

**EVERLIGHT ELECTRONICS CO., LTD. AND
SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Six Months Ended June 30, 2025 and 2024**

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

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Independent Auditors' Review Report

To the Board of Directors of Everlight Electronics Co., Ltd.:

Introduction

We have reviewed the accompanying consolidated balance sheets of Everlight Electronics Co., Ltd. and its subsidiaries ("the Group") as of June 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2025 and 2024, as well as the changes in equity and cash flows for the six months ended June 30, 2025 and 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As stated in Note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect the total assets amounting to \$4,845,483 thousand and \$4,381,215 thousand, constituting 16% and 15% of the consolidated total assets; and the total liabilities amounting to \$1,096,452 thousand and \$816,708 thousand, constituting 10% and 8% of the consolidated total liabilities as of June 30, 2025 and 2024, respectively; as well as the absolute value of the total comprehensive income (loss) amounting to \$(399,204) thousand, \$28,899 thousand, \$(300,544) thousand and \$86,112 thousand, constituting 95%, 3%, 97% and 5% of the consolidated total comprehensive income (loss) for the three months and six months ended June 30, 2025 and 2024, respectively.

Furthermore, as stated in Note 6(h), the other equity accounted investments of the Group in its investee companies of \$380,809 thousand and \$350,626 thousand as of June 30, 2025 and 2024, respectively, and its share of total comprehensive income (loss) on these investee companies of \$(27,663) thousand, \$19,985 thousand, \$(11,579) thousand and \$(36,021) thousand for the three months and six months ended June 30, 2025 and 2024, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2025 and 2024, and of its consolidated financial performance for the three months and six months then ended, as well as its consolidated cash flows for the six months ended June 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Hsin, Yu-Ting and Kuo, Kuan-Ying.

KPMG

Taipei, Taiwan (Republic of China)
August 12, 2025

Notes to Readers

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

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

June 30, 2025, December 31, 2024, and June 30, 2024

(Expressed in Thousands of New Taiwan Dollars)

Assets		June 30, 2025		December 31, 2024		June 30, 2024				Liabilities and Equity		June 30, 2025		December 31, 2024		June 30, 2024	
		Amount	%	Amount	%	Amount	%					Amount	%	Amount	%	Amount	%
Current assets:										Current liabilities:							
1100	Cash and cash equivalents (note 6(a))	\$ 5,593,956	19	5,820,316	20	5,625,113	20	2100	Short-term borrowings (note 6(o))	\$ 760,385	3	750,000	3	750,000	3		
1110	Current financial assets at fair value through profit or loss (note 6(b))	417,764	1	572,365	2	886,867	3	2130	Current contract liabilities (note 6(x))	48,176	-	80,745	-	66,865	-		
1170	Notes and accounts receivable, net (note 6(d))	5,413,563	18	5,462,892	18	5,929,410	20	2170	Notes and accounts payable	3,626,686	12	3,995,993	13	4,110,792	14		
1180	Accounts receivable due from related parties, net (notes 6(d) and 7)	612,361	2	531,386	2	421,865	2	2180	Accounts payable to related parties (note 7)	218,318	1	225,533	1	48,653	-		
1310	Inventories (note 6(f))	963,583	3	1,049,050	4	957,936	3	2213	Payables on machinery and equipment	140,455	-	211,850	1	145,564	1		
1460	Non-current assets classified as held for sale, net (note 7)	-	-	-	-	681,660	2	2216	Dividends payable	2,372,137	8	-	-	1,433,627	5		
1470	Other current assets	259,462	1	417,847	1	370,475	1	2230	Current tax liabilities	656,841	2	555,668	2	495,173	2		
1476	Other current financial assets (notes 6(a), 6(e) and 7)	7,088,731	24	6,250,606	21	4,485,000	15	2250	Current provisions (notes 6(p) and 9(b))	164,839	1	120,444	-	104,368	-		
		20,349,420	68	20,104,462	68	19,358,326	66	2280	Current lease liabilities (note 6(s))	60,496	-	41,309	-	38,792	-		
Non-current assets:								2300	Other current liabilities (notes 6(b) and 6(q))	2,158,381	7	2,247,551	8	1,977,828	7		
1510	Non-current financial assets at fair value through profit or loss (note 6(b))	67,475	-	74,854	-	37,671	-	2322	Long-term borrowings, current portion (note 6(r))	1,186	-	1,290	-	1,248	-		
1517	Non-current financial assets at fair value through other comprehensive income (note 6(c))	1,357,483	5	1,165,412	4	1,290,812	5	2260	Liabilities directly related to non-current assets or disposal groups classified as held for sale (note 6(g))	-	-	-	-	46,421	-		
1550	Investments accounted for using the equity method, net (note 6(h))	380,809	2	392,388	1	350,626	1			10,207,900	34	8,230,383	28	9,219,331	32		
1560	Non-current contract assets (note 6(x))	117,962	-	107,511	-	161,519	1	Non-Current liabilities:									
1600	Property, plant and equipment (note 6(m))	5,335,543	18	5,775,316	19	5,871,437	20	2527	Non-current contract liabilities (note 6(x))	45	-	45	-	49	-		
1755	Right-of-use assets (note 6(n))	462,149	2	414,282	2	421,065	1	2540	Long-term borrowings (note 6(r))	5,144	-	5,760	-	6,149	-		
1780	Intangible assets	15,712	-	23,010	-	27,562	-	2550	Non-current provisions (note 6(p))	134,369	-	147,306	-	167,730	1		
1840	Deferred tax assets	687,375	2	674,359	2	633,935	2	2560	Non-current tax liabilities	86,020	-	-	-	-	-		
1900	Other non-current assets	46,682	-	46,003	1	44,291	1	2570	Deferred tax liabilities	177,285	1	184,566	1	84,443	-		
1980	Non-current other financial assets (notes 6(a), 6(d) and 8)	978,592	3	1,002,183	3	979,467	3	2580	Non-current lease liabilities (note (s))	350,584	2	315,510	1	322,321	1		
		9,449,782	32	9,675,318	32	9,818,385	34	2640	Non-current provisions for employee benefit	37,604	-	37,632	-	53,900	-		
								2600	Other non-current liabilities	75,868	-	81,895	-	73,746	-		
										866,919	3	772,714	2	708,338	2		
										11,074,819	37	9,003,097	30	9,927,669	34		
Total assets		\$ 29,799,202	100	29,779,780	100	29,176,711	100	Total liabilities									
								Equity:									
								Equity attributable to owners of parent (note 6(v)):									
								3110	Ordinary shares	4,433,931	15	4,433,931	15	4,433,931	15		
								3200	Capital surplus (note 6(h))	8,818,972	29	8,818,763	30	8,818,763	30		
									Retained earnings:								
								3310	Legal reserve	3,503,833	12	3,208,061	11	3,208,061	11		
								3320	Special reserve	655,408	2	842,843	2	842,843	3		
								3350	Unappropriated earnings	2,063,344	7	3,618,616	12	2,221,555	8		
										6,222,585	21	7,669,520	25	6,272,459	22		
								3400	Other equity interests	(1,237,399)	(4)	(655,408)	(2)	(671,628)	(2)		
										18,238,089	61	20,266,806	68	18,853,525	65		
								3610	Non-controlling interests	486,294	2	509,877	2	395,517	1		
									Total equity	18,724,383	63	20,776,683	70	19,249,042	66		
									Total liabilities and equity	\$ 29,799,202	100	29,779,780	100	29,176,711	100		

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the six months ended June 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars Except for Earnings Per Share, which is expressed in New Taiwan Dollars)

		For the three months ended June 30				For the six months ended June 30			
		2025		2024		2025		2024	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (notes 6(x) and 7)	\$ 5,069,748	100	5,555,800	100	10,095,939	100	10,460,819	100
5110	Cost of sales (notes 6(f), 6(t), 7 and 12)	<u>3,442,708</u>	<u>68</u>	<u>3,748,548</u>	<u>67</u>	<u>6,941,450</u>	<u>69</u>	<u>7,164,222</u>	<u>69</u>
5900	Gross profit	<u>1,627,040</u>	<u>32</u>	<u>1,807,252</u>	<u>33</u>	<u>3,154,489</u>	<u>31</u>	<u>3,296,597</u>	<u>31</u>
Operating expenses (notes 6(t), 7 and 12):									
6100	Selling expenses	235,458	5	275,023	5	493,925	5	529,110	5
6200	Administrative expenses	410,029	8	501,171	9	853,479	8	978,572	10
6300	Research and development expenses	189,263	4	221,364	4	392,594	4	435,670	4
6450	Expected credit loss (reversal gain) (note 6(d))	<u>9,990</u>	<u>-</u>	<u>(2,490)</u>	<u>-</u>	<u>7,834</u>	<u>-</u>	<u>4,167</u>	<u>-</u>
		<u>844,740</u>	<u>17</u>	<u>995,068</u>	<u>18</u>	<u>1,747,832</u>	<u>17</u>	<u>1,947,519</u>	<u>19</u>
6900	Net operating income	<u>782,300</u>	<u>15</u>	<u>812,184</u>	<u>15</u>	<u>1,406,657</u>	<u>14</u>	<u>1,349,078</u>	<u>12</u>
Non-operating income and expenses:									
7100	Interest income (note 6(z))	70,650	1	81,171	2	139,640	1	131,927	1
7190	Other income (notes 6(h) and 7)	30,841	1	24,066	-	50,757	1	219,932	2
7210	Net gains on disposals of property, plant and equipment (notes 6(h) and 7)	1,528	-	27,516	-	2,388	-	27,374	-
7225	Gains on disposals of investments, net (notes 6(h) and 6(l))	-	-	89,387	2	-	-	179,508	2
7235	Gains (losses) on financial assets (liabilities) at fair value through profit or loss, net	21,231	-	(8,698)	-	16,603	-	(44,635)	-
7050	Finance costs (notes 6(s) and 6(z))	(6,864)	-	(4,352)	-	(15,190)	-	(7,325)	-
7590	Other expenses and losses (note 9(b))	(11,271)	-	(38,468)	(1)	(71,286)	(1)	(63,865)	(1)
7630	Foreign exchange (losses) gains, net (note 6(aa))	(378,478)	(7)	77,997	1	(292,862)	(3)	265,788	3
7770	Share of profit (loss) of associates and joint ventures accounted for using the equity method (note 6(h))	<u>5,350</u>	<u>-</u>	<u>16,826</u>	<u>-</u>	<u>14,713</u>	<u>-</u>	<u>(40,487)</u>	<u>-</u>
		<u>(267,013)</u>	<u>(5)</u>	<u>265,445</u>	<u>4</u>	<u>(155,237)</u>	<u>(2)</u>	<u>668,217</u>	<u>7</u>
7900	Profit before tax	515,287	10	1,077,629	19	1,251,420	12	2,017,295	19
7950	Less: Income tax expenses (note 6(u))	<u>189,709</u>	<u>4</u>	<u>235,723</u>	<u>4</u>	<u>332,843</u>	<u>3</u>	<u>414,360</u>	<u>4</u>
	Profit	<u>325,578</u>	<u>6</u>	<u>841,906</u>	<u>15</u>	<u>918,577</u>	<u>9</u>	<u>1,602,935</u>	<u>15</u>
8300	Other comprehensive income:								
8360	Items that will be reclassified to profit or loss								
8361	Exchange differences on translation of foreign financial statements	(716,015)	(14)	52,825	1	(597,295)	(6)	223,555	2
8367	Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	1,664	-	(39,716)	(1)	6,223	-	(44,672)	-
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss (note 6(h))	(33,013)	(1)	3,159	-	(26,292)	-	4,466	-
8399	Less: income tax related to items that will be reclassified to profit or loss (note 6(u))	<u>(3,713)</u>	<u>-</u>	<u>(572)</u>	<u>-</u>	<u>(7,288)</u>	<u>-</u>	<u>(1,366)</u>	<u>-</u>
		<u>(743,651)</u>	<u>(15)</u>	<u>16,840</u>	<u>-</u>	<u>(610,076)</u>	<u>(6)</u>	<u>184,715</u>	<u>2</u>
8300	Other comprehensive income	<u>(743,651)</u>	<u>(15)</u>	<u>16,840</u>	<u>-</u>	<u>(610,076)</u>	<u>(6)</u>	<u>184,715</u>	<u>2</u>
	Total comprehensive income	<u>\$ (418,073)</u>	<u>(9)</u>	<u>858,746</u>	<u>15</u>	<u>308,501</u>	<u>3</u>	<u>1,787,650</u>	<u>17</u>
Profit, attributable to:									
8610	Owners of parent	\$ 323,326	6	819,603	15	907,482	9	1,561,001	15
8620	Non-controlling interests	<u>2,252</u>	<u>-</u>	<u>22,303</u>	<u>-</u>	<u>11,095</u>	<u>-</u>	<u>41,934</u>	<u>-</u>
		<u>\$ 325,578</u>	<u>6</u>	<u>841,906</u>	<u>15</u>	<u>918,577</u>	<u>9</u>	<u>1,602,935</u>	<u>15</u>
Total comprehensive income attributable to:									
8710	Owners of parent	\$ (383,638)	(8)	833,530	15	325,491	3	1,732,216	17
8720	Non-controlling interests	<u>(34,435)</u>	<u>(1)</u>	<u>25,216</u>	<u>-</u>	<u>(16,990)</u>	<u>-</u>	<u>55,434</u>	<u>-</u>
		<u>\$ (418,073)</u>	<u>(9)</u>	<u>858,746</u>	<u>15</u>	<u>308,501</u>	<u>3</u>	<u>1,787,650</u>	<u>17</u>
Earnings per share (note 6(w))									
9750	Basic earnings per share	<u>\$ 0.73</u>		<u>1.85</u>		<u>2.05</u>		<u>3.52</u>	
9850	Diluted earnings per share	<u>\$ 0.73</u>		<u>1.83</u>		<u>2.03</u>		<u>3.49</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the six months ended June 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent										
	Ordinary shares	Capital surplus	Retained earnings			Exchange differences on translation of foreign financial statements	Other equity interest		Total equity attributable to owners of parent	Non-controlling interests	Total equity
			Legal reserve	Special reserve	Unappropriated earnings		Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total			
Balance at January 1, 2024	\$ 4,433,931	9,095,266	3,061,434	677,359	2,125,833	(858,886)	16,043	(842,843)	18,550,980	354,852	18,905,832
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	146,627	-	(146,627)	-	-	-	-	-	-
Special reserve	-	-	-	165,484	(165,484)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(1,152,822)	-	-	-	(1,152,822)	-	(1,152,822)
Cash dividends from capital surplus distributed	-	(266,036)	-	-	-	-	-	-	(266,036)	-	(266,036)
	-	(266,036)	146,627	165,484	(1,464,933)	-	-	-	(1,418,858)	-	(1,418,858)
Profit for the period	-	-	-	-	1,561,001	-	-	-	1,561,001	41,934	1,602,935
Other comprehensive income for the period	-	-	-	-	-	215,887	(44,672)	171,215	171,215	13,500	184,715
Total comprehensive income for the period	-	-	-	-	1,561,001	215,887	(44,672)	171,215	1,732,216	55,434	1,787,650
Changes in equity of associates and joint ventures accounted for using the equity method	-	(10,935)	-	-	(346)	-	-	-	(11,281)	-	(11,281)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(14,769)	(14,769)
Others	-	468	-	-	-	-	-	-	468	-	468
Balance at June 30, 2024	\$ 4,433,931	8,818,763	3,208,061	842,843	2,221,555	(642,999)	(28,629)	(671,628)	18,853,525	395,517	19,249,042
Balance at January 1, 2025	\$ 4,433,931	8,818,763	3,208,061	842,843	3,618,616	(628,437)	(26,971)	(655,408)	20,266,806	509,877	20,776,683
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	295,772	-	(295,772)	-	-	-	-	-	-
Special reserve	-	-	-	(187,435)	187,435	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(2,354,417)	-	-	-	(2,354,417)	-	(2,354,417)
	-	-	295,772	(187,435)	(2,462,754)	-	-	-	(2,354,417)	-	(2,354,417)
Profit for the period	-	-	-	-	907,482	-	-	-	907,482	11,095	918,577
Other comprehensive income for the period	-	-	-	-	-	(586,987)	4,996	(581,991)	(581,991)	(28,085)	(610,076)
Total comprehensive income for the period	-	-	-	-	907,482	(586,987)	4,996	(581,991)	325,491	(16,990)	308,501
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(6,593)	(6,593)
Others	-	209	-	-	-	-	-	-	209	-	209
Balance at June 30, 2025	\$ 4,433,931	8,818,972	3,503,833	655,408	2,063,344	(1,215,424)	(21,975)	(1,237,399)	18,238,089	486,294	18,724,383

