	35,338	2
	<b>Non-operating income and expenses</b> (notes 6(l)(m)(n)(v) and 7):								
7100		2,798	-	3,174	1	9,951	1	10,552	1
7010		1,900	-	920	-	4,563	-	3,546	-
7020		(7,901)	(1)	3,008	-	3,972	-	5,636	1
7050		(2,934)	-	(2,233)	-	(7,439)	-	(11,264)	(1)
		(6,137)	(1)	4,869	1	11,047	1	8,470	1
7900	<b>Profit from continuing operations before tax</b>								
		38,175	6	13,228	3	117,922	7	43,808	3
7950	<b>Less: Income tax expenses</b> (note 6(p))								
		4,370	1	(1,567)	-	10,733	1	3,535	-
	<b>Profit</b>								
		33,805	5	14,795	3	107,189	6	40,273	3
8300	<b>Other comprehensive income:</b>								
8310	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>								
8316		4	-	(78)	-	(244)	-	(721)	-
8349		-	-	-	-	-	-	-	-
		4	-	(78)	-	(244)	-	(721)	-
8360	<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>								
8361		(14,330)	(2)	64,316	12	64,145	3	32,719	2
8399		-	-	-	-	-	-	-	-
		(14,330)	(2)	64,316	12	64,145	3	32,719	2
8300	<b>Other comprehensive income (loss)</b>								
		(14,326)	(2)	64,238	12	63,901	3	31,998	2
8500	<b>Total comprehensive income</b>								
		\$ 19,479	3	\$ 79,033	15	\$ 171,090	9	\$ 72,271	5
	<b>Profit (loss), attributable to:</b>								
8610		\$ 30,717	5	\$ 15,288	3	\$ 103,095	6	\$ 41,031	3
8620		3,088	-	(493)	-	4,094	-	(758)	-
		\$ 33,805	5	\$ 14,795	3	\$ 107,189	6	\$ 40,273	3
	<b>Comprehensive income (loss) attributable to:</b>								
8710		\$ 17,751	3	\$ 75,324	14	\$ 163,525	9	\$ 69,940	5
8720		1,728	-	3,709	1	7,565	-	2,331	-
		\$ 19,479	3	\$ 79,033	15	\$ 171,090	9	\$ 72,271	5
	<b>Earnings per share</b> (note 6(s))								
9750		\$ 0.22		\$ 0.11		\$ 0.73		\$ 0.31	
9850		\$ 0.22		\$ 0.11		\$ 0.73		\$ 0.31	

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 nine months ended September 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	-	-	-	-	41,031	-	-	-	41,031	(758)	40,273
Other comprehensive income	-	-	-	-	-	29,630	(721)	-	28,909	3,089	31,998
Total comprehensive income	-	-	-	-	41,031	29,630	(721)	-	69,940	2,331	72,271
Other changes in capital surplus:											
Cash dividends from capital surplus	-	(40,000)	-	-	-	-	-	-	(40,000)	-	(40,000)
Other changes in capital surplus	-	(9,915)	-	-	-	-	-	9,915	-	-	-
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	153	-	-	-	-	-	-	153	-	153
Conversion of convertible bonds	88,976	65,973	-	-	-	-	-	-	154,949	-	154,949
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(4,500)	(4,500)
Share-based payments	-	15,840	-	-	-	-	-	18,625	34,465	-	34,465
<b>Balance at September 30, 2023</b>	<b>\$ 1,442,329</b>	<b>1,551,401</b>	<b>5,835</b>	<b>-</b>	<b>41,031</b>	<b>(125,407)</b>	<b>(721)</b>	<b>(57,876)</b>	<b>2,856,592</b>	<b>143,245</b>	<b>2,999,837</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	-	-	-	-	103,095	-	-	-	103,095	4,094	107,189
Other comprehensive income	-	-	-	-	-	60,674	(244)	-	60,430	3,471	63,901
Total comprehensive income	-	-	-	-	103,095	60,674	(244)	-	163,525	7,565	171,090
Other changes in capital surplus:											
Cash dividends from capital surplus	-	(56,844)	-	-	-	-	-	-	(56,844)	-	(56,844)
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	263	-	-	-	-	-	-	263	-	263
<b>Balance at September 30, 2024</b>	<b>\$ 1,436,094</b>	<b>1,506,178</b>	<b>10,594</b>	<b>26,392</b>	<b>105,324</b>	<b>(119,779)</b>	<b>(1,220)</b>	<b>(34,164)</b>	<b>2,929,419</b>	<b>135,190</b>	<b>3,064,609</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 nine months ended September 30, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars)**

	<b>For the nine months ended September 30</b>	
	<b>2024</b>	<b>2023</b>
<b>Cash flows from (used in) operating activities:</b>		
<b>Profit before tax</b>	\$ 117,922	43,808
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation expense	91,222	93,889
Amortization expense	1,418	1,611
Expect impairment loss (reversed)	766	(3,340)
Net gain on financial assets or liabilities at fair value through profit or loss	(25)	(1,046)
Interest expense	7,439	11,264
Interest income	(9,951)	(10,552)
Share-based payments	-	15,840
Loss (Gain) on disposal of property, plant and equipment	(1,317)	6,689
Loss on disposal of intangible assets	65	-
Loss on disposal of other assets	2,848	-
<b>Total adjustments to reconcile profit</b>	<b>92,465</b>	<b>114,355</b>
<b>Changes in operating assets and liabilities:</b>		
Contract assets	(13,067)	-
Accounts and notes receivable	(164,412)	(51,528)
Accounts receivable due from related parties	13,218	-
Other receivables	(3,198)	(911)
Inventories	18,674	(12,279)
Prepayments	11,847	4,479
Other current assets	(5,918)	(1,775)
Other operating assets	938	458
Contract liabilities	774	-
Accounts and notes payable	88,178	52,954
Other payable	(8,725)	30,809
Other current liabilities	4,958	(4,226)
Net defined benefit liability	532	531
<b>Total changes in operating assets and liabilities</b>	<b>(56,201)</b>	<b>18,512</b>
Cash inflow generated from operations	154,186	176,675
Interest received	9,951	10,552
Interest paid	(7,439)	(8,068)
Income taxes	(4,497)	(10,350)
<b>Net cash flows from operating activities</b>	<b>152,201</b>	<b>168,809</b>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at amortized cost	(32,500)	-
Acquisition of financial assets at fair value through profit or loss	(539,545)	(8,367)
Proceeds from disposal of financial assets at fair value through profit or loss	545,049	91
Acquisition of property, plant and equipment	(34,545)	(63,974)
Proceeds from disposal of property, plant and equipment	1,527	3,154
Decrease in refundable deposits	982	2,007
Acquisition of intangible assets	(289)	(1,563)
Decrease in restricted deposits	-	9,992
Increase in other non-current assets	(42)	(36)
Increase in prepayments for business facilities	(10,812)	(15,870)
<b>Net cash flows from used in investing activities</b>	<b>(70,175)</b>	<b>(74,566)</b>
<b>Cash flows from (used in) financing activities:</b>		
Increase in short-term loans	358,000	379,393
Decrease in short-term loans	(391,185)	(474,601)
Repayments of long-term debt	(12,060)	(152,460)
Increase in guarantee deposits received	8	899
Payment of lease liabilities	(12,508)	(11,051)
Cash dividends paid	(70,792)	(39,847)
Treasury shares sold to employees	-	18,625
Change in non-controlling interests	-	(4,500)
<b>Net cash flows used in financing activities</b>	<b>(128,537)</b>	<b>(283,542)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>33,158</b>	<b>22,907</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(13,353)</b>	<b>(166,392)</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>\$ 1,072,871</b>	<b>987,945</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**

**September 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, as well as research and development, of LED transmitter components, lighting and automotive lighting related products.

