Edison Opto Corporation

Parent Company Only Financial Statements for the Years Ended December 31, 2025 and 2024 and Independent Auditors' Report

Deloitte.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Edison Opto Corporation

Opinion

We have audited the accompanying parent company only financial statements of Edison Opto Corporation (the "Company"), which comprise the parent company only balance sheets as of December 31, 2025 and 2024, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including material accounting policy information (collectively referred to as the " parent company only financial statements").

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2025 and 2024, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Company's parent company only financial statements for the year ended December 31, 2025 is described as follows:

Revenue Recognition

The Company's main revenue streams come from the sale of sensor components, LED lighting products, and automotive LED solutions.

In our professional judgment, the sales revenue generated by the Company within certain designated regions is both material in magnitude and characterized by profit margins exceeding those of other regions; accordingly, the authenticity of revenue recognition for these transactions has been identified as a key audit matter in the consolidated financial statements for the year ended December 31, 2025.

The audit procedures that we performed in response to the abovementioned key audit matter included understanding and testing the design and operating effectiveness of key internal controls related to sales revenue; additionally, we conducted sampling procedures and examined pertinent documentation - such as customer orders or contracts, shipping records, and evidence of receipt of payment - to substantiate that the recorded sales transactions had indeed occurred.

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

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Other Matter

The financial statements of the Company for the year ended December 31, 2024 were audited by other independent accountants, by whom an audit report, along with an unqualified opinion, was issued on February 26, 2025.

Auditors’ Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

6. Obtain sufficient and appropriate audit evidence regarding the parent company only financial information of entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Shih-Hsuan Peng and Ke-Chang Wu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 25, 2026

<u>Notice to Readers</u>

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with 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 applied in the Republic of China.

For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and consolidated financial statements shall prevail.

EDISON OPTO CORPORATION

PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025		2024	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 496,070	15	$ 376,756	11
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	4,307	-	6,255	-
Financial assets at amortized cost - current (Notes 4 and 8)	92,500	3	37,500	1
Contract assets - current (Notes 4 and 18)	10,587	1	2,821	-
Notes receivable (Notes 4 and 9)	2,883	-	7,832	-
Trade receivables (Notes 4 and 9)	127,815	4	151,691	4
Trade receivables from related parties (Notes 4, 9 and 26)	10,205	-	9,584	-
Other receivables (Notes 4 and 9)	285	-	287	-
Other receivables from related parties (Notes 4, 9 and 26)	6,964	-	12,952	1
Inventories (Notes 4 and 10)	40,693	1	41,471	1
Prepayments	5,251	-	4,915	-
Current tax assets (Notes 4 and 20)	1,164	-	1,246	-
Other current assets	30	-	32	-
Total current assets	798,754	24	653,342	18
NON-CURRENT ASSETS				
Investments accounted for using the equity method (Notes 4 and 11)	1,519,174	47	1,886,426	53
Property, plant and equipment (Notes 4, 12, 26 and 27)	909,263	28	935,530	26
Right-of-use assets (Notes 4 and 13)	6,131	-	3,997	-
Intangible assets	907	-	125	-
Deferred tax assets (Notes 4 and 20)	32,987	1	52,853	2
Prepayments for equipment	1,342	-	1,961	-
Other non-current assets (Note 27)	7,804	-	47,291	1
Total non-current assets	2,477,608	76	2,928,183	82
TOTAL	$ 3,276,362	100	$ 3,581,525	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liabilities - current (Notes 4 and 18)	$ 14,481	-	$ 10,522	-
Notes payable	750	-	375	-
Trade payables	23,043	1	33,818	1
Trade payables to related parties (Note 26)	66,709	2	161,555	5
Other payables (Note 15)	52,223	2	62,363	2
Other payables to related parties (Note 26)	-	-	33	-
Lease liabilities - current (Notes 4 and 13)	3,606	-	3,411	-
Other current liabilities	12,722	-	10,107	-
Total current liabilities	173,534	5	282,184	8
NON-CURRENT LIABILITIES				
Bonds payable (Notes 4 and 14)	284,153	9	276,220	8
Deferred tax liabilities (Notes 4 and 20)	529	-	1,790	-
Lease liabilities - non-current (Notes 4 and 13)	2,980	-	899	-
Other non-current liabilities (Note 16)	12,006	-	12,408	-
Total non-current liabilities	299,668	9	291,317	8
Total liabilities	473,202	14	573,501	16
EQUITY (Note 17)				
Ordinary shares	1,454,824	44	1,436,094	40
Capital surplus	1,558,032	48	1,527,876	43
Retained earnings				
Legal reserve	24,822	1	10,594	-
Special reserve	28,621	1	26,392	1
(Accumulated deficit) unappropriated earnings	(23,018)	(1)	144,506	4
Total retained earnings	30,425	1	181,492	5
Other equity				
Exchange differences on translating foreign operations	(141,682)	(4)	(101,880)	(3)
Unrealized loss on financial assets measured at fair value through other comprehensive income	(1,818)	-	(1,394)	-
Unearned compensation	(23,148)	(1)	-	-
Total other equity	(166,648)	(5)	(103,274)	(3)
Treasury share	(73,473)	(2)	(34,164)	(1)
Total equity	2,803,160	86	3,008,024	84
TOTAL	$ 3,276,362	100	$ 3,581,525	100

The accompanying notes are an integral part of the parent company only financial statements.

EDISON OPTO CORPORATION

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUES (Notes 4, 18 and 26)	$ 949,555	100	$ 1,137,174	100
OPERATING COSTS (Notes 10 and 26)	754,021	79	856,596	75
GROSS PROFIT	195,534	21	280,578	25
UNREALIZED (LOSS) PROFIT FROM SALES	(2,082)	-	90	-
GROSS PROFIT	197,616	21	280,488	25
OPERATING EXPENSES (Note 19)				
Selling and marketing expenses	70,560	8	81,409	7
General and administrative expenses	110,711	12	94,711	9
Research and development expenses	40,879	4	36,208	3
Expected credit loss (Note 9)	2,318	-	74	-
Total operating expenses	224,468	24	212,402	19
(LOSS) PROFIT FROM OPERATIONS	(26,852)	(3)	68,086	6
NON-OPERATING INCOME AND EXPENSES (Notes 19 and 26)				
Interest income	3,827	-	3,622	-
Other income	44,519	5	19,390	2
Other gains and losses	(5,088)	(1)	3,995	-
Finance costs	(12,403)	(1)	(6,038)	-
Share of profit or loss of associates	(32,635)	(3)	56,036	5
Total non-operating income and expenses	(1,780)	-	77,005	7
(LOSS) PROFIT BEFORE INCOME TAX	(28,632)	(3)	145,091	13
INCOME TAX EXPENSE (Note 20)	18,605	2	3,186	1
NET (LOSS) PROFIT FOR THE PERIOD	(47,237)	(5)	141,905	12

(Continued)

EDISON OPTO CORPORATION

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	$ 1,170	-	$ 372	-
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(424)	-	(418)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	(39,802)	(4)	78,573	7
Other comprehensive (loss) income for the period	(39,056)	(4)	78,527	7
TOTAL COMPREHENSIVE (LOSS) INCOME	$ (86,293)	(9)	$ 220,432	19
(LOSS) EARNINGS PER SHARE (Note 21)				
Basic	$ (0.34)		$ 1.00	
Diluted	$ (0.34)		$ 0.99	

The accompanying notes are an integral part of the parent company only financial statements. (Concluded)

EDISON OPTO CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

			Retained Earnings			Other Equity				
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficit)	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Valuation Loss on Financial Assets at Fair Value Through Other Comprehensive Income	Unearned Compensation	Treasury Shares	Total Equity
BALANCE ON JANUARY 1, 2024	$ 1,436,094	$ 1,562,759	$ 5,835	$ -	$ 47,591	$ (180,453)	$ (976)	$ -	$ (34,164)	$ 2,836,686
Appropriation of 2023 earnings (Note 17)										
Legal reserve	-	-	4,759	-	(4,759)	-	-	-	-	-
Special reserve	-	-	-	26,392	(26,392)	-	-	-	-	-
Cash dividends	-	-	-	-	(14,211)	-	-	-	-	(14,211)
Other changes in capital surplus										
Equity component of convertible bonds issued by the Company	-	22,414	-	-	-	-	-	-	-	22,414
Cash dividends from capital surplus (Note 17)	-	(56,844)	-	-	-	-	-	-	-	(56,844)
Adjustment to capital surplus resulting from dividends distributed to subsidiaries	-	263	-	-	-	-	-	-	-	263
Changes in percentage of ownership interests in subsidiaries	-	(716)	-	-	-	-	-	-	-	(716)
Net profit for the year ended December 31, 2024	-	-	-	-	141,905	-	-	-	-	141,905
Other comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	372	78,573	(418)	-	-	78,527
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	142,277	78,573	(418)	-	-	220,432
BALANCE ON DECEMBER 31, 2024	1,436,094	1,527,876	10,594	26,392	144,506	(101,880)	(1,394)	-	(34,164)	3,008,024
Appropriation of 2024 earnings (Note 17)										
Legal reserve	-	-	14,228	-	(14,228)	-	-	-	-	-
Special reserve	-	-	-	2,229	(2,229)	-	-	-	-	-
Cash dividends	-	-	-	-	(105,000)	-	-	-	-	(105,000)
Net loss for the year ended December 31, 2025	-	-	-	-	(47,237)	-	-	-	-	(47,237)
Other comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	1,170	(39,802)	(424)	-	-	(39,056)
Total comprehensive loss for the year ended December 31, 2025	-	-	-	-	(46,067)	(39,802)	(424)	-	-	(86,293)
Buy-back of ordinary shares	-	-	-	-	-	-	-	-	(39,309)	(39,309)
Changes in ownership interests in subsidiaries	-	3,840	-	-	-	-	-	-	-	3,840
Share-based payment transactions	20,000	28,100	-	-	-	-	-	(26,202)	-	21,898
Cancellation of restricted stock	(1,270)	(1,784)	-	-	-	-	-	3,054	-	-
BALANCE ON DECEMBER 31, 2025	$ 1,454,824	$ 1,558,032	$ 24,822	$ 28,621	$ (23,018)	$ (141,682)	$ (1,818)	$ (23,148)	$ (73,473)	$ 2,803,160

The accompanying notes are an integral part of the parent company only financial statements.