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows
For the six months ended June 30, 2025 and 2024
(Expressed in Thousands of New Taiwan Dollars)

	For the six months ended June 30	
	2025	2024
Cash flows from (used in) operating activities:		
Profit before tax	\$ 1,251,420	2,017,295
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation and amortization expense	459,962	494,725
Expected credit loss	7,834	4,167
Net loss on financial assets or liabilities at fair value through profit or loss	8,875	25,762
Interest expense	15,190	7,325
Interest income	(139,640)	(131,927)
Share of (profit) loss of associates and joint ventures accounted for using the equity method	(14,713)	40,487
Net gain (loss) on disposal of property, plant and equipment	(2,388)	(27,374)
Gain on disposal of intangible assets	-	(171,815)
Gain on disposal of investments	-	(179,508)
Others	11,488	358
Total adjustments to reconcile profit	<u>346,608</u>	<u>62,200</u>
Changes in operating assets and liabilities:		
Decrease (increase) in financial assets at fair value through profit or loss, mandatorily measured at fair value	149,829	(70,814)
Increase in contract assets	(10,451)	(23,021)
Increase in notes and accounts receivable (including related parties)	(41,815)	(1,489,413)
Decrease (increase) in inventories	85,467	(39,722)
Decrease (increase) in other receivable and other current assets	162,834	(78,845)
(Decrease) increase in notes and accounts payable (including related parties)	(376,522)	757,294
Increase in provisions	45,130	19,115
(Decrease) increase in other current liabilities	(82,832)	110,700
Decrease in net defined benefit liabilities	(28)	(4,810)
(Decrease) increase in current contract liabilities	(32,569)	12,228
Others	4,404	(493)
Total changes in operating assets and liabilities	<u>(96,553)</u>	<u>(807,781)</u>
Cash inflow generated from operations	1,501,475	1,271,714
Interest received	132,018	119,419
Interest paid	(16,057)	(6,769)
Income taxes paid	(150,049)	(575,545)
Net cash flows from operating activities	<u>1,467,387</u>	<u>808,819</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(200,000)	(500,000)
Proceeds from disposal of investments accounted for using the equity method	-	136,237
Proceeds from disposal of subsidiaries	-	162,441
Acquisition of property, plant and equipment	(219,073)	(239,333)
Proceeds from disposal of property, plant and equipment	39,610	33,793
Cash decrease in disposal groups classified as held for sale	-	(498,259)
Increase in refundable deposits	(5,187)	(8,880)
Acquisition of intangible assets	(3,035)	(23,243)
(Increase) decrease in other financial assets	(853,095)	171,642
Decrease in restricted deposits	15,283	15,284
Others	29,311	-
Net cash flows from (used in) investing activities	<u>(1,196,186)</u>	<u>(750,318)</u>
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	10,385	500,000
Repayments of long-term borrowings	(716)	(576)
(Decrease) increase in guarantee deposits received	(12,799)	20,000
Payment of lease liabilities	(30,398)	(20,501)
Other financing activities	209	468
Net cash flows from (used in) financing activities	<u>(33,319)</u>	<u>499,391</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(464,242)</u>	<u>137,481</u>
Net (decrease) increase in cash and cash equivalents	(226,360)	695,373
Cash and cash equivalents at beginning of period	5,820,316	4,929,740
Cash and cash equivalents at end of period	<u><u>\$ 5,593,956</u></u>	<u><u>5,625,113</u></u>

See accompanying notes to consolidated financial statements.

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

EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

June 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars unless otherwise specified)

(1) Company history

Everlight Electronics Co., Ltd. (the "Company") was incorporated in May 1983 as a company limited by shares under the Company Act of the Republic of China (ROC). The major business activities of the Company are the manufacture and sale of LEDs. The Company's common shares were listed on the Taiwan Stock Exchange (TWSE) in November 1999.

The consolidated financial statements are comprised of the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities"). Please refer to note 4(b) for related information of the Group entities main business activities.

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

These consolidated financial statements were authorized for issuance by the Board of Directors on August 12, 2025.

(3) New standards, amendments and interpretations adopted:

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

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2025:

- Amendments to IAS21 “Lack of Exchangeability”

- (b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its consolidated financial statements:

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(Continued)

EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

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

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EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”

(4) Summary of material accounting policies

(a) Statement of compliance

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

Except the following accounting policies mentioned below, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2024. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2024.

(b) Basis of consolidation

Principles of preparation of the consolidated financial statements are the same as those of the consolidated financial statements for the year ended December 31, 2024. For the related information, please refer to note 4(c) to the consolidated financial statements for the year ended December 31, 2024.

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EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

List of subsidiaries in the consolidated financial statements:

Investor	Name of subsidiary	Nature of business	Percentage of ownership			Description
			June 30, 2025	December 31, 2024	June 30, 2024	
The Company	Pai-yee Investment Co., Ltd. (Pai-yee)	Investment	100 %	100 %	100 %	
The Company and Pai-yee	Everlight (BVI) Co., Ltd. (Everlight BVI)	Investment	100 %	100 %	100 %	
The Company	Everlight Electronics (Europe) GmbH (Everlight Europe)	Sale of LEDs	75 %	75 %	75 %	Note 4
The Company	Everlight Americas, Inc. (ELA)	Sale of LEDs	99 %	99 %	99 %	Note 4
The Company	Everlight Optoelectronics Korea Co., Ltd. (ELK)	Sale of LEDs	100 %	100 %	100 %	Note 4
The Company	Forever Investment Co., Ltd. (Forever)	Investment	100 %	100 %	100 %	Note 4
The Company	Everlight Intelligence Technology Co., Ltd. (ELIT)	Sale of LED lighting products	100 %	100 %	100 %	Note 4
The Company	WOFI Leuchten GmbH (WOFI Holding)	Sale of lighting products, pendants and accessories	100 %	100 %	100 %	Note 2 and Note 4
The Company and Pai-yee	Everlight Electronic India Private Limited (ELI)	Sale of LEDs	100 %	100 %	100 %	Note 4
The Company	Evlite Electronics Co., Ltd. (Evlite)	Sale of LEDs	100 %	100 %	100 %	Note 4
The Company	Everlight Electronics Singapore Pte. Ltd. (ELS)	Sale of LEDs	100 %	100 %	100 %	Note 4
The Company	Everlight Japan Corporation (ELJ)	Sale of LEDs	100 %	100 %	100 %	Note 4
The Company	Everlight Electronics (Thailand) Co., Ltd. (ELTH)	Manufacture and sale of LEDs	98 %	- %	- %	Note 4 and Note 8
The Company, Pai-yee and Forever	Evervision Electronics Co., Ltd. (Evervision TW)	Manufacture and sale of liquid crystal displays and LED processing	67.97 %	67.97 %	67.97 %	Note 4
Pai-yee	Everlight Optoelectronics (M) SDN. BHD. (Everlight Malaysia)	Business development and customer services	100 %	100 %	100 %	Note 4
Pai-yee	Shan Yi Investment Co., Ltd. (Shan Yi)	Investment	- %	- %	- %	Note 4 and Note 5
ELIT	Everlight Intelligence Technology KZ LLP (ELIT KZ)	Sale of LED lighting products	100 %	100 %	100 %	Note 4
Everlight BVI	Everlight Electronics (China) Co., Ltd. and its subsidiary (Everlight China)	Manufacture of LEDs	100 %	100 %	100 %	
Everlight BVI and Everlight China	Everlight Lighting (China) Co., Ltd. (Everlight Lighting China)	Sale of LEDs	100 %	100 %	100 %	
Everlight BVI and Everlight China	Everlight Electronic (Guangzhou) Co., Ltd. (Everlight Electronic (Guangzhou))	Business development and customer services	100 %	100 %	100 %	Note 4
Everlight BVI	Everlight Electronics (Zhongshan) Co., Ltd. (Everlight Zhongshan)	Manufacture of LED-related components	100 %	100 %	100 %	Note 4

(Continued)

EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investor	Name of subsidiary	Nature of business	Percentage of ownership						Description
			June 30, 2025		December 31, 2024		June 30, 2024		
Everlight Lighting China	Zhongshan Everlight Lighting Co., Ltd. (Zhongshan Everlight Lighting)	Research and sale of LED lighting products	-	%	-	%	-	%	Note 4 and Note 6
WOFI Holding	WOFI Leuchten Wortmann & Filz GmbH (WOFI W&F GmbH)	Sale of lighting products, pendants and accessories	-	%	-	%	-	%	Note 1 and Note 4
WOFI Holding	Euro Technics Trade GmbH (ETT)	Sale of lighting products, pendants and accessories	-	%	-	%	-	%	Note 3and Note 4
WOFI Holding	WOFI Technics Trade Limited (WTT)	Sale of lighting products, pendants and accessories	-	%	100	%	100	%	Note 4 and Note 9
WOFI Holding	Action GmbH (Action)	Sale of lighting products, pendants and accessories	-	%	-	%	-	%	Note 3 and Note 4
WOFI Holding	WOFI Verkaufsgesellschaft mbH (WOFI VG)	Sale of lighting products, pendants and accessories	-	%	-	%	-	%	Note 3 and Note 4
WOFI Holding	Lamp For Less GmbH (LFL)	Sale of lighting products, pendants and accessories	-	%	-	%	-	%	Note 3 and Note 4
Evervision TW	Evervision Electronics (B.V.I.) Limited (Evervision BVI)	Investment	100	%	100	%	100	%	Note 4 and Note 10
Evervision TW	VBest GmbH (VBest)	Sale of LCDs	75	%	75	%	75	%	Note 4
Evervision BVI	VBest Electronics (Kunshan) Ltd. (VBest Kunshan)	Manufacture of LCDs	-	%	-	%	100	%	Note 4 and Note 7
Evervision BVI	Evervision Electronics (H.K.) Limited (Evervision HK)	Sale of LCDs	-	%	100	%	100	%	Note 4 and Note 9

Note 1: The proceeding of that company's bankruptcy that was formally adjudged by the court in Germany in April 2023 was still in progress, the Group lost control of that company.

Note 2: This company resolved to liquidate in August 2022.

Note 3: The proceeding of that company's bankruptcy that was formally adjudged by the court in Germany in May 2023 was still in progress, the Group lost control of that company.

Note 4: Non-significant subsidiary, its financial statements have not been reviewed.

Note 5: This company was incorporated in January 2024 and was disposed in March 2024.

Note 6: This company completed its liquidation procedure in May 2024.

Note 7: This company was sold to a third party in December 2024.

Note 8: This company was incorporated in January 2025.

Note 9: This company completed its liquidation procedure in May 2025.

Note 10: This company resolved to liquidate in June 2025.

(c) Employee benefits

The pension cost under defined benefit plans in the interim period was calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year, the significant market fluctuation, significant curtailment, settlement and others, subsequent to the reporting date and was adjusted together with.