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

These consolidated financial statements were authorized for issuance by the Board of Directors on November 1, 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**  
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- (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
			September 30, 2024	December 31, 2023	September 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	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	Ledison Opto Company Limited	Business of opto-electronics	100.00 %	100.00 %	100.00 %	Note 2 & 4

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**EDISON OPTO CORPORATION AND SUBSIDIARIES**  
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<u>Name of investor</u>	<u>Name of subsidiary</u>	<u>Principal activity</u>	<u>Shareholding</u>			<u>Note</u>
			<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>	
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 %	
Edison Fund Investment Corporation	Edison Auto Lighting Corporation	Business of optoelectronics	100.00 %	100.00 %	100.00 %	
Edison Fund Investment Corporation	Ledionopto intelligent Technology Co., Ltd.	Business of optoelectronics	100.00 %	100.00 %	100.00 %	
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	Investment	60.27 %	60.27 %	28.06 %	Note 1、4

Note 1: In December 2023, Edison Litek Opto Corp. acquired the 32.21% equity interest of Edison Litek Opto Corp. Ltd., at the amount of USD1,000,000, in cash, resulting in its shareholding ratio to increase from 28.06% to 60.27%. As of September 30, 2024, both the Company and Edison Litek Opto Corp., directly and indirectly, respectively, held 73.84% shares of Edison Litek Opto Corp. Ltd. in total.

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

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

Note 4: The Company is a non-significant subsidiary, its financial statements have not been reviewed.

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

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

An asset is classified 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 trading;
- (iii) It expects to realize the asset within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent 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**  
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A liability is classified 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.
- (iv) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(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>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Cash	\$ 6,559	5,432	4,917
Demand Deposit	669,377	488,498	513,985
Time Deposit	<u>396,935</u>	<u>592,294</u>	<u>469,043</u>
	<u>\$ 1,072,871</u>	<u>1,086,224</u>	<u>987,945</u>

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

Please refer to note 6(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>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Current financial assets at fair value through profit or loss:			
Convertible corporate bonds	\$ 6,402	6,468	6,708
Listed common shares — domestic companies	-	5,363	7,025
Convertible corporate bonds - call options	<u>-</u>	<u>-</u>	<u>5</u>
Total	<u>\$ 6,402</u>	<u>11,831</u>	<u>13,738</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>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Unlisted common shares—Domestic Company – Taiwan Hydroxyl Technology Co., Ltd.	\$ <u>1,233</u>	<u>1,477</u>	<u>1,732</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 nine months ended September 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 \$(244) thousand and \$(721) 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>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
More than three months' time Deposit	\$ 63,979	27,669	-
Government international bonds	-	-	8,704
	\$ <u>63,979</u>	<u>27,669</u>	<u>8,704</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>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Notes receivable-non-related parties	\$ 68,307	65,922	10,496
Accounts receivable (include related parties)	672,053	498,375	472,547
Less: Loss allowance	<u>(3,743)</u>	<u>(2,535)</u>	<u>(4,161)</u>
	\$ <u>736,617</u>	<u>561,762</u>	<u>478,882</u>

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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>September 30, 2024</b>		
	<b>Gross carrying amount</b>	<b>Weighted- average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 665,727	0.0006%	4
1 to 30 days past due	64,514	4.98%	3,218
31 to 90 days past due	10,107	5.09%	515
91 to 180 days past due	-	0%	-
Past due over 180 days	<u>12</u>	50%	<u>6</u>
	<b><u>\$ 740,360</u></b>		<b><u>3,743</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>September 30, 2023</b>		
	<b>Gross carrying amount</b>	<b>Weighted- average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 468,677	0.002%	12
1 to 30 days past due	4,173	3.59%	150
31 to 90 days past due	3,844	9.05%	348
91 to 180 days past due	5,395	49.99%	2,697
Past due over 180 days	<u>954</u>	100%	<u>954</u>
	<b><u>\$ 483,043</u></b>		<b><u>4,161</u></b>

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

	<b>For the nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ 2,535	19,824
Impairment losses recognized	1,171	2,947
Reclassify	-	(18,680)
Net income on foreign exchange	37	70
Balance at September 30	<u>\$ 3,743</u>	<u>4,161</u>

Note and account receivables of the Group were not pledged.

(f) Other receivables

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Other accounts receivable	\$ 46,982	44,040	46,656
Less: Loss allowance	(42,210)	(42,466)	(44,279)
Total	<u>\$ 4,772</u>	<u>1,574</u>	<u>2,377</u>

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

	<b>For the nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ 42,466	31,772
Impairment losses recognized	(405)	(6,287)
Reclassify	-	18,680
Net income on foreign exchange	149	114
Balance at September 30	<u>\$ 42,210</u>	<u>44,279</u>

Other receivables of the Group were not pledged.

(g) Inventories

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Raw materials	\$ 88,923	133,927	117,544
Supplies	3,573	3,703	3,044
Work in progress	126,518	112,361	129,790
Finished goods	90,703	78,400	59,624
	<u>\$ 309,717</u>	<u>328,391</u>	<u>310,002</u>

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The details of the cost of sales were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Inventory that has been sold	\$ 506,123	391,014	1,395,785	1,056,707
Write-down of inventories (gain on reversal)	(3,281)	814	(2,815)	(1,170)
Unallocated production overheads	7,303	8,333	21,428	26,766
	<u>\$ 510,145</u>	<u>400,161</u>	<u>1,414,398</u>	<u>1,082,303</u>

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 nine months ended September 30, 2024 and 2023, were as follows:

	Land	Building and construction	Machinery and equipment	Molding equipment	Other facilities	Total
<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	-	1,776	18,963	430	13,376	34,545
Disposal	-	-	(36,926)	(235)	(76)	(37,237)
Reclassify	-	-	8,850	139	587	9,576
Effect of movements in exchange rates	-	25,002	25,277	756	6,394	57,429
Balance at September 30, 2024	<u>\$ 637,862</u>	<u>1,054,990</u>	<u>1,120,655</u>	<u>34,112</u>	<u>223,660</u>	<u>3,071,279</u>
Balance at January 1, 2023	\$ 637,862	1,037,179	1,189,890	33,553	216,604	3,115,088
Additions	-	4,030	53,011	673	6,260	63,974
Disposal	-	(2,953)	(134,274)	-	(18,224)	(155,451)
Reclassify	-	-	9,381	146	2,635	12,162
Effect of movements in exchange rates	-	11,786	13,101	610	3,528	29,025
Balance at September 30, 2023	<u>\$ 637,862</u>	<u>1,050,042</u>	<u>1,131,109</u>	<u>34,982</u>	<u>210,803</u>	<u>3,064,798</u>
<b>Depreciation and impairments loss:</b>						
Balance at January 1, 2024	\$ -	325,398	945,411	30,119	82,106	1,383,034
Depreciation	-	27,684	39,160	461	10,914	78,219
Disposal	-	-	(36,723)	(235)	(69)	(37,027)
Effect of movements in exchange rates	-	8,266	19,723	584	3,325	31,898
Balance at September 30, 2024	<u>\$ -</u>	<u>361,348</u>	<u>967,571</u>	<u>30,929</u>	<u>96,276</u>	<u>1,456,124</u>