EDISON OPTO CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) profit before income tax	$ (28,632)	$ 145,091
Adjustments for:		
Depreciation expense	26,021	28,858
Amortization expense	141	46
Expected credit loss recognized on trade receivables	2,318	74
Net (gain) loss on financial assets at fair value through profit or loss	(902)	333
Interest expense	12,403	6,038
Interest income	(3,827)	(3,622)
Share-based payment transactions	21,898	-
Share of profit of subsidiaries and associates	32,635	(56,036)
Gain on disposal of property, plant and equipment	(709)	(482)
Gain on lease modification	-	(115)
Unrealized gain on transactions with subsidiaries, associates and joint ventures	5,031	3,049
Realized gain on the subsidiary, affiliated company and joint ventures	(7,113)	(2,959)
Net changes in operating assets and liabilities		
Contract assets	(7,766)	(2,821)
Notes receivables	4,949	40,584
Trade receivables	21,558	-
Trade receivables from related parties	(621)	(2,118)
Other receivables	2	(5,828)
Other receivables from related parties	5,988	-
Inventories	778	16,275
Prepayments	(336)	6,163
Other current assets	2	(9)
Contract liabilities	3,959	(4,994)
Notes payables	375	555
Trade payables	(10,775)	-
Trade payables to related parties	(94,846)	66,167
Other payables	(10,012)	12,761
Other payables to related parties	(33)	33
Other current liabilities	2,616	74
Net defined benefit liabilities	766	708
Cash generated from operating activities	(24,132)	247,825
Interest received	3,827	3,622
Interest paid	(4,470)	(5,545)
Income tax paid	82	(240)
Net cash (used in) generated from operating activities	(24,693)	245,662

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EDISON OPTO CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	$ (55,000)	$ (37,500)
Acquisition of investments accounted for using the equity method	-	(91,875)
Proceeds from capital reduction of investments accounted for using equity method	183,450	15,200
Purchase of financial assets at fair value through profit or loss	(3,240)	(120)
Proceeds from disposal of financial assets at fair value through profit or loss	6,090	-
Payments for property, plant and equipment	(52,059)	(10,098)
Proceeds from disposal of property, plant and equipment	200,057	239
Increase in refundable deposits	(2,335)	(1,034)
Purchase of intangible assets	(923)	(100)
Increase in deposits with restrictions	(45)	(43)
Increase in other non-current assets	-	(41,867)
Increase in prepayments for equipment	(1,341)	(3,592)
Dividends received from subsidiary company	18,375	9,949
Net cash generated from (used in) investing activities	293,029	(160,841)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	478,460	310,000
Repayments of short-term borrowings	(478,460)	(491,185)
Corporate bonds	-	297,983
Repayments of long-term borrowings	-	(134,300)
Increase in guarantee deposits received	3	7
Repayment of the principal portion of lease liabilities	(4,716)	(3,865)
Cash dividends	(105,000)	(71,055)
Payments for buy-back of ordinary shares	(39,309)	-
Net cash used in financing activities	(149,022)	(92,415)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	-	480
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	119,314	(7,114)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	376,756	383,870
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 496,070	$ 376,756

The accompanying notes are an integral part of the parent company only financial statements. (Concluded)

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Edison Opto Corporation (the “Company”) was approved by the Ministry of Economic Affairs on October 4, 2001 and was incorporated in New Taipei City, Taiwan. Its registered address is 17F, No. 17, Qiao he Rd., Zhong He Dist. The Company’s shares were listed on the Taiwan Stock Exchange in November 2010. The Company are mainly engaged in manufacturing, selling, research and development of LED components, modules and finished products in general lighting and automotive lighting area.

The parent company only financial statements are presented in the Company’s functional currency, New Taiwan dollars.

2. APPROVAL OF FINANCIAL STATEMENTS

The parent company only financial statements were approved by the Company’s board of directors on February 25, 2026.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

Amendments to IAS 21 “Lack of Exchangeability”

The initial application of the Amendments to IAS 21 “Lack of Exchangeability” did not have a material impact on the Company’s accounting policies.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
IFRS 17 “Insurance Contracts” (including the 2020 and 2021 amendments to IFRS 17)	January 1, 2023

As of the date the parent company only financial statements were authorized for issue, the Company is continuously assessing the possible impact of the application of new or amended standards and interpretations on its financial position and financial performance, and will disclose the relevant impact when the assessment is completed.

c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note 2)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (including the 2025 amendments to IFRS 19)	January 1, 2027
Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"	January 1, 2027

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

IFRS 18 "Presentation and Disclosure in Financial Statements" and consequential amendments

IFRS 18 will supersede IAS 1 "Presentation of Financial Statements". The main changes comprise:

- To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Company shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.

- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

- Provides guidance to enhance the requirements of aggregation and disaggregation: The Company shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Company shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Company labels items as "other" only if it cannot find a more informative label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Company as a whole, the Company shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

In addition, the following consequential amendments have been made to IAS 7 "Statement of Cash Flows":

- The Company shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.

- Interest and dividends received by the Company shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Company has a specific main operating activity, it shall determine how to classify dividends received, interest received and interest paid in the statement of cash flows by referring to how it classifies dividend income, interest income and interest expense in the statement of profit or loss. The total of each of these cash flows shall be classified in a single category in the statement of cash flows.

Except for the above impact, as of the date the parent company only financial statements were authorized for issue, the Company is continuously assessing the impacts of the above amended standards and interpretations on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The parent company only financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

The parent company only financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

When preparing the parent company only financial statements, the Company account for subsidiaries, associates and Joint venture by using the equity method. In order to agree with the amount of net income, other comprehensive income and equity attributable to shareholders of the parent in the parent company only financial statements, the differences of the accounting treatment between the parent company only basis and the consolidated basis are adjusted under the heading of investments accounted for using equity method and share of profits of subsidiaries and associates and share of other comprehensive income of subsidiaries with the related equity items.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the parent company only financial statements are authorized for issue; and

3) Liabilities for which the Company does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments do not affect its classification as current or non-current if the entity classifies the option as an equity instrument.

d. Foreign currencies

In preparing the parent company only financial statements of each individual entity, transactions in currencies other than the Company's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value is determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting parent company only financial statements, the financial statements of (including subsidiaries, associates, joint ventures and branches in other countries) that are prepared using functional currencies which are different from the currency of the Company are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e., a disposal of the Company's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to the non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

e. Inventories

Inventories consist of raw materials and supplies, work in progress, finished goods and fully completed products and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

f. Investment in subsidiaries

The Company use the equity method to account for its investments in subsidiaries.

Subsidiaries are the entities controlled by the Company.

Under the equity method, investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company's share of equity of subsidiaries attributable to the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are accounted for as equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Company's share of loss of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further loss, if any.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business over the cost of acquisition is recognized immediately in profit or loss.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides this, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Company directly disposed of the related assets or liabilities.

Profit or loss resulting from downstream transactions is eliminated in full only in the parent company only financial statements. Profit and loss resulting from upstream transactions and transactions between subsidiaries is recognized only in the parent company only financial statements and only to the extent of interests in the subsidiaries that are not related to the Company.

g. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. before that asset reaches its intended use are measured at the lower of cost or net realizable value, and any proceeds from selling those and the cost of those are recognized in profit or loss. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

h. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Impairment of property, plant and equipment, right-of-use asset and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment, right-of-use asset, and intangible assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset, cash-generating unit or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

j. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

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

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL and financial assets at amortized cost.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends or interest earned on such financial assets are recognized in other income and interest income, respectively; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 25: Financial Instruments.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents and financial assets at amortized cost, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

i) Purchased or originated credit-impaired financial asset, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

ii) Financial asset that is not credit impaired on purchase or origination but has subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

b) Impairment of financial assets and contract assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables), as well as contract assets.

The Company always recognizes lifetime expected credit losses (ECLs) for trade receivables and contract assets. For all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Company considers the following situations as indication that a financial asset is in default (without taking into account any collateral held by the Company):

i. Internal or external information shows that the debtor is unlikely to pay its creditors.

ii. Financial asset is more than 90 days past due unless the Company has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

2) Equity instruments

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

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity, and its carrying amounts are calculated based on weighted average by share types. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

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

4) Convertible bonds

The component parts of compound instruments (i.e., convertible bonds) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or upon the instrument's maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised; in which case, the balance recognized in equity will be transferred to capital surplus - share premiums. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - share premiums.

Transaction costs that relate to the issuance of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component.

k. Revenue recognition

The Company identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

Revenue from the sale of goods

Revenue from the sale of goods comes from sales of Sensor components, LED elements, and finished products. Sales of products are recognized as revenue when the goods are delivered to the customer's specific location or the goods are shipped because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently.
Such retention receivables are recognized as contract assets until the Company satisfies its performance obligations.

l. Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for by applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee's incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Company accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease; (b) making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the balance sheets.

m. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

n. Share-based payment arrangements

Restricted shares for employees granted to employees

The fair value at the grant date of the restricted shares for employees is expensed on a straight-line basis over the vesting period, based on the Company's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in other equity - unearned employee benefits. The expense is recognized in full at the grant date if the grants are vested immediately. The grant date of treasury shares transferred to employees is the date on which the number of shares that the employees purchase is confirmed.

When restricted shares for employees are issued, other equity - unearned employee benefits is recognized on the grant date, with a corresponding increase in capital surplus - restricted shares for employees. If restricted shares for employees are granted for consideration and the considerations received should be returned if employees resign in the vesting period, all considerations received should be recognized as payables.

At the end of each reporting period, the Company revises its estimate of the number of restricted shares for employees that are expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to capital surplus - restricted shares for employees.

o. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and such temporary differences are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and the related assumptions are based on historical experience and other factors considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Company considers related on other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Estimated impairment of financial assets

The provision for impairment of trade receivables is based on assumptions on probability of default and loss given default. The Company uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Company's historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. Where the actual future cash inflows are less than expected, a material impairment loss may arise. Furthermore, the estimate of the probability of default is subject to greater uncertainties due to the impact on credit risk of financial assets arising from the uncertain impact and volatility in Governmental policies and regulatory frameworks across various nations.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2025	**2024**
Cash on hand	$ 3,655	$ 3,278
Checking accounts and demand deposits	319,955	305,408
Cash equivalent (time deposits with original maturities of 3 months or less)	172,460	68,070
	$ 496,070	$ 376,756

The Company's time deposits pledged as guarantees to the Customs Administration amounted to $2,984 thousand and $2,939 thousand as of December 31, 2025 and 2024, respectively. These pledged deposits have been reclassified to other non-current assets. Please refer to Note 27.