(d) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of IAS34 "Interim Financial Reporting".

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EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Income tax expenses for the period are measured by multiplying together the pre-tax income for the interim reporting period and the management's best estimate of effective annual tax rate. This should be recognized fully as tax expense for the current period.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time that the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

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

The preparation of the consolidated financial statements in conformity with the Regulations and IAS 34 “Interim Financial Reporting” endorsed by the FSC requires management to make judgments, and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2024. For the related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2024.

(6) Explanation of significant accounts

Except for the following disclosures, there is no significant difference as compared with those disclosed in the consolidated financial statements for the year ended December 31, 2024. Please refer to Note 6 of the 2024 annual consolidated financial statements.

(a) Cash and cash equivalents

	June 30, 2025	December 31, 2024	June 30, 2024
Cash, checking accounts, and demand deposits	\$ 2,262,239	3,497,947	2,322,841
Time deposits	3,331,717	2,322,369	3,302,272
	<u>\$ 5,593,956</u>	<u>5,820,316</u>	<u>5,625,113</u>

- (i) The time deposits with maturities within three months or less from the acquisition date that are readily convertible to a known amount of cash are subject to an insignificant risk of changes in their fair value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Therefore, the time deposits are classified as cash and cash equivalents. The time deposits with maturities over three months from the acquisition date are recorded as other current financial assets amounting to \$6,974,156, \$6,105,702 and \$4,361,187 as of June 30, 2025, December 31 and June 30, 2024, respectively. The non-current portion of the time deposits with maturities over three months from the acquisition date as recorded as other non-current financial assets amounting to \$371,355, \$402,468 and \$400,603 as of June 30, 2025, December 31 and June 30, 2024, respectively.

(Continued)

EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (ii) Please refer to note 6(aa) for the fair value sensitivity analysis of the financial assets and liabilities of the Group.

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

	June 30, 2025	December 31, 2024	June 30, 2024
Mandatorily measured at fair value through profit or loss:			
Derivative instruments not used for hedging			
Derivative instruments not used for hedging	\$ 12,498	2,492	1,694
Listed convertible bonds	39,130	76,192	15,635
Structured deposits and financial products	50,245	164,405	521,456
Beneficiary certificate-funds	224,532	240,105	254,918
Stocks listed on domestic markets	91,359	89,171	93,164
Unlisted stocks	67,475	74,854	37,671
	\$ 485,239	647,219	924,538
Current	\$ 417,764	572,365	886,867
Non-current	67,475	74,854	37,671
	\$ 485,239	647,219	924,538
	June 30, 2025	December 31, 2024	June 30, 2024
Current financial liabilities held-for-trading (recorded as other current liabilities):			
Derivative instruments not used for hedging	\$ 6,861	10,137	6,143

- (i) Listed convertible bonds are hybrid instruments. Even though it is required to record the host contract and embedded derivative separately, they are recognized as financial assets designated as at fair value through profit or loss because those investments can not be reliably measured at fair value as of the acquisition date.
- (ii) If there is an increase (decrease) in equity price by 5% on the reporting date, the increase (decrease) in net income pre-tax for the six months ended June 30, 2025 and 2024 will be \$19,168 and \$19,288, respectively. These analyses are performed on the same basis for both years and assume that all other variables remain the same.
- (iii) Capital guarantee financial products (Structured deposits) held by the Group, which were recognized as financial assets mandatorily measured at fair value through profit or loss, because the interest was not based on the time value on principal amount outstanding.
- (iv) The Group uses derivative financial instruments to hedge certain foreign exchange and interest risks the Group is exposed to, arising from its operating and financing activities. The following derivative instruments, without the application of hedge accounting, were classified as mandatorily measured at fair value through profit or loss and held-for-trading financial liabilities:

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EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

1) Forward exchange contracts

June 30, 2025			
	Contract amount (in thousands)	Currency	Maturity date
Financial assets:			
Forward exchange sold USD	8,000	USD to RMB	2025.07.10~2025.07.24
Forward exchange sold USD	25,000	USD to TWD	2025.07.08~2025.08.12
Financial liabilities:			
Forward exchange sold TWD	65,203	TWD to USD	2025.07.17~2025.09.09
Forward exchange sold USD	16,250	USD to TWD	2025.07.08~2025.09.09
Forward exchange sold EUR	4,500	EUR to USD	2025.07.10~2025.08.21
December 31, 2024			
	Contract amount (in thousands)	Currency	Maturity date
Financial assets:			
Forward exchange sold EUR	3,250	EUR to USD	2025.01.07~2025.02.11
Financial liabilities:			
Forward exchange sold USD	30,000	USD to TWD	2025.01.07~2025.02.06
Forward exchange sold USD	11,000	USD to RMB	2025.01.09~2025.02.18
June 30, 2024			
	Contract amount (in thousands)	Currency	Maturity date
Financial assets:			
Forward exchange sold USD	5,000	USD to TWD	2024.07.23~2024.08.20
Forward exchange sold EUR	3,500	EUR to USD	2024.07.09~2024.08.29
Financial liabilities:			
Forward exchange sold USD	26,000	USD to TWD	2024.07.09~2024.08.15
Forward exchange sold USD	9,000	USD to RMB	2024.07.11~2024.08.20

(Continued)

EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Other derivative financial instrument contracts

June 30, 2025			
Contract amount (in thousands)		Rate	Maturity period
Financial assets:			
RMB	12,000	1.50%~1.51%	2025.09.26~2025.11.12
December 31, 2024			
Contract amount (in thousands)		Rate	Maturity period
Financial assets:			
RMB	36,000	1.70%~2.84%	2024.04.23-2025.05.09
June 30, 2024			
Contract amount (in thousands)		Rate	Maturity period
Financial assets:			
RMB	116,000	2.37%~2.84%	2024.09.23~2024.04.23

(v) The Group discloses the related market risk of financial instruments, please refer to note 6(aa).

(vi) The aforementioned assets had not been pledged as collateral.

(c) Non-current financial assets at fair value through other comprehensive income

	June 30, 2025	December 31, 2024	June 30, 2024
Debt instruments at fair value through other comprehensive income:			
Foreign corporate bonds	\$ <u>1,357,483</u>	<u>1,165,412</u>	<u>1,287,309</u>
Subtotal	<u>1,357,483</u>	<u>1,165,412</u>	<u>1,287,309</u>
Equity instruments at fair value through other comprehensive income:			
Overseas unlisted stocks	<u>-</u>	<u>-</u>	<u>3,503</u>
Subtotal	<u>-</u>	<u>-</u>	<u>3,503</u>
Total	<u><u>\$ 1,357,483</u></u>	<u><u>1,165,412</u></u>	<u><u>1,290,812</u></u>

(i) Debt instruments measured at fair value through other comprehensive income

The Group has assessed that the securities are held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets; therefore, they have been classified as financial assets at fair value through other comprehensive income.

(Continued)

EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Equity instruments at fair value through other comprehensive income

The Group designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities are held by the Group for long-term strategic investments and are not held for trading purposes.

There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments for the six months ended June 30, 2025 and 2024.

For credit risk (including the impairment of debt instrument investments) and market risk, please refer to note 6(aa).

(iii) The aforementioned assets had not been pledged as collateral.

(d) Notes and accounts receivable (including related parties)

	June 30, 2025	December 31, 2024	June 30, 2024
Notes receivable from operating activities	\$ 2,498	5,944	3,216
Accounts receivable-measured as amortized cost	6,242,120	6,192,796	6,526,734
Installment receivables	634,494	640,189	604,492
Less: Unrealized interest income on installment receivables	<u>(47,754)</u>	<u>(47,380)</u>	<u>(40,517)</u>
	6,831,358	6,791,549	7,093,925
Less: Allowance for uncollectible accounts	<u>(294,562)</u>	<u>(288,734)</u>	<u>(253,235)</u>
	<u>\$ 6,536,796</u>	<u>6,502,815</u>	<u>6,840,690</u>
Notes and accounts receivable, net	\$ 5,413,563	5,462,892	5,929,410
Accounts receivable due from related parties, net	612,361	531,386	421,865
Long-term receivables (recorded as other non-current financial assets)	<u>510,872</u>	<u>508,537</u>	<u>489,415</u>
	<u>\$ 6,536,796</u>	<u>6,502,815</u>	<u>6,840,690</u>

(i) Impairment loss on notes and accounts receivables

The Group applies the simplified approach to provide for its expected credit losses, i.e., the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including the reasonable prediction of historical credit loss experience and the future economic situation.

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EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The expected credit loss for notes and accounts receivable in Taiwan region was determined as follows:

	June 30, 2025		
	Gross carrying amount	Weighted- average loss rate	Loss allowance
Not overdue	\$ 5,497,081	0.267%	14,667
Overdue 0-90 days	21,309	52.945%	11,282
Overdue 91-180 days	13,391	81.473%	10,910
Overdue 181-270 days	2,142	52.381%	1,122
Overdue 271-365 days	1,484	95.013%	1,410
Overdue over one year	251,280	100%	251,280
	<u><u>\$ 5,786,687</u></u>		<u><u>290,671</u></u>

	December 31, 2024		
	Gross carrying amount	Weighted- average loss rate	Loss allowance
Not overdue	\$ 5,398,557	0.056%	2,998
Overdue 0-90 days	8,518	7.666%	653
Overdue 91-180 days	10,746	31.342%	3,368
Overdue 181-270 days	1,949	52.181%	1,017
Overdue 271-365 days	48	89.583%	43
Overdue over one year	275,665	100%	275,665
	<u><u>\$ 5,695,483</u></u>		<u><u>283,744</u></u>

	June 30, 2024		
	Gross carrying amount	Weighted- average loss rate	Loss allowance
Not overdue	\$ 5,621,005	0.056%	3,123
Overdue 0-90 days	10,191	8.714%	888
Overdue 91-180 days	1,516	33.707%	511
Overdue 181-270 days	3,125	57.824%	1,807
Overdue 271-365 days	4,337	97.994%	4,250
Overdue over one year	240,330	100%	240,330
	<u><u>\$ 5,880,504</u></u>		<u><u>250,909</u></u>

(Continued)

EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The expected credit loss for notes and accounts receivable in non-Taiwan region was determined as follows:

June 30, 2025			
Credit rating	Gross carrying amount	Weighted- average loss rate	Loss allowance
Rating A	\$ 1,040,793	0.311%	3,237
Rating B	3,878	16.864%	654
	<u>\$ 1,044,671</u>		<u>3,891</u>
	Gross carrying amount		
Not overdue	\$ 972,963		
Overdue 0-90 days	64,662		
Overdue 91-180 days	2,763		
Overdue 181-270 days	405		
Overdue 271-365 days	769		
Overdue over one year	3,109		
	<u>\$ 1,044,671</u>		
December 31, 2024			
Credit rating	Gross carrying amount	Weighted- average loss rate	Loss allowance
Rating A	\$ 1,092,796	0.229%	2,502
Rating B	3,270	76.086%	2,488
	<u>\$ 1,096,066</u>		<u>4,990</u>
	Gross carrying amount		
Not overdue	\$ 1,034,797		
Overdue 0-90 days	51,021		
Overdue 91-180 days	6,621		
Overdue 181-270 days	357		
Overdue 271-365 days	-		
Overdue over one year	3,270		
	<u>\$ 1,096,066</u>		

(Continued)

EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Credit rating	June 30, 2024		
	Gross carrying amount	Weighted-average loss rate	Loss allowance
Rating A	\$ 1,213,421	0.192%	2,326
Rating B	-	0%	-
	\$ 1,213,421		2,326
	Gross carrying amount		
Not overdue	\$ 1,175,437		
Overdue 0-90 days	31,904		
Overdue 91-180 days	2,023		
Overdue 181-270 days	4,057		
	\$ 1,213,421		

- (ii) The movements in the allowance for impairment loss with respect to notes and accounts receivable for the six months ended June 30, 2025 and 2024 were as follows:

	For the six months ended June 30,	
	2025	2024
Balance on January 1	\$ 288,734	297,385
Impairment loss recognized	7,834	4,167
Amounts written off	(1,909)	(48,385)
Effects of foreign exchange	(97)	68
Balance on June 30	\$ 294,562	253,235

- (iii) As of June 30, 2025, December 31 and June 30, 2024, the Group did not provide any notes and accounts receivable as collateral for its loans.

- (e) Other current financial assets

	June 30, 2025	December 31, 2024	June 30, 2024
Time deposits with maturities over three months	\$ 6,974,156	6,105,702	4,361,187
Other accounts receivable	114,575	144,904	123,813
	\$ 7,088,731	6,250,606	4,485,000
	June 30, 2025	December 31, 2024	June 30, 2024
Other accounts receivable	\$ 114,575	144,904	123,813
Less: Loss allowance	-	-	-
	\$ 114,575	144,904	123,813

(Continued)

EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For the six months ended June 30, 2025 and 2024, no expected credit losses on other receivables classified as financial assets were recognized by the Group.

As of June 30, 2025, December 31 and June 30, 2024, the Group did not provide any other receivables as collateral for its loans.

(f) Inventories

	June 30, 2025	December 31, 2024	June 30, 2024
Raw materials	\$ 200,446	179,966	213,842
Work in progress	323,624	327,109	314,148
Finished goods	439,513	541,975	429,946
	<u>\$ 963,583</u>	<u>1,049,050</u>	<u>957,936</u>

The inventory cost (excluding construction cost) recognized as cost of sales amounted to \$3,420,656, \$3,770,543, \$6,920,197 and \$7,184,525 for the three months and six months ended June 30, 2025 and 2024, respectively.