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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	-	27,252	42,794	775	11,562	82,383
Disposal	-	(2,657)	(127,070)	-	(15,881)	(145,608)
Reclassify	-	-	-	-	(153)	(153)
Effect of movements in exchange rates	-	3,761	10,412	529	2,022	16,724
Balance at September 30, 2023	<u>\$ -</u>	<u>323,425</u>	<u>958,221</u>	<u>31,841</u>	<u>83,225</u>	<u>1,396,712</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 September 30, 2024	<u>\$ 637,862</u>	<u>693,642</u>	<u>153,084</u>	<u>3,183</u>	<u>127,384</u>	<u>1,615,155</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 September 30, 2023	<u>\$ 637,862</u>	<u>726,617</u>	<u>172,888</u>	<u>3,141</u>	<u>127,578</u>	<u>1,668,086</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	-	18,778	-	18,778
Disposals	-	(11,746)	(686)	(12,432)
Effect of changes in foreign exchange rates	1,345	2,842	-	4,187
Balance at September 30, 2024	<u>\$ 33,587</u>	<u>61,331</u>	<u>1,249</u>	<u>96,167</u>
Balance at January 1, 2023	\$ 32,795	63,254	6,804	102,853
Additions	-	12,600	-	12,600
Disposals	-	(22,879)	(4,869)	(27,748)
Effect of changes in foreign exchange rates	634	788	-	1,422
Balance at September 30, 2023	<u>\$ 33,429</u>	<u>53,763</u>	<u>1,935</u>	<u>89,127</u>
<b>Accumulated depreciation:</b>				
Balance at January 1, 2024	\$ 4,251	28,313	1,149	33,713
Depreciation	661	11,990	352	13,003
Disposals	-	(5,081)	(668)	(5,749)
Effect of changes in foreign exchange rates	180	1,088	-	1,268
Balance at September 30, 2024	<u>\$ 5,092</u>	<u>36,310</u>	<u>833</u>	<u>42,235</u>

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	<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	650	10,153	703	11,506
Disposals	-	(22,879)	(4,869)	(27,748)
Effect of changes in foreign exchange rates	78	479	-	557
Balance at September 30, 2023	<u>\$ 4,187</u>	<u>26,497</u>	<u>988</u>	<u>31,672</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 September 30, 2024	<u>\$ 28,495</u>	<u>25,021</u>	<u>416</u>	<u>53,932</u>
Balance at January 1, 2023	<u>\$ 29,336</u>	<u>24,510</u>	<u>1,650</u>	<u>55,496</u>
Balance at September 30, 2023	<u>\$ 29,242</u>	<u>27,266</u>	<u>947</u>	<u>57,455</u>

## (j) Short-term borrowings

The short-term borrowings were summarized as follows:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Unsecured bank loans	<u>\$ 148,000</u>	<u>180,705</u>	<u>-</u>
Unused short-term credit lines	<u>\$ 954,650</u>	<u>1,099,740</u>	<u>1,630,353</u>
Range of interest rates	<u>1.87%~2.18%</u>	<u>1.8%~6.44%</u>	<u>-</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

	<u>September 30, 2024</u>			
	<u>Currency</u>	<u>Rate</u>	<u>Maturity year</u>	<u>Amount</u>
Secured bank loans	TWD	1.1963%~ 2.1587%	2041	\$ 122,240
Less: due within one year				(16,080)
Total				<u>\$ 106,160</u>
	<u>December 31, 2023</u>			
	<u>Currency</u>	<u>Rate</u>	<u>Maturity year</u>	<u>Amount</u>
Secured bank loans	TWD	1.1960%~ 1.9805%	2041	\$ 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>September 30, 2023</b>			
	<b>Currency</b>	<b>Rate</b>	<b>Maturity year</b>	<b>Amount</b>
Secured bank loans	TWD	1.98%	2041	\$ 138,320
Less: due within one year				(16,080)
Total				<b>\$ 122,240</b>

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

(l) Bonds payable

The information on the issuance of guaranteed convertible corporate bonds payable by the Group which matured in 2023 is as follows:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Total convertible corporate bonds issued	\$ -	300,000	300,000
Less: Unamortized discounted corporate bonds payable	-	-	(252)
Cumulative converted amount	-	(299,700)	(281,000)
Cumulative creditors repurchase amount	-	(300)	-
Convertible bonds issued balance	<b>\$ -</b>	<b>-</b>	<b>18,748</b>
Embedded derivative-call options (included in financial assets at fair value through profit or loss)	<b>\$ -</b>	<b>-</b>	<b>5</b>
Equity components-conversion options (included in capital surplus-share options)	<b>\$ -</b>	<b>-</b>	<b>2,026</b>
	<b>For the three months ended September 30,</b>	<b>For the nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>
Interest expense	<b>\$ -</b>	<b>517</b>	<b>3,435</b>

The Company, by a resolution of the Board of Directors on August 8, 2024, has approved the plan to raise funds and issue the fourth series of unsecured convertible corporate bonds in Taiwan, with a maximum aggregate principal amount of NT\$300,000 thousand, and a term of three years, to meet the funding needs for repaying its bank loans. The Company also resolved, by a decision of the Board of Directors on September 26, 2024, to change the intended use of the funds to facilitate the repayment of bank loans and to provide additional investment in its subsidiary, EdisonLitek Opto Corporation in consideration of the future working capital requirements of both the Company and the Group, while maintaining the existing terms of issuance. The proposal will take effect upon approval by the relevant regulatory authority, wherein the chairman is authorized to determine the issuance date and apply for overthecounter trading at the Taipei Exchange.

(Continued)

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

(m) Lease liability

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

	September 30, 2024	December 31, 2023	September 30, 2023
Current	\$ <u>20,156</u>	<u>15,243</u>	<u>15,404</u>
Non-current	\$ <u>8,199</u>	<u>12,075</u>	<u>16,330</u>

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

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

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Interest on lease liabilities	\$ <u>1,426</u>	<u>1,000</u>	<u>3,552</u>	<u>2,938</u>
Expenses relating to short-term leases	\$ <u>381</u>	<u>304</u>	<u>1,200</u>	<u>981</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ <u>139</u>	<u>53</u>	<u>329</u>	<u>196</u>

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

	For the nine months ended September 30,	
	2024	2023
Total cash outflow for leases	\$ <u>17,589</u>	<u>15,166</u>

(v) Real estate leases

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

(Continued)

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

(vi) Other leases

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

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

(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 September 30, 2024, December 31 and September 30, 2023 the amount of unamortized deferred revenue was \$27,344 thousand, \$26,860 thousand and \$28,061 thousand, respectively.