The market rate intervals of cash in the bank at the end of the reporting period were as follows:

	December 31	
	2025	**2024**
Checking accounts and demand deposits	0.01%-0.655%	0.01%-0.635%
Cash equivalent (time deposits with original maturities of 3 months or less)	1.28%-1.57%	1.28%-4.6%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2025	**2024**
Financial assets at fair value through profit or loss (FVTPL) - current		
Domestic bonds	$ 4,187	$ 6,135
Redemption right of domestic convertible bonds	120	120
	$ 4,307	$ 6,255

8. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2025	**2024**
Current		
Time deposits with original maturities of more than 3 months	$ 92,500	$ 37,500

The interest rates on time deposits with original maturities of more than three months ranged from 1.425% to 1.705% and 1.425% to 3.5% as of December 31, 2025 and 2024, respectively.

9. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31	
	2025	**2024**
Notes receivable		
At amortized cost		
Gross carrying amount	$ 2,883	$ 7,832
Less: Allowance for impairment loss	-	-
	$ 2,883	$ 7,832

(Continued)

	December 31	
	2025	2024
Trade receivables		
At amortized cost		
Gross carrying amount	$ 130,461	$ 152,019
Less: Allowance for impairment loss	(2,646)	(328)
	$ 127,815	$ 151,691
Trade receivables - related parties		
At amortized cost		
Gross carrying amount	$ 10,205	$ 9,584
Less: Allowance for impairment loss	-	-
	$ 10,205	$ 9,584
Other receivables		
At amortized cost		
Gross carrying amount	$ 20,455	$ 20,457
Less: Allowance for impairment loss	(20,170)	(20,170)
	$ 285	$ 287
Other receivables - related parties		
At amortized cost		
Gross carrying amount	$ 6,964	$ 12,952
Less: Allowance for impairment loss	-	-
	$ 6,964	$ 12,952

(Concluded)

The average credit period of sales of goods was 30-120 days. The Company adopts a policy of dealing only with counterparties that are rated at the equivalent of investment grade or higher and obtaining adequate collateral, where appropriate, to mitigate the risk of financial loss from defaults. Credit rating information is obtained from independent rating agencies where available. If such information is not available, that Company assesses major customers using other publicly available financial information or its own trading records. The Company’s exposure and the credit ratings of its counterparties are continuously monitored, and transaction volumes are spread amongst approved counterparties. Credit exposure is managed through counterparty limits that are reviewed and approved annually by the risk management committee.

The Company assesses the recoverability of accounts receivable by considering any changes in credit quality from the original granting date to the reporting date. The allowance for doubtful accounts is determined based on aging analysis, historical experience, and the current financial condition of customers, to estimate the amounts that may not be recoverable.

The Company measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix prepared with reference to the customers' past default experience, their current financial position, and other relevant information. As the Company's historical credit loss experience does not show significantly different loss patterns among customer segments, the loss allowance based on past-due status is not further distinguished by customer type.

The Company writes off trade receivables when information shows that the debtor is in serious financial difficulty and recovery is not considered realistic. For trade receivables that have been written off, the Company continues to pursue collection efforts. Any subsequent recoveries are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Company's provision matrix.

December 31, 2025

	Not Past Due	1 to 30 Days Past Due	31 to 90 Days Past Due	91 to 180 Days Past Due	Over 180 Days Past Due	Total
Expected credit loss rate	-	1.89%	100%	-	-	-
Gross carrying amount	$ 136,283	$ 4,709	$ 2,557	$ -	$ -	$ 143,549
Loss allowance (Lifetime ECLs)	-	(89)	(2,557)	-	-	(2,646)
Amortized cost	$ 136,283	$ 4,620	$ -	$ -	$ -	$ 140,903

December 31, 2024

	Not Past Due	1 to 30 Days Past Due	31 to 90 Days Past Due	91 to 180 Days Past Due	Over 180 Days Past Due	Total
Expected credit loss rate	-	4.9%	6.64%	-	-	-
Gross carrying amount	$ 163,331	$ 4,447	$ 1,657	$ -	$ -	$ 169,435
Loss allowance (Lifetime ECLs)	-	(218)	(110)	-	-	(328)
Amortized cost	$ 163,331	$ 4,229	$ 1,547	$ -	$ -	$ 169,107

The movements of the loss allowance of notes receivable and trade receivables were as follows:

	For the Year Ended December 31	
	2025	2024
Balance on January 1	$ 20,498	$ 20,424
Add: Recognition of impairment loss	2,318	74
Balance on December 31	$ 22,816	$ 20,498

10. INVENTORIES

	December 31	
	2025	2024
Finished goods	$ 23,551	$ 28,737
Work in progress and semi-finished goods	5,261	3,413
Raw materials	11,881	9,321
	$ 40,693	$ 41,471

The nature of the cost of goods sold is as follows:

	For the Year Ended December 31	
	2025	2024
Cost of inventories sold	$ 735,537	$ 844,256
Inventory write-downs (reversal)	2,763	(2,921)
Unallocated manufacturing expense	15,721	15,261
	$ 754,021	$ 856,596

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in subsidiaries

Investments accounted for using the equity method consisted of the following:

	December 31	
	2025	2024
Subsidiaries	$ 1,519,174	$ 1,886,426

	Proportion of Ownership (%)		
	December 31		
Investee	2025	2024	Note
Edison Opto Corporation	100.00	100.00	
Ledison Opto Corporation	100.00	100.00	
Best Opto Corporation	100.00	100.00	
Edison Fund Investment Corporation	100.00	100.00	
Edison-Litek Opto Corporation Limited	17.01	24.62	Note 1
Edison-Litek Opto Corporation	79.89	79.89	Note 3
Ledison Opto Corporation Limited	100.00	100.00	Note 2

Note 1: In February 2025, Edison-Litek Opto Co. acquired the equity of Edison-Litek Opto Co., Ltd., for US$1,000,000 in cash, increasing its shareholding from 60.27% to 72.56%. As of December 31, 2025, both the Company and Edison-Litek Opto Co., directly and indirectly, held a total of 89.57% of the shares of Edison-Litek Opto Corporation Limited.

Note 2: In October 2024, Edison Egypt Opto Corp. changed its name to Ledison Opto Company Limited.

Note 3: In November 2024, Edison-Litek Opto Corporation conducted a cash capital increase by issuing 5,000 thousand shares. After reserving the shares for employees in accordance with the Company Act, the Company fully subscribed for $91,875 thousand in cash, resulting a decrease in its shareholding from 81.67% to 79.89%.

12. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Molding Equipment	Other Equipment	Property under Construction	Total
Cost							
Balance on January 1, 2025	$ 637,862	$ 424,287	$ 251,233	$ 961	$ 17,368	$ -	$ 1,331,711
Additions	-	774	8,018	94	926	42,119	51,931
Disposals	(76,467)	(38,663)	-	-	(130)	-	(115,260)
Reclassification	-	-	1,920	41	-	41,867	43,828
Balance on December 31, 2025	$ 561,395	$ 386,398	$ 261,171	$ 1,096	$ 18,164	$ 83,986	$ 1,312,210
Accumulated depreciation and impairment							
Balance on January 1, 2025	$ -	$ 141,007	$ 237,813	$ 961	$ 16,400	$ -	$ 396,181
Depreciation expenses	-	12,701	7,816	68	578	-	21,163
Disposals	-	(14,324)	-	-	(73)	-	(14,397)
Balance on December 31, 2025	$ -	$ 139,384	$ 245,629	$ 1,029	$ 16,905	$ -	$ 402,947
Carrying amounts at December 31, 2025	$ 561,395	$ 247,014	$ 15,542	$ 67	$ 1,259	$ 83,986	$ 909,263
Cost							
Balance on January 1, 2024	$ 637,862	$ 429,051	$ 280,062	$ 1,197	$ 16,639	$ -	$ 1,364,811
Additions	-	3,313	6,047	-	738	-	10,098
Disposals	-	(8,077)	(38,695)	(236)	(9)	-	(47,017)
Reclassification	-	-	3,819	-	-	-	3,819
Balance on December 31, 2024	$ 637,862	$ 424,287	$ 251,233	$ 961	$ 17,368	$ -	$ 1,331,711
Accumulated depreciation and impairment							
Balance on January 1, 2024	$ -	$ 130,709	$ 270,534	$ 1,197	$ 15,934	$ -	$ 418,374
Depreciation expenses	-	18,375	5,974	-	475	-	24,824
Disposals	-	(8,077)	(38,695)	(236)	(9)	-	(47,017)
Balance on December 31, 2024	$ -	$ 141,007	$ 237,813	$ 961	$ 16,400	$ -	$ 396,181
Carrying amounts at December 31, 2024	$ 637,862	$ 283,280	$ 13,420	$ -	$ 968	$ -	$ 935,530

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	34-50 years
Machinery and equipment	3-7 years
Molding equipment	2-3 years
Other equipment	
Office equipment	6 years
Others	3-6 years

Refer to Note 27 to the parent company only financial statements for information on property, plant and equipment pledged as collateral.

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2025	2024
Carrying amount		
Buildings	$ 1,884	$ 3,228
Transportation equipment	4,247	769
	$ 6,131	$ 3,997

	For the Year Ended December 31	
	2025	2024
Additions to right-of-use assets	$ 6,992	$ 3,385
Depreciation charge for right-of-use assets		
Buildings	$ 3,630	$ 3,746
Transportation equipment	1,228	288
	$ 4,858	$ 4,034

b. Lease liabilities

	December 31	
	2025	2024
Carrying amount		
Current	$ 3,606	$ 3,411
Non-current	$ 2,980	$ 899

Range of discount rate for lease liabilities was as follows:

	December 31	
	2025	2024
Buildings	1.96%-2.35%	1.15%-1.96%
Transportation equipment	1.15%-2.35%	1.15%-1.96%

c. Other lease information

	For the Year Ended December 31	
	2025	2024
Expenses relating to short-term leases	$ 82	$ 190
Expenses relating to low-value asset leases	$ 152	$ 152
Total cash outflow for leases	$ (6,261)	$ (5,134)

14. BONDS PAYABLE

	December 31	
	2025	2024
Unsecured domestic convertible bonds	$ 284,153	$ 276,220

In November 2024, the Company issued its 4th domestic unsecured 3-year convertible bonds with a total principal amount of $303,000 thousand, a par value of $100 thousand per bond, and a coupon rate of 0%, maturing on November 22, 2027. Other terms of the issuance are as follows:

a. Conversion period: February 23, 2025 to November 22, 2027.

b. Redemption method: The bondholder can convert its bonds into shares at any time between 3 months after the issuance date and the day before the maturity day. The conversion price is NT$25.5 per share when issuance. On June 16, 2025, due to the Company’s ex-dividend procedure, the conversion price was adjusted to NT$24.5 per share, effective from the ex-dividend record date of July 9, 2025, in accordance with the terms of issuance.

c. Redemption and put-back provisions of the bonds:

    1) Redemption at maturity: The Company redeems the convertible bond at par value by cash from the bondholders when it meets maturity.