The Group reversed its allowance for inventory valuation and obsolescence loss amounting to \$12,270, \$58,263, \$36,437 and \$79,194 for the three months and six months ended June 30, 2025 and 2024, respectively, which were recorded as a reduction in the cost of sales due to the net realizable value exceeding the cost after the disposal of obsolete inventories.

As of June 30, 2025, December 31 and June 30, 2024, the Group did not provide any inventories as collateral for its loans.

(g) Non-current assets or disposal group classified as held for sale

On May 13, 2024, the Company's Board of Directors approved to dispose of all the shares of VBest Kunshan, the subsidiary of Evervision TW in China. The disposal process was commenced accordingly. Therefore, the assets and liabilities of VBest Kunshan were recognized as non current assets or disposal groups classified as held for sale. As of June 30, 2024, the amount of assets and liabilities attributed to non current assets or disposal groups classified as held for sale was \$681,660 and \$46,421, respectively. The details are set out as below:

<u>Non-current assets or disposal groups classified as held for sale</u>	<u>June 30, 2024</u>
Cash and cash equivalents	\$ 498,259
Notes and accounts receivable, net	2,223
Prepayments	10
Other financial assets	171,074
Other current assets	23
Right-of-use assets	10,071
	<u>\$ 681,660</u>

(Continued)

EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Liabilities directly related to non-current assets or disposal groups classified as held for sale	June 30, 2024
Notes and accounts payable	\$ 13,477
Other payables	43
Other current liabilities	32,901
	\$ 46,421

There is no impairment loss was recognized after evaluating the fair value of non-current assets.

(h) Investments accounted for using the equity method

- (i) A summary of the Group's financial information for equity-accounted investees at the reporting date was as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Associates	\$ 380,809	392,388	350,626

- (ii) The Group's financial information on investments accounted for using the equity method that are individually insignificant was as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
The carrying amount of equity of the associates	\$ 380,809	392,388	350,626

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Attributable to the Group:				
Profit (loss) from continuing operations	\$ 5,350	16,826	14,713	(40,487)
Other comprehensive income	(33,013)	3,159	(26,292)	4,466
	\$ (27,663)	19,985	(11,579)	(36,021)

- (iii) Except as described below, there were no significant changes in the investments accounted for using the equity method of the Group for the six months ended June 30, 2025 and 2024. The related information, please refer to note 6(g) of the 2024 annual consolidated financial statements.

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EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) The conversion right of convertible corporate bonds of Associates - Tekcore Co., Ltd. (Tekcore) was exercised in March 2024, and the Group recognized an increase in capital surplus of \$6,082 in accordance with the equity method. The Group planned to adjust organizational structure in February 2024. The subsidiary Pai yee disposed of all the shares of Tekcore through block trade system, and Shan Yi, a subsidiary of Pai yee, purchased all the shares from the public market for \$142,042, with the gain on disposal of \$70,595, recorded as deferred credits. Moreover, Pai yee indirectly disposed shares of Tekcore in March 2024 through the disposal of all the shares of Shan Yi. The disposal gain amounting to \$70,595 was reclassified from deferred credits to gain on disposal of investments, net. Then the Group disposed all the remaining shares of Tekcore with an amount of \$136,237 through the block trade system in April 2024. The gain on disposal amounting to \$89,387 was recorded as gain on disposal of investments, net.

(v) The Group acquired 13.99% ownership in Anhui Hongming Technology Co., Ltd. (Anhui Hongming) in March 2024 by participating in a cash capital injection of Anhui Hongming through the fair value of fixed assets, inventories and intangible assets based on an appraisal report. In accordance with IFRS, such transaction was treated as assets exchange with a consideration of \$271,703. The above transaction resulted in an increase of the Group's ownership in Anhui Hongming from 20% to 33.99%, which was accounted for using the equity method. As of June 30, 2024, the ownership, property, plant and equipment, inventories and intangible assets of Anhui Hongming have been settled and transferred, and a gain on disposal of intangible assets of \$171,815 was recognized based on the fair value, which was recorded as other income. The gain on disposal of property, plant and equipment of \$19,284 was recognized based on the fair value, which was recorded as net gains on disposal of property, plant and equipment.

(vi) Pledges

As of June 30, 2025, December 31 and June 30, 2024, the Group did not provide any investment accounted for using the equity method as collaterals for its loans.

(vii) The unreviewed financial statements of investments accounted for using equity method

Investments were accounted for by using the equity method, and the share of profit or loss and other comprehensive income of those investments were calculated based on the financial statements that have not been reviewed.

(i) Joint operation

There were no significant changes in joint operation of the Group for the six months ended June 30, 2025 and 2024. For related information please refer to note 6(h) of the 2024 annual consolidated financial statements.

(j) Changes in a parent's ownership interest in a subsidiary

There were no significant changes in acquisition of subsidiaries for the six months ended June 30, 2025 and 2024. For related information, please refer to note 6(i) of the 2024 annual consolidated financial statements.

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EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(k) Acquisition of subsidiaries

On January 31, 2025, the Group had injected the capital of \$12,156 (THB12,500 thousand) to establish its 98% owned subsidiary, Everlight Electronics (Thailand) Co., Ltd. (ELTH), whose primary business activities are the manufacturing and sale of LEDs. In June 2025, the Group had further injected the capital of \$11,362 (THB 12,500 thousand) into ELTH. The above transactions, together with their relevant registration procedures, have been completed as of the reporting date.

The Group had injected capital and incorporated Shan Yi for investment holding purpose through an investment \$150,000 in Pai-ye on January 22, 2024. Shan Yi was a 100% owned subsidiary of Pai-ye.

(l) Loss control of subsidiaries

Except as described below, there were no significant changes in loss control of subsidiaries for the six months ended June 30, 2025 and 2024. For related information, please refer to note 6(k) of the 2024 annual consolidated financial statements.

- (i) The Group disposed all of the ownership of Shan Yi to third parties in March 2024, in order to indirectly dispose of its shares of Tekcore for a consideration of \$164,505. Therefore, the Group lost the control of Shan Yi and Shan Yi was no longer to be included in the consolidated financial statements.

The Group derecognized the assets, liabilities and the related equity components of the aforementioned subsidiary less estimated liquidation cost, and recognized a gain on disposal of investment amounting to \$19,526, which was recorded as net gain on disposal of investment.

The carrying amounts of assets and liabilities of subsidiary on disposal were as follows:

Cash and cash equivalents	\$ 2,064
Other current assets	4
Investments accounted for using the equity method	<u>142,911</u>
Previous book value of subsidiary's net assets	<u><u>\$ 144,979</u></u>

- (ii) Zhongshan Everlight Lighting Co., Ltd. (Zhongshan Everlight Lighting), completed its liquidation process in May 2024. Zhongshan Everlight Lighting was no longer included in the consolidated financial statements from the date of liquidation. The carrying amounts of assets and liabilities of Zhongshan Everlight Lighting on the date of liquidation were \$0.
- (iii) WOFI Technics Trade Limited (WTT) and Evervision Electronics (H.K.) Limited (Evervision HK) completed their liquidation process in May 2025, resulting in both companies to be excluded in the consolidated financial statements thereafter.

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EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(m) Property, plant and equipment

The movements in the property, plant and equipment of the Group were as follows:

		Land	Buildings and construction	Machinery and equipment	Modeling equipment	Office and other equipment	Constructions in progress and testing equip	Total
Cost or deemed cost:								
Balance on January 1, 2025	\$	599,610	8,020,390	12,532,411	1,880,388	1,292,211	104,375	24,429,385
Add: additions		-	7,831	58,793	37,342	13,156	30,556	147,678
Add: reclassification		-	21,534	35,365	-	47,961	(104,860)	-
Less: sales		-	-	(192,027)	(17,436)	(1,823)	(9,735)	(221,021)
Less: retirement		-	(14,748)	(84,259)	(32,773)	(11,655)	-	(143,435)
Effect of movements in exchange rate		-	(212,178)	(447,026)	(56,110)	(48,780)	(1,080)	(765,174)
Balance on June 30, 2025	\$	<u>599,610</u>	<u>7,822,829</u>	<u>11,903,257</u>	<u>1,811,411</u>	<u>1,291,070</u>	<u>19,256</u>	<u>23,447,433</u>
Balance on January 1, 2024	\$	599,610	8,113,658	13,366,654	1,853,626	1,271,100	35,190	25,239,838
Add: additions		-	28,962	83,929	48,978	11,407	33,131	206,407
Add: reclassification		-	7,683	20,686	948	1,051	(31,359)	(991)
Less: sales		-	-	(521,196)	(24,459)	(21,632)	(100)	(567,387)
Less: retirement		-	(2,579)	(26,546)	(7,889)	(5,731)	-	(42,745)
Reclassified to non-current assets held for sale		-	(219,043)	(98,765)	-	(5,478)	-	(323,286)
Effect of movements in exchange rate		-	100,433	199,801	22,710	22,368	515	345,827
Balance on June 30, 2024	\$	<u>599,610</u>	<u>8,029,114</u>	<u>13,024,563</u>	<u>1,893,914</u>	<u>1,273,085</u>	<u>37,377</u>	<u>24,857,663</u>
Depreciation and impairments loss:								
Balance on January 1, 2025	\$	-	4,838,197	11,301,783	1,585,542	928,547	-	18,654,069
Add: depreciation for the period		-	114,657	209,692	56,221	34,327	-	414,897
Less: sales		-	-	(179,644)	(9,048)	(1,821)	-	(190,513)
Less: retirement		-	(14,739)	(84,190)	(32,754)	(11,533)	-	(143,216)
Effect of movements in exchange rate		-	(165,365)	(385,250)	(44,882)	(27,850)	-	(623,347)
Balance on June 30, 2025	\$	<u>-</u>	<u>4,772,750</u>	<u>10,862,391</u>	<u>1,555,079</u>	<u>921,670</u>	<u>-</u>	<u>18,111,890</u>
Balance on January 1, 2024	\$	-	4,749,462	11,939,059	1,534,576	912,065	-	19,135,162
Add: depreciation for the period		-	116,382	241,962	63,660	28,411	-	450,415
Add: reclassification		-	-	179	-	(179)	-	-
Less: sales		-	-	(477,035)	(12,448)	(19,194)	-	(508,677)
Less: retirement		-	(1,960)	(26,041)	(7,487)	(5,554)	-	(41,042)
Reclassified to non-current assets held for sale		-	(219,043)	(98,765)	-	(5,478)	-	(323,286)
Effect of movements in exchange rate		-	77,197	165,765	17,506	13,186	-	273,654
Balance on June 30, 2024	\$	<u>-</u>	<u>4,722,038</u>	<u>11,745,124</u>	<u>1,595,807</u>	<u>923,257</u>	<u>-</u>	<u>18,986,226</u>
Carrying amounts:								
Balance on January 1, 2025	\$	<u>599,610</u>	<u>3,182,193</u>	<u>1,230,628</u>	<u>294,846</u>	<u>363,664</u>	<u>104,375</u>	<u>5,775,316</u>
Balance on June 30, 2025	\$	<u>599,610</u>	<u>3,050,079</u>	<u>1,040,866</u>	<u>256,332</u>	<u>369,400</u>	<u>19,256</u>	<u>5,335,543</u>
Balance on January 1, 2024	\$	<u>599,610</u>	<u>3,364,196</u>	<u>1,427,595</u>	<u>319,050</u>	<u>359,035</u>	<u>35,190</u>	<u>6,104,676</u>
Balance on June 30, 2024	\$	<u>599,610</u>	<u>3,307,076</u>	<u>1,279,439</u>	<u>298,107</u>	<u>349,828</u>	<u>37,377</u>	<u>5,871,437</u>

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EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(n) Right-of-use assets

The movements in cost, depreciation and impairment loss of land, buildings, vehicles, and office equipment about leases for which the Group as a lessee were as below:

	<u>Land</u>	<u>Buildings and construction</u>	<u>Office transportation and other equipment</u>	<u>Total</u>
Cost:				
Balance on January 1, 2025	\$ 413,922	115,087	26,500	555,509
Additions	-	89,919	-	89,919
Disposal and cancellation	-	(644)	(6,077)	(6,721)
Effect of changes in foreign exchange rates	(6,284)	(8,384)	(117)	(14,785)
Balance on June 30, 2025	<u>\$ 407,638</u>	<u>195,978</u>	<u>20,306</u>	<u>623,922</u>
Balance on January 1, 2024	\$ 367,403	113,391	28,833	509,627
Additions	51,323	-	2,736	54,059
Disposal and cancellation	-	(2,679)	(2,516)	(5,195)
Effect of changes in foreign exchange rates	3,261	4,374	244	7,879
Reclassified to non-current assets held for sale	(12,144)	-	-	(12,144)
Balance on June 30, 2024	<u>\$ 409,843</u>	<u>115,086</u>	<u>29,297</u>	<u>554,226</u>
Accumulated depreciation and impairment losses:				
Balance on January 1, 2025	\$ 53,131	72,740	15,356	141,227
Depreciation for the period	5,796	22,675	3,464	31,935
Disposal and cancellation	-	(644)	(5,749)	(6,393)
Effect of changes in foreign exchange rates	(1,172)	(3,829)	5	(4,996)
Balance on June 30, 2025	<u>\$ 57,755</u>	<u>90,942</u>	<u>13,076</u>	<u>161,773</u>
Balance on January 1, 2024	\$ 48,887	52,606	13,127	114,620
Depreciation for the period	6,042	13,070	4,155	23,267
Disposal and cancellation	-	(2,679)	(2,516)	(5,195)
Effect of changes in foreign exchange rates	499	1,917	126	2,542
Reclassified to non-current assets held for sale	(2,073)	-	-	(2,073)
Balance on June 30, 2024	<u>\$ 53,355</u>	<u>64,914</u>	<u>14,892</u>	<u>133,161</u>
Carrying amount:				
Balance on January 1, 2025	<u>\$ 360,791</u>	<u>42,347</u>	<u>11,144</u>	<u>414,282</u>
Balance on June 30, 2025	<u>\$ 349,883</u>	<u>105,036</u>	<u>7,230</u>	<u>462,149</u>
Balance on January 1, 2024	<u>\$ 318,516</u>	<u>60,785</u>	<u>15,706</u>	<u>395,007</u>
Balance on June 30, 2024	<u>\$ 356,488</u>	<u>50,172</u>	<u>14,405</u>	<u>421,065</u>

The Group's increase in right-of-use assets was mainly due to the leasing of a factory in Thailand for the six months ended June 30, 2025.