(o) Employee benefits

(i) Defined benefit plans

	<b>For the three months ended</b>		<b>For the nine months ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Operating cost	\$ 26	26	79	79
Operating expenses	<u>151</u>	<u>151</u>	<u>453</u>	<u>452</u>
	<b><u>\$ 177</u></b>	<b><u>177</u></b>	<b><u>532</u></b>	<b><u>531</u></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 nine months ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Operating cost	\$ 3,969	3,563	11,752	10,175
Operating expenses	<u>3,225</u>	<u>2,942</u>	<u>9,364</u>	<u>8,619</u>
	<b><u>\$ 7,194</u></b>	<b><u>6,505</u></b>	<b><u>21,116</u></b>	<b><u>18,794</u></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 September 30,</b>		<b>For the nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Current tax expense				
Current period	\$ 4,370	(1,567)	10,733	3,535
Adjust the current income tax of the previous period	-	-	-	-
Income tax expense	<u>\$ 4,370</u>	<u>(1,567)</u>	<u>10,733</u>	<u>3,535</u>

(ii) Assessment of tax

The Company's tax returns for the years through 2022 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 September 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 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>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Premium on issuance of capital stock	\$ 1,407,114	1,463,695	1,460,640
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	15,840
Changes in net equity of related companies accounted for using the equity method	292	292	292
Conversion options	-	-	2,026
	<u>\$ 1,506,178</u>	<u>1,562,759</u>	<u>1,551,401</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

1) Earnings distribution

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

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

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

(iv) Treasury shares

- 1) The Company purchased 4,500 thousand shares of treasury stock, for the purpose of motivating employees, in accordance with Article 28-2 of the Securities and Exchange Act. In December 2023, the Company decided to retire 1,680 thousand treasury shares, at the amount of \$23,712 thousand. The related registration procedures were completed as of the reporting date. In August 2023, the Company transferred treasury stock to employees, the total amount of treasury stock transferred was 1,320 thousand shares, and the purchase cost was \$18,625 thousand, the treasury stock was recognized by employees on August 10, 2023, and was delivered to employees on September 1, 2023, date of shares granted. The Company recognize capital surplus - treasury shares on the date that the shares was delivered to employees. The Company has recognized employee remuneration cost of \$15,840 thousand on the date of granted and will recognize capital surplus - treasury stock on the date that the shares was delivered to employees. As of September 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 September 30, 2024, all treasury shares were not sold. The market price on September 30, 2024, December 31 and September 30, 2023 were \$24.50, \$24.40 and \$22.40 per share, respectively.
- 3) In compliance with the Securities and Exchange Act, treasury shares held by the Group should not be pledged, and shareholder rights are not entitled before the transfer.

(Continued)

**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 September 30, 2023. For the related information, please refer to note 6(t) of the consolidated financial statements for the year ended December 31, 2023.

(i) Treasury stock transfer employee plan

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

1) Determining the fair value of equity instruments granted

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

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

(Continued)

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

- 2) Number of treasury shares transferred to employees:

	<b>For the nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>
Outstanding at January 1 (number)	\$ 1,500,000	4,500,000
Exercise (number)	-	(1,320,000)
Outstanding at September 30 (number)	<b>1,500,000</b>	<b>3,180,000</b>

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

	<b>For the three months ended September 30,</b>		<b>For the nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Treasury shares transferred to employees	\$ -	<b>15,840</b>	-	<b>15,840</b>

- (s) Earnings per share

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

	<b>For the three months ended September 30,</b>		<b>For the nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Basic earnings per share</b>				
Profit of the Company for the year	\$ 30,717	15,288	103,095	41,031
Weighted average number of ordinary shares (in thousands of shares)	141,584	138,181	141,584	133,931
Basic earnings per share (in New Taiwan Dollars)	\$ 0.22	0.11	0.73	0.31
<b>Diluted earnings per share</b>				
Profit of the Company for the year	\$ 30,717	15,288	103,095	41,031
Weighted average number of ordinary shares (in thousands of shares)	141,584	138,181	141,584	133,931
Effect of employee share bonus (in thousands of shares)	69	33	249	98
Weighted average number of ordinary shares (in thousands of shares)	141,653	138,214	141,833	134,029
<b>Diluted earnings per share (in New Taiwan Dollars)</b>	\$ 0.22	0.11	0.73	0.31

(Continued)

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

(t) Revenue from contracts with customers

(i) Revenue detail

		For the three months ended September 30, 2024					
		Edison Opto (Dong Guan) Co., Ltd.	Yangzhou Edison Opto Corporation	Yangzhou Edison-Litek Opto Corporation	Edison-Litek Opto Corporation	Other	Total
Major market	The Company						
China	\$ 12,517	60,263	83,335	89,245	(6)	-	245,354
America and Europe	92,110	(476)	-	-	136,843	23,460	251,937
Taiwan	61,138	513	-	-	38,183	-	99,834
Africa	4,227	-	-	-	-	-	4,227
Others	76,311	596	2	-	(3,066)	-	73,843
	<b>\$ 246,303</b>	<b>60,896</b>	<b>83,337</b>	<b>89,245</b>	<b>171,954</b>	<b>23,460</b>	<b>675,195</b>
		For the three months ended September 30, 2023					
		Edison Opto (Dong Guan) Co., Ltd.	Yangzhou Edison Opto Corporation	Yangzhou Edison-Litek Opto Corporation	Edison- Litek Opto Corporation	Other	Total
Major market	The Company						
China	\$ 14,724	47,283	54,364	69,499	-	-	185,870
America and Europe	109,229	2,967	-	-	61,185	20,256	193,637
Taiwan	57,757	96	-	-	6,626	-	64,479
Africa	5,125	-	-	-	-	-	5,125
Others	78,546	-	4,629	-	-	-	83,175
	<b>\$ 265,381</b>	<b>50,346</b>	<b>58,993</b>	<b>69,499</b>	<b>67,811</b>	<b>20,256</b>	<b>532,286</b>
		For the three months ended September 30, 2023					
		Edison Opto (Dong Guan) Co., Ltd.	Yangzhou Edison Opto Corporation	Yangzhou Edison-Litek Opto Corporation	Edison- Litek Opto Corporation	Other	Total
Major product:	The Company						
LED transmitter component	\$ 4,160	27,091	-	-	-	4	31,255
LED lighting product	231,902	32,968	30,383	-	-	22,037	317,290
LED automotive product	6,477	-	52,929	88,404	172,873	1,086	321,769
Others	3,764	837	25	841	(919)	333	4,881
	<b>\$ 246,303</b>	<b>60,896</b>	<b>83,337</b>	<b>89,245</b>	<b>171,954</b>	<b>23,460</b>	<b>675,195</b>

(Continued)