    2) Early redemption:

        a) The Company may redeem the bonds, in whole or in part at face value from the date following 3 months after issuance until the 40th day before the maturity of the bonds, if the closing price of the ordinary shares on the TWSE exceeds the conversion price by 30% (inclusive) for a period of 30 consecutive trading days.

        b) The Company may redeem the bonds at face value from the day following 3 months of the expiry of the issuance to the 40th day before the expiry of the issuance period if the bonds’ outstanding balance is lower than 10% of the total issuance amount.

    3) Early put-back provisions by bondholders: The Company’s convertible bonds do not contain any put-back provisions.

d. Conversion status:

    As of December 31, 2025, no bondholders had applied for conversion into common shares.

e. The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - conversion options. The effective interest rate of the liability component was 2.83% per annum on initial recognition.

Proceeds from issuance (less transaction costs of $5,017 thousand)	$ 297,983
Equity components	(22,414)
Liability components at the date of issue	275,569
Convertible bonds converted into ordinary shares	-
Interest charged at an effective interest rate of 2.83%	651
Liability components on December 31, 2024	276,220
Interest charged at an effective interest rate of 2.83%	7,933
Liability component on December 31, 2025	$ 284,153

15. OTHER LIABILITIES

	December 31	
	2025	**2024**
Current		
Other payables		
Payables for salaries	$ 32,434	$ 34,338
Payables for purchases of equipment	448	576
Employee compensation payable and director compensation payable (Note 19)	-	9,600
Others	19,341	17,849
	$ 52,223	$ 62,363

16. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Company make monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

The defined benefit plans adopted by the Company are in accordance with the Labor Standards Act and are operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company contribute amounts based on 3% of monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts included in the parent company only balance sheets in respect of the Company's defined benefit plans were as follows:

	December 31	
	2025	**2024**
Present value of defined benefit obligation	$ 23,459	$ 22,961
Fair value of plan assets	(11,482)	(10,580)
Net defined benefit liabilities	$ 11,977	$ 12,381

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance on January 1, 2024	$ 21,649	$ (9,605)	$ 12,044
Service cost			
Net interest expense (income)	352	(156)	196
Current service cost	513	-	513
Recognized in profit or loss	865	(156)	709
Remeasurement			
Actuarial loss - changes in financial assumptions	447	(819)	(372)
Recognized in other comprehensive income (loss)	447	(819)	(372)
Balance on December 31, 2024	$ 22,961	$ (10,580)	$ 12,381
Balance on January 1, 2025	$ 22,961	$ (10,580)	$ 12,381
Service cost			
Net interest expense (income)	459	(211)	248
Current service cost	518	-	518
Recognized in profit or loss	977	(211)	766
Remeasurement			
Actuarial gain - changes in financial assumptions	(479)	(691)	(1,170)
Recognized in other comprehensive loss	(479)	(691)	(1,170)
Balance on December 31, 2025	$ 23,459	$ (11,482)	$ 11,977

Through the defined benefit plans under the Labor Standards Act, the Company is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation of the Company were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2025	2024
Discount rates	1.75%	2.00%
Expected rates of salary increase	2.00%	3.00%

If possible reasonable change in each of the significant actuarial assumptions occurs and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2025	2024
Discount rate(s)		
0.25% increase	$ (456)	$ (515)
0.25% decrease	$ 469	$ 529
Expected rate(s) of salary increase		
0.25% increase	$ 453	$ 511
0.25% decrease	$ (445)	$ (500)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2025	2024
The expected contributions to the plan for the next year	$ 723	$ 766
The average duration of the defined benefit obligation	11.39 years	12.33 years

17. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2025	2024
Number of shares authorized (in thousands)	200,000	200,000
Shares authorized	$ 2,000,000	$ 2,000,000
Number of shares issued and fully paid (in thousands)	145,482	143,609
Shares issued	$ 1,454,824	$ 1,436,094

Fully paid ordinary shares, with a par value of $10, carry one vote per share and confer a right to receive dividends.

On May 30, 2024, the Company's shareholders approved the issuance of 2,000 thousand restricted employee shares with a par value of $10 per share, for a total amount of $20,000 thousand. The restricted employee shares were issued without consideration. The issuance was subsequently approved by the board of directors on December 26, 2024, with the capital increase record date set as March 3, 2025.

On December 31, 2025, the Company repurchased 127 thousand shares of unvested restricted employee stock and has duly completed the requisite registration for their cancellation. For further details regarding the restricted employee shares, please refer to Note 22.

b. Capital surplus

	December 31	
	2025	**2024**
May be used to offset a deficit, distributed as cash dividends, or transferred to ordinary shares (1)		
Issuance of common shares	$ 1,479,256	$ 1,479,256
Treasury share transactions	15,840	15,840
May be used to offset a deficit only		
Changes in percentage of ownership interests in subsidiaries (2)	13,914	10,074
Share of changes in capital surplus of associates	292	292
May not be used for any purpose		
Conversion options	22,414	22,414
Restricted employee shares	26,316	-
	$ 1,558,032	$ 1,527,876

1) Such capital surplus may be used to offset a deficit. In addition, if the Company has no deficit, the capital surplus may be distributed as cash dividends or transferred to ordinary shares (limited to a certain percentage of the Company's issued shares and only once a year).

2) Such capital surplus arises from the effects of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions or from changes in capital surplus of subsidiaries accounted for using the equity method.

On May 30, 2024, the Company's shareholders approved to distribute cash dividends from capital surplus in the amount of $56,844 thousand, representing $0.4 per share.

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the amended Articles, where the Company earns a profit in a fiscal year, the profit shall be first be applied to pay taxes, offset losses of previous years, and allocate a legal reserve of 10% of the remaining profit. However, when the legal reserve has reached the amount of the Company's paid-in capital, no further appropriation shall be made. The remaining profit shall then be used to set aside or reverse a special reserve in accordance with the applicable laws and regulations, any remaining profit together with undistributed retained earnings shall be serve as the basis for the Company's board of directors to propose a distribution plan, which must be approved at the shareholders' meeting for dividend distribution and bonuses to shareholders. For the policies regarding the distribution of employees' compensation and directors' remunerations after the amendment, refer to employees' compensation and remuneration to directors in Note 19-g.

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

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2024 and 2023 that had been resolved by the shareholders in their meeting on May 28, 2025 and May 30, 2024, were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2024	**2023**
Legal reserve	$ 14,228	$ 4,759
Special reserve	$ 2,229	$ 26,392
Cash dividends	$ 105,000	$ 14,211
Cash dividends per share (NT$)	$ 0.738867	$ 0.100000

d. Special reserves

	For the Year Ended December 31	
	2025	**2024**
Balance on January 1	$ 26,392	$ -
Appropriations in respect of		
Debits to other equity items	2,229	26,392
Balance on December 31	$ 28,621	$ 26,392

e. Other equity items

1) Exchange difference on translating the financial statements of foreign operations

	For the Year Ended December 31	
	2025	**2024**
Balance on January 1	$ (101,880)	$ (180,453)
Recognized for the year		
Exchange differences on the translation of the financial statements of foreign operations	(39,802)	78,573
Balance on December 31	$ (141,682)	$ (101,880)

2) Unrealized valuation loss on financial assets at FVTOCI

	For the Year Ended December 31	
	2025	**2024**
Balance on January 1	$ (1,394)	$ (976)
Recognized for the year		
Unrealized loss - equity instruments	(424)	(418)
Balance on December 31	$ (1,818)	$ (1,394)

3) Unearned compensation

At the shareholders’ meeting held on May 30, 2024, the shareholders approved a restricted employee shares plan (see Note 22).

	For the Year Ended December 31	
	2025	**2024**
Balance on January 1	$ -	$ -
Issuance of shares	(48,100)	-
Recognized share-based payment expenses	21,898	-
Cancelled of shares	3,054	-
Balance on December 31	$ (23,148)	$ -

f. Treasury shares

Purpose of Buy-Back	**Shares Transferred to Employees (In Thousands)**	**Shares Held by Subsidiaries (In Thousands)**
Number of shares on January 1, 2025	1,500	526
Increase during the period	2,000	-
Number of shares on December 31, 2025	3,500	526
Number of shares on January 1, 2024	1,500	526
Number of shares on December 31, 2024	1,500	526

As resolved by the board in May 8, 2025, the Company purchased 2,000 thousand shares of treasury stock at a total cost of $39,309 thousand, for the purpose of motivating its employees and enhancing their performance.

Ledionopto Intelligent Technology Co., Ltd., a sub-subsidiary of the Company, held 526 thousand shares of the Company’s stock. The market price on December 31, 2025 and 2024 were $18.40 and $26.00 per share, respectively.

Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders’ rights on these shares, such as the rights to dividends and to vote. Shares of the parent company held by its subsidiaries are treated as treasury stock. Except for being prohibited from participating in the parent company’s cash capital increases and having no voting rights, all other rights are the same as those of ordinary shareholders.