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EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(o) Short-term borrowings

The details of short-term borrowings were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Unsecured bank loans	\$ <u>760,385</u>	<u>750,000</u>	<u>750,000</u>
Unused short-term credit lines	\$ <u>13,645,497</u>	<u>13,759,130</u>	<u>14,425,283</u>
Annual interest rates	<u>1.19%~1.75%</u>	<u>1.64%~1.80%</u>	<u>1.64%~1.66%</u>

(i) For information on the Group's foreign currency risk, please refer to note 6(aa) for details.

(ii) The Group did not provide any assets as collateral for its loans.

(p) Provisions

(i) The carrying amounts of the provisions of the Group were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Provisions - current	\$ 164,839	120,444	104,368
Provisions - non-current	<u>134,369</u>	<u>147,306</u>	<u>167,730</u>
	<u>\$ 299,208</u>	<u>267,750</u>	<u>272,098</u>

(ii) The movements in provisions of the Group for the six months ended June 30, 2025 and 2024 were as follows:

	Onerous Contracts Provision	Others	Total
Balance on January 1, 2025	\$ 120,444	147,306	267,750
Provisions made during the year	-	68,190	68,190
Provisions reversed during the year	(643)	-	(643)
Provision written off during the year	-	(21,911)	(21,911)
Effect of changes in foreign exchange rates	<u>-</u>	<u>(14,178)</u>	<u>(14,178)</u>
Balance on June 30, 2025	<u>\$ 119,801</u>	<u>179,407</u>	<u>299,208</u>
Balance on January 1, 2024	\$ 105,311	138,112	243,423
Provisions made during the year	-	21,911	21,911
Provisions reversed during the year	(943)	-	(943)
Effect of changes in foreign exchange rates	<u>-</u>	<u>7,707</u>	<u>7,707</u>
Balance on June 30, 2024	<u>\$ 104,368</u>	<u>167,730</u>	<u>272,098</u>

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EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (iii) The provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. As of June 30, 2025, December 31 and June 30, 2024, the mentioned above provisions for the onerous contract, including the amount of provisions estimated by Kazakhstan Joint Operation Project, were \$89,777 for each reporting date.

(q) Other current liabilities

	June 30, 2025	December 31, 2024	June 30, 2024
Refund liabilities – current	\$ 124,967	106,196	3,513
Derivative instruments not used for hedging	6,861	10,137	6,143
Wages and salaries payable	240,685	557,710	254,676
Guarantee deposits received	270,612	272,807	269,964
Payable to remuneration of employee and directors	681,178	481,754	517,377
Others	834,078	818,947	926,155
	<u>\$ 2,158,381</u>	<u>2,247,551</u>	<u>1,977,828</u>

Refund liabilities mainly represent amounts expected to be paid to customers due to volume discounts under the sales contracts and return requests resulting from customer complaints.

(r) Long-term borrowings

The details were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Unsecured bank loans	\$ 6,330	7,050	7,397
Less: current portion	(1,186)	(1,290)	(1,248)
Total	<u>\$ 5,144</u>	<u>5,760</u>	<u>6,149</u>
Unused long-term credit lines	\$ -	-	-
Range of interest rates	<u>0.00%~0.90%</u>	<u>0.00%~0.90%</u>	<u>0.00%~0.90%</u>

- (i) For information on the Group's interest risk and liquidity risk, please refer to note 6(aa) for details.
- (ii) The Group did not provide any assets as collateral for its loans as of June 30, 2025, December 31 and June 30, 2024.
- (iii) There were no significant issues, repurchases, and repayments of long-term borrowings for the six months ended June 30, 2025 and 2024. Information on interest expense for the period is discussed in note 6(z). Please refer to note 6(r) of the 2024 annual consolidated financial statements for other related information.

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EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(s) Lease liabilities

The carrying amounts of lease liabilities were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Current	\$ <u>60,496</u>	<u>41,309</u>	<u>38,792</u>
Non-current	\$ <u>350,584</u>	<u>315,510</u>	<u>322,321</u>

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

The amounts recognized in profit or loss were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Interest on lease liabilities	\$ <u>2,104</u>	<u>1,846</u>	<u>3,988</u>	<u>3,749</u>
Variable lease payments not included in the measurement of lease liabilities	\$ <u>10</u>	<u>1,440</u>	<u>3,186</u>	<u>2,984</u>
Expenses relating to short-term leases	\$ <u>5,189</u>	<u>4,533</u>	<u>10,972</u>	<u>7,997</u>
Expenses relating to leases of low- value assets, excluding short- term leases of low-value assets	\$ <u>143</u>	<u>101</u>	<u>243</u>	<u>256</u>

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

	For the six months ended June 30,	
	2025	2024
Total cash outflow for leases	\$ <u>48,787</u>	<u>35,487</u>

(i) Real estate leases

The Group leases land and buildings for its office space and factory. The leases of land typically run for a period for 3 years to 50 years, of office space for 1 to 5 years, and of factory for 3 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

Some leases of equipment contain extension or cancellation options. The extension options held are exercisable only by the Group and not by the lessors. In which lessee is not reasonably certain to use an optional extended lease term, payments associated with the optional period are not included within lease liabilities.

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EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Other leases

The Group leases vehicles and other equipment, with lease terms of 2 to 10 years. In some cases, the Group has options to purchase the assets at the end of the contract term.

The Group also leases office, vehicles, and IT equipment with contract terms of 1 to 5 years. These leases are short-term and leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(t) Employee benefits

(i) Defined benefit plans

Given there was no significant volatility of the market or any significant reimbursement, settlement or other one-time event in the prior fiscal year, the pension cost of the Company and Evervision TW in the interim consolidated financial statements shall be measured and disclosed in accordance with the actuarial report measured on December 31, 2024 and 2023.

The pension costs of the defined benefit plans were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Cost of sales and operating expenses	\$ <u>942</u>	<u>1,116</u>	<u>1,935</u>	<u>2,003</u>

(ii) Defined contribution plans

The Group's pension costs under the defined contribution plans were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Cost of sales and operating expenses	\$ <u>28,626</u>	<u>31,513</u>	<u>58,761</u>	<u>61,683</u>

(Continued)

EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(u) Income taxes

The Group entities are subject to income tax rates, according to the profit before tax of the interim reporting period, multiplied by the best estimated measurement of the expected effective tax rate by the managers over the year.

(i) The amounts of the Group's income tax were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Recognized during the period	\$ 157,238	235,723	300,372	414,360
Surtax on unappropriated earnings	32,471	-	32,471	-
Tax expense	<u>\$ 189,709</u>	<u>235,723</u>	<u>332,843</u>	<u>414,360</u>

(ii) The amounts of income tax benefit recognized in other comprehensive income were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Exchange differences on translating foreign operations	\$ <u>(3,713)</u>	<u>(572)</u>	<u>(7,288)</u>	<u>(1,366)</u>

(iii) The tax authorities have examined the Company's income tax returns through 2022. The income tax returns of the subsidiaries in the ROC have been assessed by the tax authorities through 2022.

(v) Capital and other equities

Except as described below, there were no significant changes in the capital and other equity for the six months ended June 30, 2025 and 2024. For related information, please refer to note 6(v) of the 2024 annual consolidated financial statements.

As of June 30, 2025, December 31 and June 30, 2024, the authorized common stocks amounted to \$10,000,000 (of which \$400,000 were reserved for the exercising of employee share options); face value of each share is NTD \$10, which means there were 1,000,000 thousand ordinary shares, in total of which 443,393 thousand shares were issued. All issued shares were paid up upon issuance.

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EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Capital surplus

The balances of capital surplus of the Company were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Additional paid-in capital	\$ 7,551,109	7,551,109	7,551,109
Difference between consideration and carrying amount of subsidiaries disposed	74,117	74,117	74,117
Treasury stock resulting from the redemption of convertible bonds	1,071,632	1,071,632	1,071,632
Share-based payment – employee stock options	119,974	119,974	119,974
Others	2,140	1,931	1,931
	<u>\$ 8,818,972</u>	<u>8,818,763</u>	<u>8,818,763</u>

The Company's annual shareholder's meeting resolved to distribute cash dividends of \$266,036 (0.6 New Taiwan dollars per share), by using capital surplus on June 12, 2024. The related information can be accessed through the Market Observation Post System Website.

(ii) Retained earnings

In accordance with the Company's articles, net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes, of the remaining balance, 10% is to be appropriated as legal reserve, and the Company should appropriate the same amount as special reserve from retained earnings in accordance with legal authorities and legislations. The remainder, accumulated with the unappropriated earnings of prior years, is distributed as additional dividends to shareholders, which cannot be lower than 50% of the total accumulated unappropriated earnings. The distribution rate is based on the proposal of the Company's board of directors and should be approved in the shareholders' meeting.

Cash dividends cannot be lower than 10% of the total cash and stock dividends. However, stock dividends instead of cash dividends are declared if the cash dividends per share are less than NT\$0.2 (dollars).

1) Earnings distribution

Based on a resolution of annual shareholder's meeting held on June 11, 2025 and June 12, 2024, the appropriations of dividends from the earnings distribution for 2024 and 2023 were as follows:

	2024		2023	
	<u>Amount per share (dollars)</u>	<u>Total amount</u>	<u>Amount per share (dollars)</u>	<u>Total amount</u>
Dividends distributed to common shareholders:				
Cash	\$ <u>5.31</u>	<u>2,354,417</u>	<u>2.60</u>	<u>1,152,822</u>

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EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The related information of the abovementioned earnings distribution can be accessed from the Market Observation Post System website.

(iii) Other equity (net of tax)

	Foreign exchange differences arising from foreign operation	Unrealized gain (loss) from financial assets measured at fair value through other comprehensive income	Total
Balance of January 1, 2025	\$ (628,437)	(26,971)	(655,408)
Exchange differences on foreign operations	(560,695)	-	(560,695)
Exchange differences on investments accounted for using equity method	(26,292)	-	(26,292)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	4,996	4,996
Balance on June 30, 2025	<u><u>\$ (1,215,424)</u></u>	<u><u>(21,975)</u></u>	<u><u>(1,237,399)</u></u>
Balance of January 1, 2024	\$ (858,886)	16,043	(842,843)
Exchange differences on foreign operations	211,421	-	211,421
Exchange differences on investments accounted for using equity method	4,466	-	4,466
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	(44,672)	(44,672)
Balance on June 30, 2024	<u><u>\$ (642,999)</u></u>	<u><u>(28,629)</u></u>	<u><u>(671,628)</u></u>

(w) Earnings per share

For the three months and six months ended June 30, 2025 and 2024, the Group's basic and diluted earnings per share were calculated as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Basic earnings per share:				
Profit attributable to ordinary shareholders of the Company	<u><u>\$ 323,326</u></u>	<u><u>819,603</u></u>	<u><u>907,482</u></u>	<u><u>1,561,001</u></u>
Weighted-average number of outstanding ordinary shares (thousands)	<u><u>443,393</u></u>	<u><u>443,393</u></u>	<u><u>443,393</u></u>	<u><u>443,393</u></u>
Basic earnings per share (dollars)	<u><u>\$ 0.73</u></u>	<u><u>1.85</u></u>	<u><u>2.05</u></u>	<u><u>3.52</u></u>

(Continued)

EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Diluted earnings per share:				
Profit attributable to ordinary shareholders of the Company (basic) (equal to profit attributable to ordinary shareholders of the Company (diluted)) \$	<u>323,326</u>	<u>819,603</u>	<u>907,482</u>	<u>1,561,001</u>
Weighted-average number of outstanding ordinary shares (thousands) (basic)	443,393	443,393	443,393	443,393
Dilutive effect of potential ordinary shares				
Employee stock bonus	<u>2,142</u>	<u>3,370</u>	<u>4,473</u>	<u>4,134</u>
Weighted-average number of outstanding ordinary shares (thousands) (diluted)	<u>445,535</u>	<u>446,763</u>	<u>447,866</u>	<u>447,527</u>
Diluted earnings per share (dollars)	<u>\$ 0.73</u>	<u>1.83</u>	<u>2.03</u>	<u>3.49</u>
(x) Revenue from contracts with customers				
(i) Disaggregation of revenue				

	For the three months ended June 30, 2025				
	LED	LCD	Illumination	Others	Total
Primary geographical markets:					
Asia	\$ 4,295,332	-	240,343	22,970	4,558,645
Europe	334,310	-	-	-	334,310
Others	<u>176,793</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>176,793</u>
	<u>\$ 4,806,435</u>	<u>-</u>	<u>240,343</u>	<u>22,970</u>	<u>5,069,748</u>
Major products					
Construction revenue	\$ -	-	38,807	-	38,807
Sales revenue	<u>4,806,435</u>	<u>-</u>	<u>201,536</u>	<u>22,970</u>	<u>5,030,941</u>
	<u>\$ 4,806,435</u>	<u>-</u>	<u>240,343</u>	<u>22,970</u>	<u>5,069,748</u>