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

		For the nine months ended September 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	\$ 35,937	160,032	188,530	199,665	-	-	584,164
	America and Europe	319,159	(327)	-	-	343,101	58,353	720,286
	Taiwan	205,372	2,372	-	-	108,264	-	316,008
	Africa	22,063	-	-	-	-	-	22,063
	Others	236,825	2,049	3,781	-	(1,838)	-	240,817
		<u>\$ 819,356</u>	<u>164,126</u>	<u>192,311</u>	<u>199,665</u>	<u>449,527</u>	<u>58,353</u>	<u>1,883,338</u>
Major product:								
	LED transmitter component	\$ 19,566	77,405	-	-	-	1,687	98,658
	LED lighting product	753,279	84,841	78,527	-	-	53,160	969,807
	LED automotive product	33,319	-	113,642	197,850	450,018	3,164	797,993
	Others	13,192	1,880	142	1,815	(491)	342	16,880
		<u>\$ 819,356</u>	<u>164,126</u>	<u>192,311</u>	<u>199,665</u>	<u>449,527</u>	<u>58,353</u>	<u>1,883,338</u>
		For the nine months ended September 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	\$ 42,692	141,308	151,419	130,520	-	-	465,939
	America and Europe	293,330	8,454	-	-	216,393	64,161	582,338
	Taiwan	154,754	1,193	36	-	10,648	-	166,631
	Africa	29,687	-	-	-	-	-	29,687
	Others	200,332	1,574	12,895	-	-	-	214,801
		<u>\$ 720,795</u>	<u>152,529</u>	<u>164,350</u>	<u>130,520</u>	<u>227,041</u>	<u>64,161</u>	<u>1,459,396</u>
Major product:								
	LED transmitter component	\$ 13,414	91,335	-	-	-	-	104,749
	LED lighting product	673,510	57,667	97,569	-	-	55,366	884,112
	LED automotive product	25,876	-	65,662	129,065	224,382	1,576	446,561
	Others	7,995	3,527	1,119	1,455	2,659	7,219	23,974
		<u>\$ 720,795</u>	<u>152,529</u>	<u>164,350</u>	<u>130,520</u>	<u>227,041</u>	<u>64,161</u>	<u>1,459,396</u>

## (ii) Contract balances

	September 30, 2024	December 31, 2023	September 30, 2023
Note receivables	\$ 68,307	65,922	10,496
Accounts receivables(include related parties)	672,053	498,375	472,547
Current contract assets	13,067	-	-
Less: Loss allowance	(3,743)	(2,535)	(4,161)
Total	<u>\$ 749,684</u>	<u>561,762</u>	<u>478,882</u>

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

	September 30, 2024	December 31, 2023	September 30, 2023
Contract liabilities	\$ 25,678	24,904	24,229

For details on accounts receivable and allowance for impairment, please refer to note 6(e). The major change in the balance of contract assets and contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received. There were no provisions for loss allowance on current contract assets as of September 30, 2024.

(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 nine months ended September 30, 2024 and 2023, the Company accrued and recognized its employee remuneration amounting to \$1,700 thousand, \$745 thousand, \$5,580 thousand and \$2,200 thousand, respectively; as well as its remuneration to directors amounting to \$420 thousand, \$145 thousand, \$1,200 thousand and \$440 thousand, respectively. These amounts were calculated by using the Company's pre-tax net profit for the period before deducting the amounts of the remuneration to employees and directors, multiplied by the distribution of ratio of the remuneration to employees and directors based on the Company's articles of incorporation, and expensed under operating costs or expenses. For the years ended December 31, 2023 and 2022, the estimated amounts of employee remuneration were \$2,660 thousand and \$1,500 thousand, respectively, and the estimated amounts of directors' remuneration were NT\$540 thousand and NT\$300 thousand, respectively, are identical to those of the actual distributions for 2023 and 2022. The related information can be accessed from the Market Observation Post System website.

(v) Non-operating income and expenses

(i) Interest income

The details of net other income were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Interest income from bank deposits	\$ 1,796	1,882	6,836	6,378
Other interest income	1,002	1,292	3,115	4,174
	\$ 2,798	3,174	9,951	10,552

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

## (ii) Other income

	<b>For the three months ended September 30,</b>		<b>For the nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Other income	<u>\$ 1,900</u>	<u>920</u>	<u>4,563</u>	<u>3,546</u>

## (iii) Other gains and losses

The details of other gains and losses were as follows:

	<b>For the three months ended September 30,</b>		<b>For the nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Gain (losses) disposal of \$ Property, plant, and equipment	(37)	(1,957)	1,317	(6,689)
Net gain (losses) on financial assets at fair value	266	(591)	25	1,046
Net gain (losses) on foreign exchange	(7,823)	7,828	6,492	13,790
Others	<u>(307)</u>	<u>(2,272)</u>	<u>(3,862)</u>	<u>(2,511)</u>
	<u>\$ (7,901)</u>	<u>3,008</u>	<u>3,972</u>	<u>5,636</u>

## (iv) Finance costs

The details of finance costs were as follows:

	<b>For the three months ended September 30,</b>		<b>For the nine months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Interest expenses	<u>\$ 2,934</u>	<u>2,233</u>	<u>7,439</u>	<u>11,264</u>

## (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.

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

## (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) Receivables

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>September 30, 2024</b>							
Non-derivative financial liabilities							
Short term loans	148,000	(148,603)	(148,603)	-	-	-	-
Long term loans	122,240	(127,559)	(8,749)	(8,705)	(17,262)	(50,631)	(42,212)
Lease liabilities	28,355	(34,802)	(12,580)	(10,855)	(6,042)	(5,325)	-
Notes payable and accounts payable	426,514	(426,514)	(426,514)	-	-	-	-
Other payable	<u>140,815</u>	<u>(140,815)</u>	<u>(140,815)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>\$ <u>865,924</u></b>	<b><u>(878,293)</u></b>	<b><u>(737,261)</u></b>	<b><u>(19,560)</u></b>	<b><u>(23,304)</u></b>	<b><u>(55,956)</u></b>	<b><u>(42,212)</u></b>
<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	<u>149,499</u>	<u>(149,499)</u>	<u>(149,499)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>\$ <u>830,158</u></b>	<b><u>(841,375)</u></b>	<b><u>(687,454)</u></b>	<b><u>(17,804)</u></b>	<b><u>(29,356)</u></b>	<b><u>(52,055)</u></b>	<b><u>(54,706)</u></b>

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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>September 30, 2023</b>							
Non-derivative financial liabilities							
Long term loans	\$ 138,320	(145,206)	(8,845)	(8,801)	(17,454)	(51,208)	(58,898)
Lease liabilities	31,734	(35,954)	(9,483)	(9,084)	(15,614)	(1,773)	-
Notes payable and accounts payable	293,874	(293,874)	(293,874)	-	-	-	-
Other payable	157,648	(157,648)	(157,648)	-	-	-	-
Bonds payable	18,748	(19,000)	(19,000)	-	-	-	-
	<u>\$ 640,324</u>	<u>(651,682)</u>	<u>(488,850)</u>	<u>(17,885)</u>	<u>(33,068)</u>	<u>(52,981)</u>	<u>(58,898)</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>September 30, 2024</u>			<u>December 31, 2023</u>			<u>September 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>Financial assets</u>									
<u>Monetary items</u>									
USD	\$ 17,681	USD/TWD= 31.65	565,301	9,271	USD/TWD= 30.705	284,666	14,794	USD/TWD= 32.270	477,402
USD	5,726	USD/CNY= 7.0074	181,222	3,737	USD/CNY= 7.0827	114,537	7,128	USD/CNY= 7.1798	230,054
CNY	13,089	CNY/TWD= 4.5165	59,116	8,819	CNY/TWD= 4.3355	38,235	14,422	CNY/TWD= 4.4952	64,830
<u>Financial liabilities</u>									
<u>Monetary items</u>									
USD	8,462	USD/TWD= 31.65	267,822	7,368	USD/TWD= 30.705	226,234	9,975	USD/TWD= 32.270	321,893
USD	353	USD/CNY= 7.0074	11,172	477	USD/CNY= 7.0827	14,647	336	USD/CNY= 7.1798	10,844
CNY	15	CNY/TWD= 4.5165	68	9	CNY/TWD= 4.3355	39	24	CNY/TWD= 4.4952	108

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 September 30, 2024 and 2023 would have increased (decreased) the equity by \$26,329 thousand and \$21,972 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.