18. REVENUE

	For the Year Ended December 31	
	2025	2024
Revenue from contracts with customers		
Revenue from the sale of goods	$ 949,555	$ 1,137,174

a. Contract balances

	December 31, 2025	December 31, 2024	January 1, 2024
Contract assets			
Sale of goods	$ 10,587	$ 2,821	$ -
Contract liabilities			
Sale of goods	$ 14,481	$ 10,522	$ 15,516

b. Detail of revenue from contracts with customers

	For the Year Ended December 31	
	2025	2024
Major market:		
China	$ 71,350	$ 129,924
America	249,921	257,528
Europe	201,729	222,585
Taiwan	205,408	259,293
Others	221,147	267,844
	$ 949,555	$ 1,137,174
Major product:		
Optical Sensor Component	$ 7,582	$ 22,708
LED lighting product	855,213	1,014,124
LED automotive product	68,309	67,573
Others	18,451	32,769
	$ 949,555	$ 1,137,174

19. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest income

	For the Year Ended December 31	
	2025	2024
Bank deposits	$ 3,795	$ 3,617
Others	32	5
	$ 3,827	$ 3,622

b. Other income

	For the Year Ended December 31	
	2025	2024
Others	$ 44,519	$ 19,390

c. Other gains and losses

	For the Year Ended December 31	
	2025	2024
Gain on disposal of property, plant and equipment	$ 709	$ 482
Net foreign exchange (losses) gains	(6,769)	9,057
Gain (loss) on financial assets at fair value through profit or loss	902	(333)
Others	70	(5,211)
	$ (5,088)	$ 3,995

d. Financial costs

	For the Year Ended December 31	
	2025	2024
Bank borrowings	$ 3,159	$ 4,460
Lease liabilities interest	1,311	927
Corporate bonds	7,933	651
	$ 12,403	$ 6,038

e. Depreciation and amortization

	For the Year Ended December 31	
	2025	2024
Property, plant and equipment	$ 21,163	$ 24,824
Right-of-use assets	4,858	4,034
Intangible assets	141	46
	$ 26,162	$ 28,904

(Continued)

	For the Year Ended December 31	
	2025	2024
Depreciation expense by function		
Operating costs	$ 10,302	$ 9,338
Operating expenses	15,719	19,520
	$ 26,021	$ 28,858
Amortization expense by function		
Operating costs	$ -	$ -
Operating expenses	141	46
	$ 141	$ 46

(Concluded)

f. Employee benefits expense

	For the Year Ended December 31	
	2025	2024
Short-term employee benefits	$ 174,177	$ 144,434
Post-employment benefits	7,222	6,586
Total employee benefits expense	$ 181,399	$ 151,020
Employee benefits expense by function		
Operating costs	$ 37,334	$ 33,543
Operating expenses	144,065	117,477
	$ 181,399	$ 151,020

g. Employees' compensation and remuneration to directors

According to the Company's Articles of Incorporation, if the Company has current-year earnings after the annual financial statements are finalized, it shall allocate 1% to 10% of the profits as employees' compensation, to be distributed in the form of stock or cash upon the resolution of the board of directors. The recipients include eligible subordinate employees. In addition, 1% to 5% of the profits shall be allocated for salary adjustments or compensation distributions for junior-level employees, to be determined by the board of directors as either employee compensation or salary adjustments. The Company may also allocate up to 3% of the profits as remuneration for directors, as resolved by the board of directors. The distributions of employees' compensation and directors' remuneration shall be reported to the shareholders' meeting. However, if there are accumulated losses, the Company shall first make provision for loss recovery before making any such allocations.

As the Company incurred losses for the year ended December 31, 2025, no employees' compensation or directors' remuneration was accrued. The employees' compensation and directors' remuneration for the year ended December 31, 2024, were as follows:

Accrual rate

	For the Year Ended December 31, 2024
Compensation of employees	5%
Remuneration of directors	1%

Amount

	For the Year Ended December 31, 2024
Compensation of employees	$ 7,800
Remuneration of directors	$ 1,800

If there is a change in the amounts after the annual parent company only financial statements were authorized for issue, the difference is recorded as a change in the accounting estimate and adjusted in the following year.

There were no differences between the actual distributions of employees' compensation and directors' remuneration for 2024 and 2023 and the amounts recognized in the parent company only financial statements for the respective years.

Information on the employees' compensation and directors' remuneration resolved by the Company's board of directors for 2024 and 2023 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

20. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2025	**2024**
Deferred tax		
In respect of the current period	$ 18,605	$ 3,186
Income tax expense recognized in profit or loss	$ 18,605	$ 3,186

The reconciliation of accounting profit and taxable income was as follows:

	For the Year Ended December 31	
	2025	2024
(Loss) profit before tax from continuing operations	$ (28,632)	$ 145,091
(Loss) income tax expense calculated based on the pre-tax (loss) income at the applicable tax rate in relevant countries	$ (5,726)	$ 29,018
Permanent differences	13,020	(10,151)
Gain (loss) of investing foreign company	13,102	(205)
Used tax deduction	(20,292)	(17,458)
Unrecognized loss carryforwards and deductible temporary differences	18,501	1,766
Adjustment for prior year’s income tax	-	-
Others	-	216
Income tax expense recognized in profit or loss	$ 18,605	$ 3,186

b. Current tax assets and liabilities

	December 31	
	2025	2024
Current tax assets		
Tax refund receivable	$ 1,164	$ 1,246

c. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

	For the Year Ended December 31, 2025		
	Balance, Beginning of Year	Recognized in Profit or Loss	Balance, End of Year
Deferred tax assets			
Temporary differences			
Allowance for inventory valuation and obsolescence loss	$ 755	$ 553	$ 1,308
Loss carryforwards	46,497	(20,292)	26,205
Others	5,601	(127)	5,474
	$ 52,853	$ (19,866)	$ 32,987
Deferred tax liabilities			
Temporary differences			
Subsidiaries and joint venture	$ (1,790)	$ 1,790	$ -
Others	-	(529)	(529)
	$ (1,790)	$ 1,261	$ (529)

	For the Year Ended December 31, 2024		
	Balance, Beginning of Year	Recognized in Profit or Loss	Balance, End of Year
Deferred tax assets			
Temporary differences			
Allowance for inventory valuation and obsolescence loss	$ 1,340	$ (585)	$ 755
Loss carryforwards	48,263	(1,766)	46,497
Others	6,451	(850)	5,601
	$ 56,054	$ (3,201)	$ 52,853
Deferred tax liabilities			
Temporary differences			
Subsidiaries and joint venture	$ (1,805)	$ 15	$ (1,790)

d. Unused loss carryforwards for which no deferred tax assets have been recognized in the parent company only balance sheets

	December 31	
	2025	2024
Loss carryforwards		
Expiry in 2026	$ 27,102	$ 44,233
Expiry in 2027	57,281	33,216
	$ 84,383	$ 77,449

e. Income tax assessments

The income tax returns of the Company and its subsidiaries located in Taiwan have been assessed and approved by the tax authorities through the year 2023.

21. (LOSS) EARNINGS PER SHARE

	For the Year Ended December 31	
	2025	2024
Net (loss) profit for the year (in thousands)		
(Loss) profit used in the computation of basic (loss) earnings per share	$ (47,237)	$ 141,905
Effect of potentially dilutive ordinary shares:		
Interest on convertible bonds after tax	-	521
(Loss) profit used in the computation of diluted (loss) earnings per share	$ (47,237)	$ 142,426

(Continued)

	For the Year Ended December 31	
	2025	2024
Ordinary shares outstanding (in thousands of shares)		
Weighted average number of ordinary shares used in computation of basic (loss) earnings per share	140,417	141,584
Effect of potentially dilutive ordinary shares		
Compensation of employee	-	316
Interest on convertible bonds after tax	-	1,289
Weighted average number of ordinary shares used in the computation of diluted (loss) earnings per share	140,417	143,189
Basic (loss) earnings per share	$ (0.34)	$ 1.00
Diluted (loss) earnings per share	$ (0.34)	$ 0.99

(Concluded)

The Company may settle the compensation of employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the calculation of diluted earnings per share, as their effect would be dilutive. The dilutive effect of such potential shares is considered in the calculation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year. However, as the Company incurred a loss for the year ended December 31, 2025, including employee compensation, restricted employee shares and convertible bonds in the computation would have an antidilutive effect. Accordingly, such potential ordinary shares were excluded from the computation of diluted earnings per share.

22. SHARE-BASED PAYMENT ARRANGEMENTS

Restricted Employee Shares

On May 30, 2024, the shareholders' meeting approved the issuance of 2,000 thousand new shares of restricted stock to those full-time employees who meet the Company's corresponding requirements. The issuance was registered with, and approved by, the Securities and Futures Bureau of the Financial Supervisory Commission, R.O.C. On December 26, 2024, the board of directors resolved to issue the shares, with March 3, 2025 as the date of capital increase. The fair value per share on the grant date was NT$24.05.

Those employees awarded with restricted stocks are entitled to receive the awarded shares without consideration, provided that these employees continue to provide service to the Company for at least 1 year (from the grant date). 30% each of the restricted stock is vested in year 1 and 2 after the grant date, and the remaining 40% is vested in year 3 after the grant date. The restricted stock is kept by a trust, which is appointed by the Company, before it is vested. These shares shall not be sold, pledged, transferred, gifted, or disposed of, by any other means to third parties during the custody period. The voting rights of these shareholders are executed by the custodian, and the custodian will act according to the law and regulations. If the shares remain unvested after the vesting period, the Company will repurchase, then forfeit, and thereafter, cancel all the unvested shares without consideration.

Details of the restricted employee shares are as follows:

	For the Year Ended December 31	
	2025	2024
Balance on January 1	-	-
Options granted	2,000	-
Cancelled of shares	(127)	-
Balance on December 31	1,873	-

The expenses incurred by the Company for restricted employee shares are as follows:

	For the Year Ended December 31	
	2025	2024
Expenses resulting from restricted employee shares	$ 21,898	$ -

23. CASH FLOW INFORMATION

Changes in Liabilities Arising from Financing Activities

For the year ended December 31, 2025

			Non-cash Changes				
	January 1, 2025	Cash Flows	Changes in Foreign Currency Exchange	New Leases	Others	Discount and Premium Amortization	December 31, 2025
Lease liabilities	$ 4,310	$ (4,716)	$ -	$ 6,992	$ -	$ -	$ 6,586
Bonds payable	276,220	-	-	-	-	7,933	284,153
Guarantee deposits received	28	3	-	-	-	-	31
Total liabilities from financing activities	$ 280,558	$ (4,713)	$ -	$ 6,992	$ -	$ 7,933	$ 290,770

For the year ended December 31, 2024

			Non-cash Changes					
	January 1, 2024	Cash Flows	Changes in Foreign Currency Exchange	New Leases	Lease Modification	Others	Discount and Premium Amortization	December 31, 2024
Short-term borrowings	$ 180,705	$ (181,185)	$ 480	$ -	$ -	$ -	$ -	$ -
Lease liabilities	6,292	(3,865)	-	3,385	(1,502)	-	-	4,310
Long-term borrowings (including current portion)	134,300	(134,300)	-	-	-	-	-	-
Bonds payable	-	297,983	-	-	-	(22,414)	651	276,220
Guarantee deposits received	21	7	-	-	-	-	-	28
Total liabilities from financing activities	$ 321,318	$ (21,360)	$ 480	$ 3,385	$ (1,502)	$ (22,414)	$ 651	$ 280,558

24. CAPITAL RISK MANAGEMENT

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

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

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

25. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

The management of the Company believes that the carrying amounts of financial assets and financial liabilities not measured at fair value approximate their fair values.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Embedded derivative in convertible bonds	$ -	$ 120	$ -	$ 120
Domestic bonds	4,187	-	-	4,187
	$ 4,187	$ 120	$ -	$ 4,307

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Embedded derivative in convertible bonds	$ -	$ 120	$ -	$ 120
Domestic bonds	6,135	-	-	6,135
	$ 6,135	$ 120	$ -	$ 6,255

There were no transfers between Levels 1 and 2 in the current and prior periods.

2) Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instrument	Valuation Technique and Inputs
Embedded derivative in convertible bonds	It is valued using a binomial tree model for convertible bonds, based on the conversion price volatility, risk-free interest rate, discount rate for risk, and the remaining number of periods to maturity.

c. Categories of financial instruments

	December 31	
	2025	**2024**
<u>Financial assets</u>		
Financial assets at FVTPL	$ 4,307	$ 6,255
Financial assets at amortized cost (1)	755,113	604,847
<u>Financial liabilities</u>		
Amortized cost (2)	441,390	544,914

1) The balances include cash and cash equivalents, financial assets measured at amortized cost, contract assets, notes receivable, accounts receivable (including related parties), other receivables (including related parties), other non-current financial assets, and refundable deposits, all of which are measured at amortized cost.

2) The balances include contract liabilities, notes payable, accounts payable (including related parties), other payables (including related parties), bonds payable, and guarantee deposits received, all of which are measured at amortized cost.

d. Financial risk management objectives and policies

The Company's major financial instruments include cash and cash equivalents, notes and accounts receivable, other receivables, other non-current financial assets, refundable (or guarantee) deposits, notes and accounts payable, other payables, short-term and long-term borrowings, and bonds payable.

The Company does not enter into financial instruments (including derivative financial instruments) for speculative purposes.

1) Market risk

The Company is exposed primarily to the financial risks of changes in foreign currency exchange rate.

a) Foreign currency exchange rates risk

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period, refer to Note 31.

<u>Sensitivity analysis</u>

The Company engage in sales and purchases denominated in foreign currencies. To mitigate fluctuations in international exchange rates, the Company simultaneously conducts transactions in different currencies to balance and diversify the potential losses caused by exchange rate movements.

The following table details the Company's sensitivity to a 1% increase and decrease in the functional currency against the relevant foreign currencies. The sensitivity analysis is for a 1% change in foreign currency rates and included only outstanding foreign currency denominated monetary items at the end of the reporting period. A positive amount indicates an increase in profit before tax when the primary exposure currency appreciates by 1% against the relevant functional currency. For a 1% depreciation of the primary exposure currency against the relevant currency, there would be an opposite impact on pre-tax profit, and the balances below would be negative.

	Currency USD Impact	
	For the Year Ended December 31	
	2025	**2024**
Profit or loss	$ 2,347	$ 1,560

2) Credit risk

Credit risk refers to the risk that counterparty fails to meet its contractual obligations resulting in financial loss to the Company. At the end of the reporting period, the Company's maximum exposure to credit risk, which may arise from counterparties' failure to perform and from financial guarantees provided by the Company, is equal to the carrying amount of the respective recognized financial assets as stated in the balance sheets.

The Company transacts with a large number of unrelated customers and thus, credit risk is not highly concentrated. When counterparties are related parties, the Company defines them as a group of counterparties with similar characteristics.

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

a) Liquidity and interest rate risk tables

The following table details the Company's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

To the extent that interest flows are at floating rates, the undiscounted amount was derived from the interest rate curve at the end of the period.

December 31, 2025

	On Demand or Less than 1 Year	**1-5 Years**	**5+ Years**
Lease liabilities	$ 3,606	$ 2,980	$ -

Further information on the maturity analysis of the above financial liabilities was as follows:

	On Demand or Less than 1 Year	1-5 Years	5+ Years
Lease liabilities	$ 4,771	$ 3,558	$ -

December 31, 2024

	On Demand or Less than 1 Year	1-5 Years	5+ Years
Lease liabilities	$ 3,411	$ 899	$ -

Further information on the maturity analysis of the above financial liabilities was as follows:

	On Demand or Less than 1 Year	1-5 Years	5+ Years
Lease liabilities	$ 3,883	$ 1,018	$ -

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities are subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the period.

b) Credit facilities

	December 31	
	2025	2024
Unsecured bank facilities:		
Amount used	$ -	$ -
Amount unused	1,285,315	972,093
	$ 1,285,315	$ 972,093

26. TRANSACTIONS WITH RELATED PARTIES

Besides information disclosed elsewhere in the other notes, details of transactions between the Company and other related parties are disclosed as follows.

a. Related party name and category

Related Party Name	Related Party Category
Edison-Litek Opto Corporation	Subsidiary
Edison Opto USA Corporation	Sub-subsidiary
Edison Opto (Dong Guan) Co., Ltd	Sub-subsidiary
Yangzhou Edison Opto Corporation	Sub-subsidiary
Edison-Litek Opto Corporation	Sub-subsidiary
Ledison Opto Semiconductor Co., Ltd.	Related party in substance*

* The company was not related party from December 22, 2025.

b. Sales of goods

Line Item	Related Party Name	For the Year Ended December 31	
		2025	2024
Sales	Edison Opto USA Corporation	$ 50,688	$ 43,129
	Edison Opto (Dong Guan) Co., Ltd	10,872	23,672
	Yangzhou Edison Opto Corporation	11,729	12,903
	Ledison Opto Semiconductor Co., Ltd.	21,861	-
	Other related parties	3	618
		$ 95,153	$ 80,322

The transaction price and payment terms were determined in accordance with the commercial terms agreed upon by both parties.

As of December 31, 2025, the Company recorded sales transactions with Ledison Opto Semiconductor Co., Ltd., a related party, resulting in an outstanding accounts receivable balance of $16,019 thousand that remained unsettled.

c. Purchases

Related Party Name	For the Year Ended December 31	
	2025	2024
Edison Opto (Dong Guan) Co., Ltd	$ 246,239	$ 274,989
Yangzhou Edison Opto Corporation	371,114	399,524
Other related parties	26,816	35,210
	$ 644,169	$ 709,723

The transaction price and payment terms were determined in accordance with the commercial terms agreed upon by both parties.

d. Receivables from related parties

Line Item	Related Party Name	December 31	
		2025	2024
Trade receivables	Edison Opto USA Corporation	$ 10,205	$ 9,053
	Edison-Litek Opto Corporation	-	531
Other receivables	Edison-Litek Opto Corporation	6,947	12,300
	Other related parties	17	652
		$ 17,169	$ 22,536

The other receivables from related parties were rentals for office and parking spaces.

e. Payables to related parties

Line Item	Related Party Name	December 31 2025	December 31 2024
Trade payables	Yangzhou Edison Opto Corporation	$ 35,240	$ 91,988
	Edison Opto (Dong Guan) Co., Ltd	29,184	63,992
Other payables	Other related parties	2,285	5,575
	Edison-Litek Opto Corporation	-	33
		$ 66,709	$ 161,588

f. Disposal of property, plant and equipment

	Disposal Proceeds		Unrealized Gains on Disposal of Property	
	For the Year Ended December 31		For the Year Ended December 31	
Related Party Name	2025	2024	2025	2024
Edison-Litek Opto Corporation	$ 200,000	$ -	$ 99,192	$ -

g. Other transactions with related parties

Line Item	Related Party Name	For the Year Ended December 31 2025	For the Year Ended December 31 2024
Manage services revenue	Edison-Litek Opto Corporation	$ 6,109	$ 6,152
Manage services revenue	Edison-Litek Opto Corporation Limited	27,427	-
Manage services revenue	Other related parties	549	720
Rental revenue	Edison-Litek Opto Corporation	9,029	10,946
Rental revenue	Other related parties	223	196
Mold and sample revenue	Ledison Opto Semiconductor Co., Ltd.	295	-
		$ 43,632	$ 18,014

h. Remuneration of key management personnel

	For the Year Ended December 31 2025	For the Year Ended December 31 2024
Short-term employee benefits	$ 23,402	$ 22,602
Post-employment benefits	642	612
Share-based payments	3,796	-
	$ 27,840	$ 23,214

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

27. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The details of assets pledged as collateral or for security of the Company are as follows:

	December 31	
	2025	2024
Pledged time deposit (recorded under other non-current assets)	$ 2,984	$ 2,939
Property, plant and equipment	52,880	298,156
	$ 55,864	$ 301,095

28. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant contingencies and unrecognized commitments of the Company as of December 31, 2025 and 2024 were as follows:

a. Significant contingencies

The Company's unrecognized contractual commitments are as follows:

	December 31	
	2025	2024
Acquisition of property, plant and equipment	$ 335,883	$ 392,495

On November 11, 2024, the Company signed a preliminary sales contract with ReaLy Development & Construction Corp. for the purchase of National Landmark at a total contract price of $432,880 thousand (including tax). As of December 31, 2025, $86,760 thousand (including tax) has been paid, and the remaining $346,120 thousand (including tax) will be paid according to the progress of the completion.

b. Contingency

The Company obtained the contract for the "Tainan City LED Street Light Replacement Project, District 3" in May 2021. As agreed by both parties, the Company pledged a certificate of deposit totaling $20,000 thousand as a performance bond. In November 2021, the Company received a letter from the Public Works Bureau of the Tainan City Government ("Works Bureau") terminating the aforementioned contract. Following the termination, in January of 2022, the Works Bureau forfeited the performance deposit and demanded payment of the tender bond of $5,000 thousand. After the termination by the government, the Company requested the Tainan City Government to return the performance deposit and the bid bond. As the parties failed to reach a settlement, the Company initiated civil and administrative litigation proceedings in 2023. The Tainan District Court (regarding the return of the performance bond) ruled against the Company in May 2025. The Company has appealed to the Tainan Branch of the Taiwan High Court, Civil Division, and the case is still under trial. The Kaohsiung High Administrative Court (regarding the Works Bureau's forfeiture of the bid bond) also ruled against the company in June 2024, and the Company appealed to the Supreme Administrative Court, where the case is still under review. Additionally, due to violation of the Government Procurement Act by the Company, the Company was publicly listed in the Government Gazette and suspended from tendering for three years. The Company has appealed this penalty to Kaohsiung High Administrative Court, which is still hearing the case of the date of this report.