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EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For the three months ended June 30, 2024					
	LED	LCD	Illumination	Others	Total
Primary geographical markets:					
Asia	\$ 4,705,293	32,890	150,800	16,897	4,905,880
Europe	351,396	47,856	-	-	399,252
Others	167,249	83,419	-	-	250,668
	\$ 5,223,938	164,165	150,800	16,897	5,555,800
Major products					
Construction revenue	\$ -	-	53,418	-	53,418
Sales revenue	5,223,938	164,165	97,382	16,897	5,502,382
	\$ 5,223,938	164,165	150,800	16,897	5,555,800
For the six months ended June 30, 2025					
	LED	LCD	Illumination	Others	Total
Primary geographical markets:					
Asia	\$ 8,581,747	-	422,402	45,812	9,049,961
Europe	685,894	-	-	-	685,894
Others	360,084	-	-	-	360,084
	\$ 9,627,725	-	422,402	45,812	10,095,939
Major products					
Construction revenue	\$ -	-	63,758	-	63,758
Sales revenue	9,627,725	-	358,644	45,812	10,032,181
	\$ 9,627,725	-	422,402	45,812	10,095,939
For the six months ended June 30, 2024					
	LED	LCD	Illumination	Others	Total
Primary geographical markets:					
Asia	\$ 8,781,241	82,507	316,263	31,602	9,211,613
Europe	645,643	126,831	-	-	772,474
Others	303,857	172,875	-	-	476,732
	\$ 9,730,741	382,213	316,263	31,602	10,460,819
Major products					
Construction revenue	\$ -	-	85,757	-	85,757
Sales revenue	9,730,741	382,213	230,506	31,602	10,375,062
	\$ 9,730,741	382,213	316,263	31,602	10,460,819

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EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Contract balance

	June 30, 2025	December 31, 2024	June 30, 2024
Notes receivable	\$ 2,498	5,944	3,216
Accounts receivable (including long-term receivables)	6,242,120	6,192,796	6,526,734
Less: allowance for impairment	(294,562)	(288,734)	(253,235)
	<u>\$ 5,950,056</u>	<u>5,910,006</u>	<u>6,276,715</u>
Contract assets-illumination	\$ 124,872	114,421	168,429
Less: allowance for impairment	(6,910)	(6,910)	(6,910)
	<u>\$ 117,962</u>	<u>107,511</u>	<u>161,519</u>
Non-current contract liabilities-illumination	<u>\$ 45</u>	<u>45</u>	<u>49</u>
Current contract liabilities-illumination	<u>\$ 41,591</u>	<u>57,996</u>	<u>37,268</u>
Current contract liabilities-advance receipt	<u>\$ 6,585</u>	<u>22,749</u>	<u>29,597</u>

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

The amount of revenue recognized for the six months ended June 30, 2025 and 2024 that was included in the contract liability balance at the beginning of the period were \$4,497 and \$11,683, respectively.

The major change in the balance of contract assets and contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received.

(y) Remuneration of employees and directors

On June 11, 2025, the Company resolved at the shareholders' meeting to amend its Articles of Incorporation. According to the amended Articles, if the Company has profit in a given fiscal year, the Company shall allocate 6% to 12% as remuneration to employees and remuneration to directors not exceeding 1%. The recipients of the employee remuneration, whether in the form of shares or cash, may include employees of subsidiaries who met certain specific requirements, which were formulated by the Board of Directors. The amount of employees' compensation mentioned above includes an allocation of no less than 20%, as required by the Securities and Exchange Act, designated for distribution to grassroots employees.

Prior to the amendment, the Articles of Incorporation stipulated that, if the Company has profit in a given fiscal year, the Company shall allocate 6% to 12% as remuneration to employees and remuneration to directors not exceeding 1%. However, if the Company has accumulated deficits, the after-tax earnings shall first be used to offset such deficits. The recipients of the employee remuneration, whether in the form of shares or cash, may include employees of subsidiaries who met certain specific requirements, which were formulated by the Board of Directors.

However, if the Company has accumulated deficits, the after-tax earnings shall first be used to offset such deficits before allocating employee and director remuneration in accordance with the aforementioned percentages.

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EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For the three months and six months ended June 30, 2025 and 2024, the employee remunerations amounted to \$49,053 (including base-level employee remuneration), \$137,794, \$150,345 (including base-level employee remuneration) and \$257,304, as well as the directors' remunerations amounted to \$4,905, \$11,483, \$13,346 and \$21,442, respectively. These amounts were calculated using the Company's pre-tax income for each period before deducting the remunerations of employees and directors, multiplied by the proposed percentages of remunerations of employees and directors as stated in the Company's Articles of Incorporation. These remunerations were expensed under operating costs or expenses for each period. If there are any subsequent adjustments to the actual remuneration amounts after the annual shareholders' meeting, the adjustments will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year. If the Board of Directors decides to distribute the employee remuneration in shares, the number of shares to be distributed shall be calculated based on the closing price of the Company's shares on the day before the approval by the Board of Directors.

The remuneration to employees amounted to \$435,952 and \$189,637. The remuneration to directors amounted to \$39,864 and \$19,771 in 2024 and 2023, respectively. The related information can be accessed from the Market Observation Post System website. There had been no differences between the actual amounts and the estimation of employee remuneration in 2024 and 2023.

(z) Non-operating income and expenses

The interest income and finance costs were as follows:

(i) Interest income

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Cash in banks	\$ 57,763	63,700	114,044	108,924
Corporate bonds	11,415	13,558	22,482	17,928
Other	1,472	3,913	3,114	5,075
	\$ 70,650	81,171	139,640	131,927

(ii) Finance costs – interest expenses

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Loans	\$ 4,760	2,506	11,202	3,576
Lease liabilities	2,104	1,846	3,988	3,749
	\$ 6,864	4,352	15,190	7,325

(aa) Financial Instruments

Except for the contention mentioned below, there were no significant changes in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk, and market risk arising from financial instruments. For the related information, please refer to note 6(aa) of the 2024 annual consolidated financial statement.

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EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Credit risk

1) Exposure to credit risk

The carrying amount of financial assets and contract assets represents the maximum amount exposed to credit risk.

2) Credit risk of receivables and debt securities

For credit risk and credit impairment of note and accounts receivable, please refer to note 6(d).

For credit impairment of other receivables, please refer to note 6(e).

Investment in debt instruments measured at fair value through other comprehensive income are listed debt securities.

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12-month expected credit losses.

(ii) Liquidity Risk

The following are the contractual maturities of financial liabilities, including estimated interest payments.

	<u>Carrying Amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1 ~ 2 years</u>	<u>Over 2 years</u>
June 30, 2025					
Non-derivative financial liabilities:					
Short-term borrowings	\$ 760,385	(768,628)	(768,628)	-	-
Notes and accounts payable (including related parties)	3,845,004	(3,845,004)	(3,845,004)	-	-
Payables on construction and equipment	140,455	(140,455)	(140,455)	-	-
Dividends payable	2,372,137	(2,372,137)	(2,372,137)	-	-
Other payables (recorded as other current liabilities)	1,734,119	(1,734,119)	(1,734,119)	-	-
Lease liabilities (including current and non-current)	411,080	(512,974)	(67,725)	(54,458)	(390,791)
Long-term borrowings (including current portion)	6,330	(6,481)	(1,238)	(1,227)	(4,016)
Guarantee deposits received (recorded as other current and non-current liabilities)	271,822	(271,822)	(270,612)	-	(1,210)
Derivative financial liabilities:					
Forward exchange contracts not used for hedging:	6,861				
Outflow	-	(709,675)	(709,675)	-	-
Inflow	-	703,571	703,571	-	-
	<u>\$ 9,548,193</u>	<u>(9,657,724)</u>	<u>(9,206,022)</u>	<u>(55,685)</u>	<u>(396,017)</u>

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EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>Carrying Amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1 ~ 2 years</u>	<u>Over 2 years</u>
December 31, 2024					
Non-derivative financial liabilities:					
Short-term borrowings	\$ 750,000	(753,367)	(753,367)	-	-
Notes and accounts payable (including related parties)	4,221,526	(4,221,526)	(4,221,526)	-	-
Payables on construction and equipment	211,850	(211,850)	(211,850)	-	-
Other payables (recorded as other current liabilities)	1,846,843	(1,846,843)	(1,846,843)	-	-
Lease liabilities (including current and non-current)	356,819	(459,517)	(47,621)	(29,185)	(382,711)
Long-term borrowings (including current portion)	7,050	(7,234)	(1,352)	(1,236)	(4,646)
Guarantee deposits received (recorded as other current and non-current liabilities)	284,621	(284,621)	(272,807)	-	(11,814)
Derivative financial liabilities:					
Forward exchange contracts not used for hedging:	10,137				
Outflow	-	(1,344,021)	(1,344,021)	-	-
Inflow	-	1,333,917	1,333,917	-	-
	<u>\$ 7,688,846</u>	<u>(7,795,062)</u>	<u>(7,365,470)</u>	<u>(30,421)</u>	<u>(399,171)</u>
June 30, 2024					
Non-derivative financial liabilities:					
Short-term borrowings	\$ 750,000	(751,361)	(751,361)	-	-
Notes and accounts payable (including related parties)	4,159,445	(4,159,445)	(4,159,445)	-	-
Payables on construction and equipment	145,564	(145,564)	(145,564)	-	-
Dividends payable	1,433,627	(1,433,627)	(1,433,627)	-	-
Other payables (recorded as other current liabilities)	1,673,509	(1,673,509)	(1,673,509)	-	-
Lease liabilities (including current and non-current)	361,113	(466,338)	(45,431)	(34,926)	(385,981)
Long-term borrowings (including current portion)	7,397	(7,608)	(1,314)	(1,202)	(5,092)
Guarantee deposits received (recorded as other current and non-current liabilities)	272,031	(272,031)	(269,964)	-	(2,067)
Derivative financial liabilities:					
Forward exchange contracts not used for hedging:	6,143				
Outflow	-	(1,135,750)	(1,135,750)	-	-
Inflow	-	1,129,310	1,129,310	-	-
	<u>\$ 8,808,829</u>	<u>(8,915,923)</u>	<u>(8,486,655)</u>	<u>(36,128)</u>	<u>(393,140)</u>

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EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
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The Group is not expecting that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

(iii) Currency risk

1) Exposure to foreign currency risk

The Group's significant financial assets and liabilities exposure to foreign currency risk was as follows:

		June 30, 2025			December 31, 2024			June 30, 2024		
		Foreign currency (in thousands)	Exchange rate	TWD	Foreign currency (in thousands)	Exchange rate	TWD	Foreign currency (in thousands)	Exchange rate	TWD
Financial assets										
Monetary items										
USD	\$	178,736	USD/TWD =29.3000	5,236,965	157,413	USD/TWD =32.7810	5,160,156	157,795	USD/TWD =32.45	5,120,448
RMB		455,699	RMB/TWD =4.0910	1,864,265	354,686	RMB/TWD =4.4910	1,592,895	545,973	RMB/TWD =4.4656	2,438,097
HKD		426,001	HKD/TWD =3.7320	1,589,836	402,393	HKD/TWD =4.2201	1,698,139	429,585	HKD/TWD =4.1558	1,785,269
Financial liabilities										
Monetary items										
USD		17,974	USD/TWD =29.3000	526,638	18,069	USD/TWD =32.7810	592,320	18,969	USD/TWD =32.45	615,544
USD		18,672	USD/RMB =7.1621	547,090	19,058	USD/RMB =7.2993	624,740	17,235	USD/RMB =7.2667	559,276
RMB		1,031,148	RMB/TWD =4.0910	4,218,426	914,821	RMB/TWD =4.4910	4,108,461	932,689	RMB/TWD =4.4656	4,165,016

2) Sensitivity analysis

The Group's exposure to foreign currency risk of monetary items arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, notes and accounts receivable, other receivables, financial assets at fair value through other comprehensive income, loans and borrowings, financial assets at fair value through profit or loss, accounts payables and other payables that are denominated in foreign currency. A 5% of appreciation (depreciation) of each major foreign currency against the Group's functional currency as of June 30, 2025 and 2024 would have increased (decreased) the profit before tax by \$203,809 for the six months ended June 30, 2025, and increased (decreased) the profit before tax by \$244,138 for the six months ended June 30, 2024. The analysis is performed on the same basis for both periods.

3) Exchange gains and losses of monetary items

As the Group deals in diverse foreign currencies, gains or losses on foreign exchange were summarized as a single amount. For the three months ended June 30, 2025 and 2024 and the six months ended June 30, 2025 and 2024, the net foreign exchange gains, including both realized and unrealized, amounted to \$(378,478), \$77,997, \$(292,862) and \$265,788, respectively.

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EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Interest rate analysis

The details of financial assets and liabilities exposed to interest rate risk were as follows:

	Carrying amount		
	June 30, 2025	December 31, 2024	June 30, 2024
Variable rate instruments:			
Financial assets	\$ 2,319,248	3,698,151	2,946,137
Financial liabilities	-	-	-
	<u>\$ 2,319,248</u>	<u>3,698,151</u>	<u>2,946,137</u>

The following sensitivity analysis is based on the risk exposure to interest rate on the derivative and non-derivative financial instruments on the reporting date. Regarding the assets and liabilities with variable interest rates, the analysis is on the basis of the assumption that the amount of assets and liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 0.25% when reporting to management internally, which also represents management of the Group's assessment on the reasonably possible interval of interest rate change.

If the interest rate had increased or decreased by 0.25%, the effects of the net profit before tax for the six months ended June 30, 2025 and 2024, were as follows, which would have mainly resulted from cash in banks with variable interest rates.

	For the six months ended June 30,	
	2025	2024
Increase by 0.25%	\$ 2,899	3,683
Decrease by 0.25%	(2,899)	(3,683)

(v) Fair value

1) The kinds of financial instruments and fair value

The fair value of the Group's financial assets and liabilities at fair value through profit or loss, and financial assets at fair value through other comprehensive income are measured on a recurring basis. The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. They shall not include fair value information of the financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value, and lease liabilities, disclosure of fair value information is not required.