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**EDISON OPTO CORPORATION AND SUBSIDIARIES**  
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Since the Group has various functional currencies, the information on foreign exchange gain (loss) on monetary items is disclosed by using the total amount. Foreign exchange gains and losses (including realized and unrealized) for the periods from July 1 to September 30 and January 1 to September 30 in both FYs 2024 and 2023 were \$(7,823) thousand, \$7,828 thousand, \$6,492 thousand, and \$13,790 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>September 30, 2024</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 :					
Corporate bonds	\$ 6,402	6,402	-	-	6,402
Financial assets at fair value through other comprehensive income-securities of unlisted companies	1,232	-	-	1,232	1,232
Financial assets measured at amortized cost					
Cash and cash equivalents	1,072,871	-	-	-	-
Fixed deposits with original maturity exceeding three months	63,979	-	-	-	-
Notes and trade receivables	736,617	-	-	-	-
Other receivables	4,772	-	-	-	-
Current contract assets	13,067	-	-	-	-
Subtotal	1,891,306	-	-	-	-
Total	<u>\$ 1,898,940</u>	<u>6,402</u>	<u>-</u>	<u>1,232</u>	<u>7,634</u>

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

	September 30, 2024				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial liabilities at amortized cost:					
Short-term bank loans	\$ 148,000	-	-	-	-
Long-term bank loans (including due within one year)	122,240	-	-	-	-
Notes and trade payables	426,514	-	-	-	-
Other payables	140,815	-	-	-	-
Lease liabilities	28,355	-	-	-	-
Total	<u>\$ 865,924</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	December 31, 2023				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss-current-securities of listed companies	\$ 5,363	5,363	-	-	5,363
Corporate bonds	6,468	6,468	-	-	6,468
Subtotal	<u>11,831</u>	<u>11,831</u>	<u>-</u>	<u>-</u>	<u>11,831</u>
Financial assets at fair value through other comprehensive income-securities of unlisted companies	<u>1,477</u>	<u>-</u>	<u>-</u>	<u>1,477</u>	<u>1,477</u>
Financial assets measured at amortized cost					
Cash and cash equivalents	1,086,224	-	-	-	-
Fixed deposits with original maturity exceeding three months	27,669	-	-	-	-
Notes and trade receivables (include related parties)	561,762	-	-	-	-
Other receivables	1,574	-	-	-	-
Subtotal	<u>1,677,229</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,690,537</u>	<u>11,831</u>	<u>-</u>	<u>1,477</u>	<u>13,308</u>
Financial liabilities at amortized cost:					
Short-term bank loans	\$ 180,705	-	-	-	-
Long-term bank loans (including due within one year)	134,300	-	-	-	-
Notes and trade payables	338,336	-	-	-	-
Other payables	149,499	-	-	-	-
Lease liabilities	27,318	-	-	-	-
Total	<u>\$ 830,158</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

	September 30, 2023				
	Book value	Fair value			Total
	Level 1	Level 2	Level 3		
Financial assets at fair value through profit or loss-current-securities of listed companies	\$ 7,025	7,025	-	-	7,025
Embedded derivative of convertible bonds	5	-	5	-	5
Corporate bonds	6,708	6,708	-	-	6,708
Subtotal	13,738	13,733	5	-	13,738
Financial assets at fair value through other comprehensive income-securities of unlisted companies	1,732	-	-	1,732	1,732
Financial assets measured at amortized cost					
Cash and cash equivalents	987,945	-	-	-	-
Notes and trade receivables	478,882	-	-	-	-
Other receivables	2,377	-	-	-	-
Corporate bonds	8,704	-	-	-	-
Subtotal	1,477,908	-	-	-	-
Total	<u>\$ 1,493,378</u>	<u>13,733</u>	<u>5</u>	<u>1,732</u>	<u>15,470</u>
Financial liabilities at amortized cost:					
Long-term bank loans (including due within one year)	\$ 138,320	-	-	-	-
Notes and trade payables	293,874	-	-	-	-
Other payables	157,648	-	-	-	-
Bonds payables (including due within one year)	18,748	-	-	-	-
Lease liabilities	31,734	-	-	-	-
Total	<u>\$ 640,324</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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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>(244)</u>
September 30, 2024	<u><b>\$ 1,233</b></u>
January 1, 2023	\$ 2,453
In other comprehensive income	<u>(721)</u>
September 30, 2023	<u><b>\$ 1,732</b></u>

For the years ended September 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 September 30,</b>		<b>For the nine months ended September 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>4</u>	<u>(78)</u>	<u>(244)</u>	<u>(721)</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>September 30, 2024</b>				
Financial assets fair value through other comprehensive income	1.17	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>September 30, 2023</b>				
Financial assets fair value through other comprehensive income	1.20	1%	\$ <u>17</u>	<u>(17)</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 September 30, 2024 and 2023, were as follows:

	January 1, 2024	Cash Flows	Non-cash changes					September 30, 2024
			Foreign exchange movement	Changes in lease payments	Lease modification	Discount and premium amortization	Conversion options	
Short-term borrowings	\$ 180,705	(33,185)	480	-	-	-	-	148,000
Lease liabilities	27,318	(12,508)	149	18,778	(5,382)	-	-	28,355
Long-term borrowings (including current portion)	134,300	(12,060)	-	-	-	-	-	122,240
Deposits received	31	8	-	-	-	-	-	39
Total liabilities from financing activities	<u>\$ 342,354</u>	<u>(57,745)</u>	<u>629</u>	<u>18,778</u>	<u>(5,382)</u>	<u>-</u>	<u>-</u>	<u>298,634</u>

  

	January 1, 2023	Cash Flows	Non-cash changes					September 30, 2023
			Foreign exchange movement	Changes in lease payments	Lease modification	Discount and premium amortization	Conversion options	
Short-term borrowings	\$ 92,130	(95,208)	3,078	-	-	-	-	-
Lease liabilities	29,813	(11,051)	372	12,600	-	-	-	31,734
Long-term borrowings (including current portion)	290,780	(152,460)	-	-	-	-	-	138,320
Bonds payable (included due within one year)	170,262	-	-	-	-	3,435	(154,949)	18,748
Deposits received	34	899	-	-	-	-	-	933
Total liabilities from financing activities	<u>\$ 583,019</u>	<u>(257,820)</u>	<u>3,450</u>	<u>12,600</u>	<u>-</u>	<u>3,435</u>	<u>(154,949)</u>	<u>189,735</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**  
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(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>September 30,</u>		<u>For the nine months ended</u> <u>September 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>September 30,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>September 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>147</u>	<u>129</u>	<u>126</u>

(iii) Others

1) Manage services revenue

	<u>For the three months ended</u> <u>September 30,</u>		<u>For the nine months ended</u> <u>September 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Taiwan Hydroxyl Technology Co., Ltd.	\$ <u>180</u>	<u>180</u>	<u>540</u>	<u>420</u>

2) Rental Revenue

	<u>For the three months ended</u> <u>September 30,</u>		<u>For the nine months ended</u> <u>September 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Taiwan Hydroxyl Technology Co., Ltd.	\$ <u>20</u>	<u>-</u>	<u>40</u>	<u>240</u>