29. SIGNIFICANT LOSSES FROM DISASTERS

No such situations have occurred during the period.

30. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

No such situations have occurred during the period.

31. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The related exchange rates between foreign currencies and respective functional currencies were as follows:

	December 31, 2025		
	Foreign Currency (In Thousands)	**Exchange Rate**	**Carrying Amount**
Financial assets			
Monetary items			
USD	$ 10,263	31.43 (USD:NTD)	$ 322,566
RMB	18,476	4.4725 (RMB:NTD)	82,634
Financial liabilities			
Monetary items			
USD	2,797	31.43 (USD:NTD)	87,910
RMB	18	4.4725 (RMB:NTD)	81

	December 31, 2024		
	Foreign Currency (In Thousands)	**Exchange Rate**	**Carrying Amount**
Financial assets			
Monetary items			
USD	$ 11,060	32.785 (USD:NTD)	$ 362,602
RMB	11,718	4.5604 (RMB:NTD)	53,439
Financial liabilities			
Monetary items			
USD	6,300	32.785 (USD:NTD)	206,546

32. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions

1) Financing provided to others. (Table 1)

2) Endorsements/guarantees provided. (None)

3) Significant marketable securities held (excluding investment in subsidiaries, associates and joint ventures. (Table 2)

4) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 3)

5) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital. (None)

b. Information on investments in subsidiaries and associates. (Table 4)

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 5)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (None)

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

c) The amount of property transactions and the amount of the resultant gains or losses.

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.

f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.

33. SEGMENT INFORMATION

Please refer to the consolidated financial statements for 2025.

TABLE 1

EDISON OPTO CORPORATION

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing (Note 2)	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 3)	Aggregate Financing Limit (Note 3)	Note
													Item	Value			
1	Yangzhou Edisonn Opto Corporation	Yangzhou Edison-Litek Opto Corporation	Other receivables from related parties	Yes	$ 23,127 (CNY 5,000)	$ -	$ -	2	b	$ -	Short-term financing	$ -	-	$ -	$ 160,440	$ 320,880	
2	Edison-Litek Opto Corporation Limited	Edison-Litek Opto Corporation	Other receivables from related parties	Yes	46,487 (US$ 1,400)	-	-	2	b	-	Short-term financing	-	-	-	52,841	105,681	

Note 1: The parent company and its subsidiaries are coded as follows:

a. The parent company is coded “0”.
b. The subsidiaries are coded consecutively beginning from “1” in the order presented in the table above.

Note 2: Reasons for financing are as follows:

a. Business relationship.
b. The need for short-term financing.

Note 3: The total lending limit is capped at 40% of the net worth of the lending company, while the individual lending limit is capped at 20% of the net worth of the lending company.

Note 4: The above transactions have been written off during the preparation of the consolidated report.

EDISON OPTO CORPORATION

SIGNIFICANT MARKETABLE SECURITIES HELD
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company (Note 2)	Financial Statement Account	December 31, 2025				Note (Note 4)
				Number of Shares	Carrying Amount (Note 3)	Percentage of Ownership	Fair Value	
Edison Opto Corporation	Taiyo Technology Co., Ltd. - convertible bonds	None	Financial assets at fair value through profit or loss - current	-	$ 4,187	-	$ 4,187	
Edison Fund Investment Corporation	Ledlink Optics, Inc	〃	〃	210	3,770	-	3,770	
	CAPITAL ICE ESG 20+ Year BBB Corporate ETF	〃	〃	1,000	15,080	-	15,080	
	Taiwan Hydroxyl Technology Co., Ltd.	〃	Financial assets at fair value through other comprehensive income - non-current	300	634	12.5	634	

Note 1: The marketable securities stated here are related to shares, debentures and beneficiary certificates and the derivative products caused by those of “IFRS 9 Financial Instruments”.

Note 2: If the issuer of the securities is not a related party, this column may be left blank.

Note 3: For items measured at fair value, the carrying amount column should reflect the amount after fair value adjustments; for items not measured at fair value, the carrying amount column should reflect the original acquisition cost or amortized cost, net of accumulated impairment.

Note 4: If the listed securities are subject to restrictions due to collateral, pledge for borrowings, or other contractual arrangements, the remarks column should specify the number of shares pledged or provided as collateral, the amount of the pledge or collateral, and the nature of the usage restrictions.

Note 5: This table presents the marketable securities that the Company has determined should be disclosed in accordance with the principle of materiality.

Note 6: For information on the investments in subsidiaries and associates, refer to Tables 4 and 5.

EDISON OPTO CORPORATION

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST $100 MILLION OR 20 OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	To Total (%)	Payment Terms	Unit Price	Payment Terms	Ending Balance	To Total (%)	
Edison Opto Corporation	Yangzhou Edison Opto Corporation	Subsidiary of the Company	Purchase	$ 371,114	51.07	60 days	$ -	-	$ (35,240)	(38.94)	
	Edison Opto (Dong Guan) Co., Ltd	〃	〃	246,239	33.88	〃	-	-	(29,184)	(32.25)	

Note 1: If the terms of related-party transactions differ from those of ordinary transactions, the differences and reasons should be specified in the unit price and credit period columns.

Note 2: If there are advance receipts or payments, the reasons, contractual terms, amounts, and differences from ordinary transaction patterns should be disclosed in the note column.

Note 3: The above transactions have been written of during the preparation of the consolidated report.

TABLE 4

EDISON OPTO CORPORATION

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2025	December 31, 2024	Shares	%	Carrying Amount			
Edison Opto Corporation	Edison Opto Corporation	Samoa	Selling of LED components and modules	$ 1,041	$ 1,041	30	100.00	$ 861	$ (100)	$ (100)	
	Ledison Opto Corporation	Samoa	Investment	145,991	145,991	4,500	100.00	220,557	(23,193)	(23,680)	
	Best Opto Corporation	Samoa	Investment	1,093,776	1,277,226	35,000	100.00	800,008	(41,041)	(40,604)	
	Edison Fund Investment Limited	Taiwan	Investment	686,000	686,000	25,000	100.00	98,372	7,058	7,058	
	Edison-Litek Opto Corporation Limited	Hong Kong	Investment	167,661	167,661	5,500	17.01	44,941	(6,905)	(1,175)	
	Edison-Litek Opto Corporation	Taiwan	Manufacturing and selling of LED components and modules	208,375	208,375	20,213	79.89	343,841	31,173	24,905	
	Ledison Opto Corporation Limited	Taiwan	Selling of LED components and modules	9,800	9,800	980	100.00	10,594	962	962	
Best Opto Corporation	Best Led Corporation	Samoa	Investment	1,093,776	1,277,226	35,000	100.00	802,204	(41,041)	(40,604)	
Edison Fund Investment Corporation	Edison Opto USA Corporation	U.S.A.	Selling of LED components and modules	6,392	6,392	220	55.00	40,880	5,661	3,113	
	Ledionopto Intelligent Technology Co., Ltd.	Taiwan	Selling of LED components and modules	113,185	113,185	2,200	100.00	18,002	304	304	
	Edison Auto Lighting Corporation	Taiwan	Selling of LED components and modules	7,570	7,570	1,000	100.00	10,067	3,011	3,011	
Edison-Litek Opto Corporation	Edison-Litek Opto Corporation Limited	Hong Kong	Investment	97,207	64,472	23,463	72.56	191,706	(6,905)	(5,010)	

Note 1: If a public company has an overseas holding company and, in accordance with local regulations, prepares consolidated financial statements as its primary financial statements, the disclosure of information regarding overseas investee companies may be limited to the relevant information of the holding company.

Note 2: Information on investees in mainland China, refer to Table 5.

Note 3: The above transactions have been written off during the preparation of the consolidated report.

EDISON OPTO CORPORATION

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. Information on investees in mainland China, including the name, principal business activities, paid-up capital, method of investment, inward and outward remittance of funds, percentage of ownership, investment gain or loss, carrying of the investment, and repatriation of investment income:

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Investor Company	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2025	Net Income (Loss) of the Investee	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2025	Accumulated Repatriation of Investment Income as of December 31, 2025
						Outward	Inward						
Edison Opto (Dong Guan) Co., Ltd	Manufacturing and selling of LED components and modules	$ 145,991 (US$ 4,500)	b.	Ledison Opto Corporation	$ 111,408 (US$ 3,317)	$ -	$ -	$ 111,408 (US$ 3,317)	$ (23,194) (US$ -744)	100.00	$ (23,194) (US$ -744)	$ 222,638 (US$ 7,083)	$ 34,583 (US$ 1,183)
Dong Guan Davinci Opto Co., Ltd.	Manufacturing and selling of LED components and modules	-	b.	Led Plus Limited	52,255 (US$ 1,714)	-	-	52,255 (US$ 1,714)	-	-	-	-	-
Yangzhou Edison Opto Corporation	Manufacturing and selling of LED components and modules	1,093,776 (US$ 35,000)	b.	Best Opto Corporation	1,277,226 (US$ 41,000)	-	183,450 (US$ 6,000)	1,093,776 (US$ 35,000)	(41,041) (US$ -1,316)	100.00	(41,041) (US$ -1,316)	802,204 (US$ 25,524)	-
Yangzhou Aichuan Electronic Trade Corporation	Manufacturing and selling of LED components and modules	2,148 (RMB 500)	c.	Yangzhou Edisonn Opto Corporation	-	-	-	-	28 (RMB 6)	100.00	28 (RMB 6)	2,442 (RMB 546)	-
Yangzhou Edison-Litek Opto Corporation	Manufacturing and selling of LED components and modules	270,552 (US$ 8,875)	b.	Edison-Litek Opto Corporation Limited	167,661 (US$ 5,500)	-	-	167,661 (US$ 5,500)	29,791 (US$ 955)	74.98	22,338 (US$ 716)	190,435 (US$ 6,059)	-

Note 1: Investments can be classified into three categories as follow:

a. Direct investment in mainland China.

b. Reinvestment in mainland China through companies in a third country companies.

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

c. Others.