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EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	June 30, 2025				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss:					
Derivative financial assets	\$ 12,498	-	12,498	-	12,498
Non-derivative financial assets mandatorily measured at fair value through profit or loss	<u>472,741</u>	355,021	87,167	30,553	472,741
	<u>485,239</u>				
Financial assets at fair value through other comprehensive income:					
Foreign and domestic corporate bonds	<u>1,357,483</u>	1,357,483	-	-	1,357,483
	<u>1,357,483</u>				
Financial assets measured at amortized cost:					
Cash and cash equivalents	5,593,956	-	-	-	-
Notes and accounts receivable (including related parties)	6,025,924	-	-	-	-
Other current financial assets	7,088,731	-	-	-	-
Other non-current financial assets	<u>978,592</u>	-	-	-	-
	<u>19,687,203</u>				
	<u>\$ 21,529,925</u>				
Financial liabilities at fair value through profit or loss:					
Derivative financial liabilities (recorded as other current liabilities)	\$ <u>6,861</u>	-	6,861	-	6,861
Financial liabilities measured at amortized cost:					
Short-term borrowings	760,385	-	-	-	-
Notes and accounts payable (including related parties)	3,845,004	-	-	-	-
Payables on construction and equipment	140,455	-	-	-	-
Dividends payable	2,372,137	-	-	-	-
Lease liabilities	411,080	-	-	-	-
Other current payables (recorded as other current liabilities)	1,734,119	-	-	-	-
Long-term borrowings (including current portion)	6,330	-	-	-	-
Guarantee deposits received (recorded as other current and non-current liabilities)	<u>271,822</u>	-	-	-	-
	<u>9,541,332</u>				
	<u>\$ 9,548,193</u>				

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EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

December 31, 2024					
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss:					
Derivative financial assets	\$ 2,492	-	2,492	-	2,492
Non-derivative financial assets mandatorily measured at fair value through profit or loss	<u>644,727</u>	405,468	209,267	29,992	644,727
	<u>647,219</u>				
Financial assets at fair value through other comprehensive income:					
Foreign and domestic corporate bonds	<u>1,165,412</u>	1,165,412	-	-	1,165,412
	<u>1,165,412</u>				
Financial assets measured at amortized cost:					
Cash and cash equivalents	5,820,316	-	-	-	-
Notes and accounts receivable (including related parties)	5,994,278	-	-	-	-
Other current financial assets	6,250,606	-	-	-	-
Other non-current financial assets	<u>1,002,183</u>	-	-	-	-
	<u>19,067,383</u>				
	<u>\$ 20,880,014</u>				
Financial liabilities at fair value through profit or loss:					
Derivative financial liabilities (recorded as other current liabilities)	\$ <u>10,137</u>	-	10,137	-	10,137
Financial liabilities measured at amortized cost:					
Short-term borrowings	750,000	-	-	-	-
Notes and accounts payable (including related parties)	4,221,526	-	-	-	-
Payables on construction and equipment	211,850	-	-	-	-
Lease liabilities	356,819	-	-	-	-
Other current payables (recorded as other current liabilities)	1,846,843	-	-	-	-
Long-term borrowings (including current portion)	7,050	-	-	-	-
Guarantee deposits received (recorded as other current and non-current liabilities)	<u>284,621</u>	-	-	-	-
	<u>7,678,709</u>				
	<u>\$ 7,688,846</u>				

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EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

June 30, 2024					
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss:					
Derivative financial assets	\$ 1,694	-	1,694	-	1,694
Non-derivative financial assets mandatorily measured at fair value through profit or loss	<u>922,844</u>	363,717	559,127	-	922,844
	<u>924,538</u>				
Financial assets at fair value through other comprehensive income:					
Foreign unlisted stocks	3,503	-	-	3,503	3,503
Foreign and domestic corporate bonds	<u>1,287,309</u>	1,287,309	-	-	1,287,309
	<u>1,290,812</u>				
Financial assets measured at amortized cost:					
Cash and cash equivalents	5,625,113	-	-	-	-
Notes and accounts receivable (including related parties)	6,351,275	-	-	-	-
Other current financial assets	4,485,000	-	-	-	-
Other non-current financial assets	<u>979,467</u>	-	-	-	-
	<u>17,440,855</u>				
	<u>\$ 19,656,205</u>				
Financial liabilities at fair value through profit or loss:					
Derivative financial liabilities (recorded as other current liabilities)	\$ <u>6,143</u>	-	6,143	-	6,143
Financial liabilities measured at amortized cost:					
Short-term borrowings	750,000	-	-	-	-
Notes and accounts payable (including related parties)	4,159,445	-	-	-	-
Payables on construction and equipment	145,564	-	-	-	-
Dividends payable	1,433,627	-	-	-	-
Lease liabilities	361,113	-	-	-	-
Other current payables (recorded as other current liabilities)	1,673,509	-	-	-	-
Long-term borrowings (including current portion)	7,397	-	-	-	-
Guarantee deposits received (recorded as other current and non-current liabilities)	<u>272,031</u>	-	-	-	-
	<u>8,802,686</u>				
	<u>\$ 8,808,829</u>				

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EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Fair value valuation technique of financial instruments not measured at fair value

The Group estimates instruments that are not measured at fair value, by method and presumption as follows:

- a) The book value of financial assets and liabilities at amortized cost are similar to their fair value.

3) Fair value valuation technique of financial instruments measured at fair value

- a) The fair value of financial assets and liabilities traded in active markets, including listed stocks, fund beneficiary certificates, emerging stocks and listed convertible bonds, etc., is based on quoted market prices.
- b) The fair value of unlisted shares without an active market is assessed by using the net asset value per share approach, P/E ratio approach, and P/B ratio approach.
- c) The fair value of derivative instruments is based on quoted prices. When quoted prices are unavailable, the fair value is estimated by adapting a valuation technique using the estimates and hypothesis referred from those used by financial instruments, or the binomial options pricing model which is generally accepted by the market participants.
- d) For all other financial assets and financial liabilities, the fair value is determined using a discounted cash flow analysis based on expected future cash flows.

- 4) There were no transfers from one level to another of the Group for the six months ended June 30, 2025 and 2024.

- 5) The following table shows the reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy of the Group for the six months ended June 30, 2025 and 2024:

	Financial assets at fair value through profit or loss – non-derivative mandatorily measured at fair value through profit or loss	Financial assets at fair value through other comprehensive income – unquoted equity instruments
Balance on January 1, 2025	\$ 29,992	-
In profit (loss)	561	-
In other comprehensive income	-	-
Balance on June 30, 2025	<u><u>\$ 30,553</u></u>	<u><u>-</u></u>
Balance on January 1, 2024 (equal to balance on June 30, 2024)	<u><u>\$ -</u></u>	<u><u>3,503</u></u>

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EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For the six months ended June 30, 2025 and 2024, the total gains and losses that were included in “other gains and losses” and unrealized gains (losses) on financial assets at fair value through other comprehensive income were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Total gains and losses recognized:				
In profit or loss (recorded as other gains and losses)	\$ <u>(86)</u>	<u>-</u>	<u>561</u>	<u>-</u>
In other comprehensive income (recorded as unrealized gains (losses) from financial assets at fair value through other comprehensive income)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

- 6) The quantified information for significant unobservable inputs (Level 3) used in fair value measurement

The Group's financial instruments that use level 3 inputs to measure the fair values include financial assets measured at fair value through profit or loss – equity securities, financial assets measured at fair value through other comprehensive income – equity securities, and derivative financial instruments.

Most of fair value measurements of the Group which are categorized as equity investment instruments into level 3 have several significant unobservable inputs. Significant unobservable inputs of equity instruments without quoted prices are independent of each other.

The quantitative information about significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationships between significant unobservable inputs and fair value
Financial assets at fair value through other comprehensive income - equity investments without an active market	Guideline Company method - Price-Book Method	- Price-to-Book ratio (P/B Ratio) (3.81 on June 30, 2024) - Lack of marketability discount rate (20% on June 30, 2024)	- The higher the P/B ratio, the higher the fair value. - The higher the lack of marketability discount, the lower the fair value.
Financial assets at fair value through profit or loss	Net Asset Value Method	Net Asset Value	Not applicable.

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EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

The Group's fair value measurement on financial instruments is reasonable. However, the measurement would be different if different valuation models or valuation parameters are used. For financial instruments using level 3 inputs, if the valuation parameters changed, the impacts on profit or loss or other comprehensive income were as follows:

	Input	Variation	Impacts of fair value changes on other comprehensive income	
			Advantageous change	Disadvantageous change
June 30, 2024				
Financial assets at fair value through other comprehensive income	P/B ratio	5%	\$ <u>337</u>	<u>(29)</u>
Financial assets at fair value through other comprehensive income	Lack of marketability discount	5%	\$ <u>200</u>	<u>108</u>

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

- (ab) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in note 6(ab) of the 2024 annual consolidated financial statements.

- (ac) Capital management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those disclose in the 2024 annual consolidated financial statements. Also, management believes that there were no significant changes in the Group's capital management information as disclosed in the 2024 annual financial statements. Relevant information please refer to note 6(ac) of the 2024 annual consolidated financial statements.

- (ad) Investing and financial activities not affecting current cash flow

The Group's investing and financing activities which did not affect the current cash flow in the six months ended June 30, 2025 and 2024, were acquisition of right-of-use assets by lease; please refer to note 6(n). Reconciliations of liabilities arising from financing activities were as follows:

	January 1, 2025	Cash flow	Non-cash changes		June 30, 2025
			Increase	Foreign exchange movement	
Short-term borrowings	\$ 750,000	10,385	-	-	760,385
Long-term borrowings	7,050	(716)	-	(4)	6,330
Lease liabilities	356,819	(30,398)	89,589	(4,930)	411,080
Guarantee deposits received (including current and non-current)	284,621	(12,799)	-	-	271,822
Total liabilities from financing activities	\$ <u>1,398,490</u>	<u>(33,528)</u>	<u>89,589</u>	<u>(4,934)</u>	<u>1,449,617</u>

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EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

			Non-cash changes		
	January 1, 2024	Cash flows	Increase	Foreign exchange movement	June 30, 2024
Short-term borrowings	\$ 250,000	500,000	-	-	750,000
Long-term borrowings	8,628	(576)	-	(655)	7,397
Lease liabilities	324,690	(20,501)	54,059	2,865	361,113
Guarantee deposits received (including current and non-current)	252,031	20,000	-	-	272,031
Total liabilities from financing activities	<u>\$ 835,349</u>	<u>498,923</u>	<u>54,059</u>	<u>2,210</u>	<u>1,390,541</u>

(7) Related-party transactions

(a) Names and relationship with related parties

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

Name of related party	Relationship with the Group
Tekcore Co., Ltd. (Tekcore)	The Group's associate (Note 1)
Anhui Hongming Technology Co., Ltd. and its subsidiaries (Anhui Hongming)	The Group's associate
LeadTech Electronics Inc. (LeadTech)	The Group's associate

Note 1: The Group disposed of all the shares of Tekcore since Tekcore re-elected the directors in shareholders' meeting on June 19, 2024. Therefore, Tekcore is no longer a related-party of the Group, and the amount listed above was from January 1 to June 19, 2024.

(b) Significant related party transactions

(i) Sales

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

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Associates	<u>\$ 288,255</u>	<u>464,736</u>	<u>675,916</u>	<u>532,595</u>

There were no significant differences in the collection periods and sales prices between the related parties and other customers, and the collection term was 60 to 165 days. There were no significant differences in the payment term between the related parties and other customers.

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EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Purchase

The amounts of significant purchases by the Group from related parties were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Associates	<u>\$ 87,816</u>	<u>193,918</u>	<u>157,448</u>	<u>326,513</u>

The payment term was 90 to 150 days for the related parties and third-party suppliers.

For the three months and six months ended June 30, 2025 and 2024, the finished goods partially sold to Anhui Hongming by the Group were repurchased at the amounts of \$60,544, \$78,321, \$112,288 and \$78,321, respectively, after being processed and manufactured by Anhui Hongming. Since the above transactions were not regarded as sales and purchase agreement, they were eliminated in the consolidated financial statements.

(iii) Accounts receivable due from related parties

The accounts receivable due from related parties were as follows:

		June 30, 2025	December 31, 2024	June 30, 2024
Accounts receivable	Associates	\$ 612,361	531,386	421,865
Other receivable	Associates	-	1,027	-
		<u>\$ 612,361</u>	<u>532,413</u>	<u>421,865</u>

(iv) Property transactions

The Group acquired 13.99% ownership in Anhui Hongming Technology Co., Ltd. (Anhui Hongming) in March 2024 by participating in a cash capital injection of Anhui Hongming through the fair value of fixed assets, inventories and intangible assets based on an appraisal report. Such transaction was treated as assets exchange with a consideration of \$271,703. As of June 30, 2024, the ownership, property, plant and equipment, inventories and intangible assets of Anhui Hongming have been settled and transferred, and a gain on disposal of intangible assets of \$171,815 was recognized based on the fair value, which was recorded as other income. The gain on disposal of property, plant and equipment of \$19,284 was recognized based on the fair value, which was recorded as net gains on disposal of property, plant and equipment.

(v) Accounts payable to related parties

The accounts payable to related parties were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Associates	<u>\$ 218,318</u>	<u>225,533</u>	<u>48,653</u>

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EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended June 30,		For the six months ended June 30,	
	2025	2024	2025	2024
Short-term employee benefits	\$ 15,490	29,935	33,571	40,175
Others	109	77	193	77
	<u>\$ 15,599</u>	<u>30,012</u>	<u>33,764</u>	<u>40,252</u>

There are no termination benefits and other long-term benefits.