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

(iv) Guarantee

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

(c) Key management personnel compensation

Key management personnel compensation comprised:

	<b>For the three months ended</b>		<b>For the nine months ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Short-term employee benefits	\$ 7,752	7,880	29,183	26,411
Post employment benefits	169	196	542	577
Share-based payments	-	5,040	-	5,040
	<b>\$ 7,921</b>	<b>13,116</b>	<b>29,725</b>	<b>32,028</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>September 30,</b>	<b>December 31,</b>	<b>September 30,</b>
		<b>2024</b>	<b>2023</b>	<b>2023</b>
Notes receivable (classified under other current assets)	Bank Acceptance	\$ -	24,596	11,238
Deposits (classified under other non-current assets)	Deposit to customs	6,139	6,096	6,096
Property, plant, and equipment	Guarantee of Corporate Bonds	-	-	195,552
Property, plant, and equipment	Long-term loans	244,671	245,760	246,122
		<b>\$ 250,810</b>	<b>276,452</b>	<b>459,008</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:

	September 30, 2024	December 31, 2023	September 30, 2023
Acquisition of property, plant and equipment	\$ 23,544	23,993	21,769

(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:**

In order to repay its bank loans and reinvest in its subsidiary, Edison-Litek Opto Corporation, the Company plans to issue its fourth domestic unsecured convertible bonds, at a face value up to \$303,000 thousand and zero coupon rate, with an issuance period of three years, and an approval from the competent authority on October 28, 2024. All related procedures have yet to be completed as of the reporting date.

**(12) Other:**

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

By function	For the three months ended September 30,					
	2024			2023		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits						
Salary	47,392	56,885	104,277	42,076	56,943	99,019
Labor and health insurance	3,170	3,694	6,864	2,866	3,389	6,255
Pension	3,995	3,376	7,371	3,589	3,093	6,682
Directors' remuneration	-	990	990	-	673	673
Others	5,319	3,267	8,586	3,990	2,540	6,530
Depreciation	20,721	9,415	30,136	21,718	9,178	30,896
Amortization	-	351	351	-	401	401

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**EDISON OPTO CORPORATION AND SUBSIDIARIES**  
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By item	By function	For the nine months ended September 30,					
		2024			2023		
		Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits							
Salary		141,025	160,935	301,960	120,057	153,943	274,000
Labor and health insurance		9,546	10,541	20,087	8,391	10,189	18,580
Pension		11,831	9,817	21,648	10,254	9,071	19,325
Directors' remuneration		-	2,862	2,862	-	1,754	1,754
Others		15,064	9,438	24,502	11,617	7,964	19,581
Depreciation		63,319	27,903	91,222	65,040	28,849	93,889
Amortization		-	1,418	1,418	-	1,611	1,611

- (b) Seasonality of operations:  
The Group's operations were not affected by seasonality or cyclicity factors.

**(13) Other disclosures:**

- (a) Information on significant transactions:

The followings were the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the six months ended September 30, 2024:

- (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	-	-	-	585,884 (Note 1)	1,171,768 (Note 1)
1	Yangzhou Edison Opto Corporation	Yangzhou Edison-Litek Opto Corporation	Other receivables due from related parties	Yes	46,068	45,165	22,582	2%	2	-	Short-term financing	-	-	-	209,198 (Note 1)	418,396 (Note 1)
2	Edison-Litek Opto Corporation Limited	Edison-Litek Opto Corporation	Other receivables due from related parties	Yes	45,969	44,310	44,310	2%	2	-	Short-term financing	-	-	-	46,974 (Note 1)	93,947 (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 September 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	1,233	12.50 %	1,233	
The Company	AcBel Polytech Inc. convertible bonds	None	Current financial assets at fair value through profit or loss	-	6,402	-	6,402	

- (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	-	-	-	496,810 (RMB110,000 thousand)	-	499,745 (RMB110,650 thousand)	496,810	2,935	-	-

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

(In Thousands of New Taiwan Dollars)

Name of company	Name of property	Transaction date	Transaction amount	Status of payment	Counter-party	Relationship with the Company	If the counter-party is a related party, disclose the previous transfer information				References for determining price	Purpose of acquisition and current condition	Others
							Owner	Relationship with the Company	Date of transfer	Amount			
The Company	National Landmark 6th floor, Land and 21 parking spaces	2024/09/26 (Not yet contracted)	433,624	-	ReaLy Development & Construction Corp.	Non-related	-	-	-	-	Appraisal of real estate	Group operating demand	None

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

(Continued)

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

- (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	(316,717)	(61.49)%	60 days	No significant difference	-	86,343	44.39 %	
The Company	Yangzhou Edison Opto Corporation	Subsidiary	Purchase	316,717	50.32 %	60 days	No significant difference	-	(86,343)	(51.99)%	
Edison Opto (Dong Guan) Co., Ltd.	The Company	Parents	Sales	(226,229)	(53.97)%	60 days	No significant difference	-	26,971	32.11 %	
The Company	Edison Opto (Dong Guan) Co., Ltd.	Subsidiary	Purchase	226,229	35.95 %	60 days	No significant difference	-	(31,147)	(16.24)%	

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

- (viii) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None
- (ix) Trading in derivative instruments: Please refer to notes 13(a)4.
- (x) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	Edison Opto USA Corporation	1	Sales	34,207	60 days	1.82%
0	The Company	Edison Opto USA Corporation	1	Accounts receivable	14,683	60 days	0.36%
0	The Company	Edison Opto (Dong Guan) Co., Ltd.	1	Sales	38,327	60 days	2.04%
0	The Company	Yangzhou Edison Opto Corporation	1	Sales	21,794	60 days	1.16%
0	The Company	Edison-Litek Opto Corporation Limited	1	Other accounts receivable	22,966	According to the contract	1.22%
0	The Company	Edison Opto (Dong Guan) Co., Ltd	1	Accounts receivable	18,887	60 days	0.47%
1	Yangzhou Edison Opto Corporation	The company	2	Sales	316,717	60 days	16.82%
1	Yangzhou Edison Opto Corporation	The company	2	Accounts receivable	86,343	60 days	2.13%
1	Yangzhou Edison Opto Corporation	Yangzhou Edison-Litek Opto Corporation	3	Other accounts receivable	22,582	According to the contract	1.20%
2	Edison Opto (Dong Guan) Co., Ltd.	The company	2	Sales	226,229	60 days	12.01%
2	Edison Opto (Dong Guan) Co., Ltd.	The company	2	Accounts receivable	31,147	60 days	0.78%

(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
2	Edison Opto (Dong Guan) Co., Ltd.	Edison Auto Lighting corporation	3	Sales	25,021	60 days	1.33%
2	Edison Opto (Dong Guan) Co., Ltd.	Edison Auto Lighting corporation	3	Accounts receivable	13,348	60 days	0.33%
3	Yangzhou Edison-Litek Opto Corporation	Edison-Litek Opto Corporation Limited	3	Sales	64,383	60 days	3.42%
3	Yangzhou Edison-Litek Opto Corporation	Edison-Litek Opto Corporation Limited	3	Accounts receivable	15,442	60 days	0.38%
4	Edison-Litek Opto Corporation Limited	Edison-Litek Opto Corporation Limited	3	Other accounts receivable	44,310	According to the contract	2.35%
5	Edison Auto Lighting corporation	The Company	2	Sales	23,644	60 days	1.26%
5	Edison Auto Lighting corporation	The Company	2	Accounts receivable	10,593	60 days	0.26%
6	Yangzhou Edison-Litek Opto Corporation	Yangzhou Edison Opto Corporation	3	Sales	18,726	60 days	0.99%
6	Yangzhou Edison-Litek Opto Corporation	Yangzhou Edison Opto Corporation	3	Accounts receivable	11,647	60 days	0.29%