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

(Continued)

Note 2: The above transactions have written off during the preparation of the consolidated report.

Note 3: Dong Guan Davinci Opto Co., Ltd. was formally deregistered in 2010.

2. Limit on investment amount in Mainland China:

Company	Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2025	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
Edison Opto Corporation	$ 1,372,845 (US$ 43,817)	$ 1,407,121 (Note 3) (US$ 44,770)	(Note 1)
Ledionopto Intelligent Technology Corporation	52,255 (Note 2) (US$ 1,714)	53,871 (US$ 1,714)	-

Note 1: Since the Company acquired the permission from Industrial Development Bureau at August 9, 2025, 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 11451028490).

Note 2: Dong Guan Davinci Opto Co., Ltd., in which Ledionopto Intelligent Technology Corporation indirectly invested US$2,000 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 US$286 thousand had been remitted to Ledionopto. However, according to the regulation, the remittance to Mainland China amounting to US$1,714 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 US$1,000 thousand, was authorized by the Investment Commission. Yangzhou Ledison had completed its liquidation in 2017 and the remitted capital amount of US$1,230 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 US$230 thousand had been deducted by the Company.

3. Significant transactions with the investment in Mainland China, whether directly or indirectly through entities in third regions:

For the third quarter of 2025, significant direct or indirect transactions between the consolidated company and its investment in Mainland China are detailed in Tables 1 and 3. These transactions have written off during the preparation of the consolidated report.

(Concluded)

EDISON OPTO CORPORATION

THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

EDISON OPTO CORPORATION

STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Item	Description	Amount
Cash	Cash on hand	$ 3,515
	Petty cash	140
		3,655
Demand deposits	New Taiwan dollars	82,928
	Foreign currency	
	CNY4,427 @4.4725	19,902
	US$6,722 @31.43	211,267
	HK$66 @4.038	266
	EUR144 @36.9	5,327
	JPY867 @0.2008	174
	AUD4 @21.01	91
		319,955
Time deposits	New Taiwan dollars	127,500
	Foreign currency	
	CNY10,000 @4.4725	44,960
		172,460
		$ 496,070

STATEMENT 2

EDISON OPTO CORPORATION

STATEMENT OF TRADE RECEIVABLES
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Item	Amount
106241	$ 17,620
105122	14,884
100714	12,885
104628	11,611
104314	8,330
Others (each dose not exceed 5%)	65,131
	130,461
Less: Allowance for impairment loss	(2,646)
	$ 127,815

STATEMENT 3

EDISON OPTO CORPORATION

STATEMENT OF INVENTORIES
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

	Amount		
	Cost	Net Realized Value	Note
Finished goods	$ 28,767	$ 34,968	Market price is based on net realized value
Work in process and semi-finished goods	5,262	5,341	〃
Raw materials	12,624	12,655	〃
Supplies	580	588	〃
Less: Allowance for inventory valuation and obsolescence losses	(6,540)	-	
	$ 40,693	$ 53,552	

EDISON OPTO CORPORATION

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

	Balance, January 1, 2025		Increase		Decrease				Balance, December 31, 2025				
Name	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Gain (Loss)	Other	Number of Shares	%	Amount	Market Value	Collateral
EDISON OPTO CORPORATION	30,000	$ 1,005	-	$ -	-	$ -	$ (100)	$ (44)	30,000	100.00	$ 861	$ 861	None
LEDISON OPTO CORPORATION	4,500,000	247,335	-	-	-	-	(23,680)	(3,098)	4,500,000	100.00	220,557	222,843	〃
Best Opto Corporation	41,000,000	1,052,231	-	-	6,000,000	183,450	(40,605)	(28,168)	35,000,000	100.00	800,008	802,222	〃
Edison Fund Investment Corporation	25,000,000	93,342	-	-	-	-	7,058	(2,028)	25,000,000	100.00	98,372	108,048	〃
Edison-Litek Opto Corporation Limited	5,500,000	60,142	-	-	-	-	(1,175)	(14,026)	5,500,000	17.01	44,941	44,941	〃
Edison-Litek Opto Corporation	18,375,000	422,738	1,837,500	-	-	-	24,905	(103,802)	20,212,500	79.89	343,841	442,647	〃
Ledison Opto Corporation Limited	980,000	9,633	-	-	-	-	962	(1)	980,000	100.00	10,594	10,594	〃
		$ 1,886,426		$ -		$ 183,450	$ (32,635)	$ (151,167)			$ 1,519,174	$ 1,632,156	

EDISON OPTO CORPORATION

STATEMENT OF OTHER NON-CURRENT ASSETS
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Item	Amount
Guarantee deposits paid	$ 4,820
Restricted bank deposits	2,984
	$ 7,804

EDISON OPTO CORPORATION

STATEMENT OF TRADE PAYABLES
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Item	Amount
100001	$ 5,786
101231	4,367
100710	1,846
100010	1,225
Others (each dose not exceed 5%)	9,819
	$ 23,043

EDISON OPTO CORPORATION

STATEMENT OF OTHER PAYABLES
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Item	Amount
Personnel and bonus	$ 32,434
Other expenses - vendors	19,156
Others (each dose not exceed 5%)	633
	$ 52,223

EDISON OPTO CORPORATION

STATEMENT OF OTHER CURRENT LIABILITIES
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Item	Amount
Liabilities provision for employee benefits	$ 7,066
Refund liabilities	4,281
Collection on behalf of another party	1,346
Others (each dose not exceed 5%)	29
	$ 12,722

STATEMENT 9

EDISON OPTO CORPORATION

STATEMENT OF OTHER NON-CURRENT LIABILITIES
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Item	Amount
Defined benefit liabilities	$ 11,977
Others (each dose not exceed 5%)	29
	$ 12,006

EDISON OPTO CORPORATION

STATEMENT OF NET SALES
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Name	Quantity (In Thousand)	Amount
LED transmitter component	2,357	$ 7,582
LED lighting product	383,491	855,213
LED automotive product	50,090	68,309
Others	136,375	18,451
		$ 949,555

EDISON OPTO CORPORATION

STATEMENT OF COST OF SALES
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Item	Amount
Raw material used	
Balance, beginning of year	$ 9,692
Raw material purchased	87,115
Raw material, end of year	(12,624)
Sales of raw material	(36,203)
Raw material consumed this period	47,980
Supplies	
Balance, beginning of year	526
Supplies purchased	1,108
Others	80
Supplies, end of year	(580)
Sales of supplies	(18)
Supplies consumed this period	1,116
Direct labor	19,407
Manufacturing expenses	30,268
Manufacturing cost	98,771
Work in process and semi-finished goods, beginning of year	3,418
Semi-finished goods purchased	6,317
Transferred from finished goods	38,609
Work in process and semi-finished goods, end of year	(5,262)
Sales of semi-finished goods	(6,323)
Transferred to expenses	(7,193)
Manufacturing cost	128,337
Finished goods, beginning of year	21,563
Finished goods purchased	609,341
Finished goods, end of year	(28,767)
Transferred to work in process	(38,609)
Transferred to expenses	(730)
Cost of finished goods	691,135
Raw material, supplies and semi-finished goods	42,544
Losses on inventory valuation loss and obsolescence	2,763
Others	17,579
	$ 754,021

EDISON OPTO CORPORATION

STATEMENT OF SELLING AND MARKETING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Item	Amount
Salaries and bonuses	$ 32,194
Other expense	4,677
Others (each dose not exceed 5%)	33,689
	$ 70,560

EDISON OPTO CORPORATION

STATEMENT OF GENERAL AND ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Item	Amount
Salaries and bonuses and employees' compensation	$ 51,296
Depreciation expenses	7,748
Labor costs	7,243
Restricted stock costs	21,898
Others (each dose not exceed 5%)	22,526
	$ 110,711

EDISON OPTO CORPORATION

STATEMENT OF RESEARCH AND DEVELOPMENT EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Item	Amount
Salaries and bonuses	$ 18,408
Depreciation expenses	2,951
Labor costs	7,689
Others (each dose not exceed 5%)	11,831
	$ 40,879

EDISON OPTO CORPORATION

SUMMARY TABLE OF EMPLOYEE BENEFIT, DEPRECIATION AND AMORTIZATION EXPENSES BY FUNCTION FOR THE CURRENT PERIOD
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

By Function / By Item	2025			2024		
	Cost of Sales	Operating Expenses	Total	Cost of Sales	Operating Expenses	Total
Employee benefits expense (Notes)						
Salary expense	$ 28,701	$ 122,016	$ 150,717	$ 25,113	$ 94,743	$ 119,856
Pension expense	1,631	5,591	7,222	1,570	5,016	6,586
Remuneration of directors	-	2,056	2,056	-	4,038	4,038
Other employee benefits expense	7,002	14,402	21,404	6,860	13,680	20,540
Depreciation expenses						
Depreciation of property, plant and equipment	9,755	11,408	21,163	8,616	16,208	24,824
Depreciation for right-of-use assets	547	4,311	4,858	722	3,312	4,034
Amortization expenses	-	141	141	-	46	46

Notes:

1. For the year of 2025 and 2024, the Company had 168 and 152 employees, respectively, which included 5 and 7 non-employee directors for both years

2. Average labor cost for the years ended December 31, 2025 and 2024 were NT$1,100 thousand and NT$1,014 thousand, respectively. Average salary and bonus for the years ended December 31, 2025 and 2024 were NT$925 thousand and NT$827 thousand, respectively. The average salary and bonus increased by 11.8% year over year.

3. The Company has duly established an Audit Committee and did not have supervisors. Therefore, there was no compensation to the supervisor.

4. Directors' remuneration comprises profit-sharing compensation and expenses incurred in the execution of their duties. The profit-sharing component is expressly stipulated in the Company's Articles of Incorporation and is subject to approval by the shareholders' meeting. The remuneration of the President and Vice Presidents encompasses salaries, bonuses, and employee profit-sharing, and is determined with reference to their respective positions, responsibilities, and contributions to the Company, while also taking into account prevailing industry standards. Employee remuneration likewise includes salaries, bonuses, and profit-sharing, and is established based on job position, scope of responsibility, and individual contribution, with due regard to industry benchmarks; bonuses and profit-sharing allocations are further subject to managerial approval in accordance with performance evaluation results. In disbursing remuneration to directors, executives, and employees, the Company has duly considered prospective operational risks and their positive correlation with business performance, with the aim of achieving an appropriate balance between sustainable development and effective risk management.