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 September 30, 2024			Net income (losses) of investee	Share of profits/losses of investee	Note
				September 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 %	943	(102)	(102)	-
The Company	Ledison Opto Corporation	Samoa	Selling of LED components and modules	145,991	145,991	4,500	100.00 %	239,156	(17,460)	(17,460)	-
The Company	Best Opto Corporation	Samoa	Selling of LED components and modules	1,277,226	1,277,226	41,000	100.00 %	1,040,021	20,509	19,776	-
The Company	Edison Fund Investment Corporation	Taiwan	Investment	686,000	686,000	25,000	100.00 %	90,262	3,711	3,711	-
The Company	Edison-Litek Opto Corporation Limited	Hong Kong	Investment	167,661	167,661	5,500	24.62 %	57,824	(23,623)	(5,815)	-
The Company	Edison-Litek Opto Corporation	Taiwan	Selling of LED components and modules	116,500	64,500	14,700	81.67 %	308,956	31,723	26,111	-
The Company	Ledison Opto Company Limited	Taiwan	Selling of LED components and modules	25,000	25,000	2,500	100.00 %	25,748	237	237	-
Best Opto Corporation	Best Led Corporation	Samoa	Investment	1,277,226	1,277,226	41,000	100.00 %	1,045,993	20,509	20,509	-

(Continued)

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

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of September 30, 2024			Net income (losses) of investee	Share of profits/losses of investee	Note
				September 30, 2024	December 31, 2023	Shares (thousands)	Percentage of ownership	Carrying value			
Edison Fund Investment Corporation	Edison Opto USA Corporation	USA	Selling of LED components and modules	6,392	6,392	220	55.00 %	37,143	4,104	2,257	-
Edison Fund Investment Corporation	Ledionopto Intelligent Technology Corporation	Taiwan	Selling of LED components and modules	113,185	113,185	2,200	100.00 %	21,186	299	299	-
Edison Fund Investment Corporation	Edison Auto Lighting Corporation	Taiwan	Selling of LED components and modules	7,570	7,570	1,000	100.00 %	6,158	1,040	1,040	-
Edison-Litek Opto Corporation	Edison-Litek Opto Corporation Limited	Hong Kong	Investment	64,472	33,187	13,463	60.27 %	141,554	(23,623)	(14,237)	-

(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 September 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)	(17,460) (USD 546 thousand)	100.00%	(17,460) (USD 546 thousand)	247,807 (USD 7,754 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)	20,509 (USD 642 thousand)	100.00%	20,509 (USD 642 thousand)	1,045,989 (USD 33,049 thousand)	-
Yangzhou Aichuan Electronic Trade Corporation	Selling of LED components and modules	2,148 (RMB 500 thousand)	( c )	-	-	-	-	25 (RMB 6 thousand)	100.00%	25 (RMB 6 thousand)	2,429 (RMB 538 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)	(1,277) (USD 40 thousand)	73.84%	(943) (USD 30 thousand)	156,200 (USD 4,935 thousand)	-

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

(a) Direct investment from Mainland China

(b) Indirect investment from third-party country

- Edison Opto (Dong Guan) Co., Ltd. is indirectly invested by the company through Ledison Opto Corporation.
- Dong Guan Davinci Opto Corporation is indirectly invested by Ledion Opto Lighting Inc. through Led Plus Limited.
- Yangzhou Edison Opto Corporation is indirectly invested by Best Opto Corporation and Best Led Corporation.
- Yangzhou Edison-Litek Opto Corporation is indirectly invested by the Company and Edison-Litek Opto Corporation Limited.

(c) Others

- 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 September 30, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
The Company	1,556,295 (USD49,817 thousand)	1,606,870 (note 3) (USD50,770 thousand)	Note 1
Ledionopto Intelligent Technology Corporation	52,255 (note 2) (USD1,714 thousand)	54,248 (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
JENG, JIUN-JUNG		11,062,000	7.70 %
Lighting Investment Corporation		10,126,388	7.05 %

(Continued)



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

**(14) Segment information:**

For the three months ended September 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	\$ 246,303	60,896	83,337	89,245	171,954	23,460	-	675,195
Intersegment revenues	27,016	87,421	99,263	28,839	65	(12,664)	(229,940)	-
Total revenue	<u>\$ 273,319</u>	<u>148,317</u>	<u>182,600</u>	<u>118,084</u>	<u>172,019</u>	<u>10,796</u>	<u>(229,940)</u>	<u>675,195</u>
Reportable segment profit or loss	<u>\$ 30,717</u>	<u>(629)</u>	<u>5,968</u>	<u>4,300</u>	<u>16,228</u>	<u>3,759</u>	<u>(22,168)</u>	<u>38,175</u>
For the three months ended September 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	\$ 265,381	50,346	58,993	69,499	67,811	20,256	-	532,286
Intersegment revenues	16,523	84,424	125,138	16,352	-	7,203	(249,640)	-
Total revenue	<u>\$ 281,904</u>	<u>134,770</u>	<u>184,131</u>	<u>85,851</u>	<u>67,811</u>	<u>27,459</u>	<u>(249,640)</u>	<u>532,286</u>
Reportable segment profit or loss	<u>\$ 15,348</u>	<u>3,341</u>	<u>9,297</u>	<u>(470)</u>	<u>(1,185)</u>	<u>4,265</u>	<u>(17,368)</u>	<u>13,228</u>
For the nine months ended September 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	\$ 819,356	164,126	192,311	199,665	449,527	58,353	-	1,883,338
Intersegment revenues	60,860	255,062	322,753	83,109	788	1	(722,573)	-
Total revenue	<u>\$ 880,216</u>	<u>419,188</u>	<u>515,064</u>	<u>282,774</u>	<u>450,315</u>	<u>58,354</u>	<u>(722,573)</u>	<u>1,883,338</u>
Reportable segment profit or loss	<u>\$ 103,095</u>	<u>(17,460)</u>	<u>20,509</u>	<u>(1,277)</u>	<u>40,704</u>	<u>8,071</u>	<u>(35,720)</u>	<u>117,922</u>
For the nine months ended September 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	\$ 720,795	152,529	164,350	130,520	227,040	64,162	-	1,459,396
Intersegment revenues	54,104	255,902	318,168	70,974	120	25,061	(724,329)	-
Total revenue	<u>\$ 774,899</u>	<u>408,431</u>	<u>482,518</u>	<u>201,494</u>	<u>227,160</u>	<u>89,223</u>	<u>(724,329)</u>	<u>1,459,396</u>
Reportable segment profit or loss	<u>\$ 41,091</u>	<u>18,404</u>	<u>27,611</u>	<u>(1,364)</u>	<u>629</u>	<u>10,208</u>	<u>(52,771)</u>	<u>43,808</u>