(8) Pledged assets

The carrying amounts of the pledged assets were as follows:

Assets	Objectives	June 30, 2025	December 31, 2024	June 30, 2024
Time deposits (recorded as other non-current financial assets)	Guarantee for contract grant and guarantee for construction contracts	\$ <u>162,635</u>	<u>177,918</u>	<u>177,323</u>

(9) Commitments and contingencies

- (a) Except as describe below, there were no significant differences between the commitments and the contingencies of the Group for the six months ended June 30, 2025. For related information, please refer to note 9 of the 2024 annual consolidated financial statements.
- (b) Litigation with Nichia Corporation (Nichia)

On April 18, 2012, Nichia filed a lawsuit against the Company and its subsidiary, Everlight Europe, at the Dusseldorf District Court of Germany for infringement of Nichia's German patent DE69702929, concerning the white light LEDs using specific phosphors, wherein the district court ruled in favor of Nichia on September 3, 2013. Dissatisfied with the decision, the Group appealed to the Dusseldorf Higher Regional Court of Germany on October 2, 2013, in which it lost the case on December 22, 2016. In response to this, Group filed an appeal to the German Federal Supreme Court on January 18, 2017. However, since the patent DE69702929 expired on July 29, 2017, and thus, had no impact on the existing products of the Group. In addition, the lawsuit only targeted a few old products of the Company and its subsidiary, Everlight Europe. The Group had assessed that there was no significant impact on the current operation and product sales, and to avoid the waste of judicial resources caused by frivolous lawsuits, the Group had withdrawn the lawsuit from the German Federal Supreme Court.

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EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

On March 12, 2025, Nichia filed a lawsuit against the Company and its subsidiary, Everlight Europe, to the Dusseldorf District Court of Germany for the damage of infringement of Nichia's European patent EP0936682 (German patent number DE69702929), requesting for the compensation of EUR2,500 thousand. The damage dispute is an extension of said patent lawsuit between the Group and Nichia in Germany from 2012 to 2017. On March 31, 2025, the Group received a lawsuit notice from the German regional court, wherein it appointed a lawyer to handle the case, which was still in progress as of the reporting date. After evaluating the final judgment and the amount of the possible claims, the Group estimated a liability provision of EUR1,900 thousand (approximately \$68,190), which will not have a significant impact on the operations of the Group.

(c) Significant commitments unrecognized:

- (i) As of June 30, 2025, December 31 and June 30, 2024, the Group's signed significant commitments to purchase machinery, equipment and commitments for construction contracts not yet due amounted to \$142,018, \$127,709 and \$197,673, respectively.
- (ii) As of June 30, 2025, December 31 and June 30, 2024, the unused balance of the Group's outstanding standby letters of credit amounted to \$0, \$111,826 and \$0, respectively.

(10) Losses Due to Major Disasters: none

(11) Subsequent Events: none

(12) Other

- (a) The following are the summary statement of current period employee benefits, depreciation and amortization expenses by function:

By function By item	Three months ended June 30, 2025			Three months ended June 30, 2024		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits						
Salary	263,278	338,424	601,702	303,488	492,288	795,776
Labor and health insurance	17,402	26,357	43,759	19,403	28,605	48,008
Pension	16,717	12,851	29,568	18,120	14,509	32,629
Others	21,872	19,645	41,517	26,728	20,017	46,745
Depreciation	108,449	111,122	219,571	131,986	102,816	234,802
Amortization	269	6,045	6,314	5,710	5,166	10,876

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EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

By function By item	Six months ended June 30, 2025			Six months ended June 30, 2024		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits						
Salary	565,506	760,981	1,326,487	639,721	966,496	1,606,217
Labor and health insurance	36,012	58,648	94,660	39,553	62,084	101,637
Pension	34,134	26,562	60,696	35,171	28,515	63,686
Others	46,318	38,627	84,945	52,215	37,841	90,056
Depreciation	227,699	219,133	446,832	268,650	205,032	473,682
Amortization	3,286	9,844	13,130	10,727	10,316	21,043

(b) Seasonality of interim operation

The operation of the Group is not subject to seasonal fluctuations.

(13) Other disclosures

(a) Information on significant transactions

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the six months ended June 30, 2025:

- (i) Loans to other parties: Please refer to table 1.
 - (ii) Guarantees and endorsements for other parties: None.
 - (iii) Information regarding material securities held at the reporting date (subsidiaries, associates and joint ventures not included): Please refer to table 2.
 - (iv) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: Please refer to table 3.
 - (v) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: Please refer to table 4.
 - (vi) Business relationships and significant intercompany transactions: Please refer to table 5.
- (b) Information on investees: Please refer to table 6.
- (c) Information on investment in Mainland China: Please refer to table 7.

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EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(14) Segment information:

- (a) Information about reported segment profit or loss, segment assets, and the basis of segment measurement for reportable segments

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies as stated in note 4 of the 2024 annual consolidated financial statements. The Group evaluates performance on the basis of net operating income or loss. There were no intersegment revenues.

For the three months ended June 30, 2025						
	LED segment	LCD segment	Illumination segment	Others	Adjustments & eliminations	Total
Revenues						
Revenues from external customers	\$ 4,806,435	-	240,343	22,970	-	5,069,748
Intersegment revenues	-	-	-	-	-	-
Total revenues	<u>\$ 4,806,435</u>	<u>-</u>	<u>240,343</u>	<u>22,970</u>	<u>-</u>	<u>5,069,748</u>
Reportable segment profit (loss)	<u>\$ 783,366</u>	<u>-</u>	<u>(6,105)</u>	<u>5,039</u>	<u>-</u>	<u>782,300</u>
For the three months ended June 30, 2024						
	LED segment	LCD segment	Illumination segment	Others	Adjustments & eliminations	Total
Revenues						
Revenues from external customers	\$ 5,223,938	164,165	150,800	16,897	-	5,555,800
Intersegment revenues	-	-	-	-	-	-
Total revenues	<u>\$ 5,223,938</u>	<u>164,165</u>	<u>150,800</u>	<u>16,897</u>	<u>-</u>	<u>5,555,800</u>
Reportable segment profit (loss)	<u>\$ 782,079</u>	<u>56,942</u>	<u>(24,725)</u>	<u>(2,112)</u>	<u>-</u>	<u>812,184</u>
For the six months ended June 30, 2025						
	LED segment	LCD segment	Illumination segment	Others	Adjustments & eliminations	Total
Revenues						
Revenues from external customers	\$ 9,627,725	-	422,402	45,812	-	10,095,939
Intersegment revenues	-	-	-	-	-	-
Total revenues	<u>\$ 9,627,725</u>	<u>-</u>	<u>422,402</u>	<u>45,812</u>	<u>-</u>	<u>10,095,939</u>
Reportable segment profit (loss)	<u>\$ 1,413,270</u>	<u>-</u>	<u>(16,882)</u>	<u>10,269</u>	<u>-</u>	<u>1,406,657</u>

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EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For the six months ended June 30, 2024						
	LED segment	LCD segment	Illumination segment	Others	Adjustments & eliminations	Total
Revenues						
Revenues from external customers	\$ 9,730,741	382,213	316,263	31,602	-	10,460,819
Intersegment revenues	-	-	-	-	-	-
Total revenues	<u><u>\$ 9,730,741</u></u>	<u><u>382,213</u></u>	<u><u>316,263</u></u>	<u><u>31,602</u></u>	<u><u>-</u></u>	<u><u>10,460,819</u></u>
Reportable segment profit (loss)	<u><u>\$ 1,281,487</u></u>	<u><u>110,208</u></u>	<u><u>(41,070)</u></u>	<u><u>(1,547)</u></u>	<u><u>-</u></u>	<u><u>1,349,078</u></u>

EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Table 1 Loans to other parties
June 30, 2025

Unit: In Thousands of New Taiwan Dollar

No	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing	Note
													Item	Value			
0	The Company	WOFI Leuchten GmbH	Other receivables	Yes	556,737	556,737	547,184	1.0%	Short term financing	-	Financing Services	Note 6		-	\$ 1,823,808	\$ 7,295,235	Note 5
						\$ 556,737	547,184										
1	Everlight China	Everlight Lighting China	Other receivables	Yes	834,880	417,440	417,440	1.5%	Short term financing	-	Financing Services	-		-	2,208,676	2,208,676	Note 5
2	Forever	Pai-yee Investment	Other receivables	Yes	60,000	-	-	1.7%	Short term financing	-	Financing Services	-		-	183,213	183,213	"
						\$ 417,440	417,440										

Note 1: According to the Company's "Procedures for Lending Funds to Other Parties and Guarantees and Endorsements", the total amount of loans to others cannot exceed 40% of the net worth of the Company; and to borrowers having business relationship with the Company, the total amount for lending the borrower cannot exceed the transaction amount of business dealings between the two parties in the last fiscal year. For those companies with short term financing needs, the amount of each fund financing cannot exceed 10% of the Company's net worth.

Note 2: According to Everlight China's "Procedures for Lending Funds to Other Parties and Guarantees and Endorsements", the total amount of loans to others cannot exceed 40% of the net worth of Everlight China; and to borrowers having business relationship with Everlight China, the total amount for lending the borrower cannot exceed the transaction amount of business dealings between the two parties in the last fiscal year. For those companies with short term financing needs, the amount of each fund financing cannot exceed 40% of Everlight China's net worth.

Note 3: According to Forever's "Procedures for Lending Funds to Other Parties and Guarantees and Endorsements", the total amount of loans to others cannot exceed 40% of the net worth of Forever; and to borrowers having business relationship with Forever, the total amount for lending the borrower cannot exceed the transaction amount of business dealings between the two parties in the last fiscal year. For those companies with short term financing needs, the amount of each fund financing cannot exceed 40% of Forever's net worth.

Note 4: The amounts were translated into New Taiwan dollars at the exchange rates at the ending date of the reporting period.

Note 5: The aforementioned transactions had been eliminated in the consolidated financial statements.

Note 6: The aforementioned transactions had all been recognized as investment loss.

EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Table 2 Information regarding material securities held at the reporting date (subsidiaries, associates and joint ventures not included)
June 30, 2025

Unit: In Thousands of New Taiwan Dollar, thousand shares

Name of holder	Category and name of security	Relationship with security issuer	Account name	Ending balance				Note
				Shares/Units (thousands)	Carrying value (Note 1)	Percentage of ownership (%)	Fair value	
The Company	SinoPac TWD Money Market Fund	None	Current financial assets at fair value through profit or loss	5,869	\$ 85,789	-%	\$ 85,789	
The Company	WT Microelectronics Co., Ltd. Preferred Stock A	None	Current financial assets at fair value through profit or loss	600	29,970	-%	29,970	
The Company	Other	None	Current financial assets at fair value through profit or loss		97,078	-%	97,078	
The Company	Bank of America Corp. Bond	None	Non-current financial assets at fair value through other comprehensive income	20	60,452	-%	60,452	
The Company	Sumitomo Mitsui Financial Group Inc. Bond	None	Non-current financial assets at fair value through other comprehensive income	20	60,122	-%	60,122	
The Company	Cathay Life Insurance 2023 first unsecured accumulated secondary ordinary corporate bond	None	Non-current financial assets at fair value through other comprehensive income	2,500	250,762	-%	250,762	
The Company	Fubon Life Insurance 2023 first unsecured accumulated secondary ordinary corporate bond	None	Non-current financial assets at fair value through other comprehensive income	2,500	250,672	-%	250,672	
The Company	Cathay Life Insurance 2024 first unsecured accumulated secondary ordinary corporate bond	None	Non-current financial assets at fair value through other comprehensive income	3,000	301,530	-%	301,530	
The Company	Fubon Life Insurance 2024 first unsecured accumulated secondary ordinary corporate bond	None	Non-current financial assets at fair value through other comprehensive income	2,000	200,444	-%	200,444	
The Company	Other		Non-current financial assets at fair value through other comprehensive income		29,670	-%	29,670	
					\$ 1,366,489			
Forever	Taiwan Cement Corp., Ltd. Preferred Stock B	None	Current financial assets at fair value through profit or loss	610	\$ 29,493	-%	29,493	
Forever	Other	None	Current financial assets at fair value through profit or loss		89,185	-%	89,185	
Forever	Other	None	Non-current financial assets at fair value through other comprehensive income	200	-	-%	-	
					\$ 118,678			
Pai yee	InnoFund I Co., Ltd.	Pai yee is the corporate director of this company	Non-current financial assets at fair value through profit or loss	3,000	36,922	-%	36,922	
Pai yee	InnoFund VI Co., Ltd.	Pai yee is the corporate director of this company	Non-current financial assets at fair value through profit or loss	3,000	30,553	-%	30,553	
Pai yee	Other	None	Current financial assets at fair value through profit or loss	1,648	23,506	-%	23,506	
					\$ 90,981			
Everlight Zhongshan	Structured deposits	None	Current financial assets at fair value through profit or loss	-	\$ 50,245	-%	50,245	
Evervision TW	The Second Issue of 2025 for unsecured Cumulative Subordinated Corporate Bonds of Nan Shan Life Insurance Co., Ltd. Series A	None	Non-current financial assets at fair value through other comprehensive income	2,000	\$ 203,831	-%	203,831	

Note 1: The amounts were translated into New Taiwan dollars at the exchange rates at the ending date of the reporting period.

EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Table 3 Related party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock
June 30, 2025

Unit: In Thousands of New Taiwan Dollar

Name of Company	Name of Counter party	Relationship	Transaction Details				Abnormal Transaction		Notes/ Account (Payable) or Receivable		Note
			Purchase/ (Sale)	Amount (Note 1)	Percentage of total purchases /sales	Payment Terms	Unit Price	Payment Terms	Ending Balance (Note 3)	Percentage of total notes/accounts receivable (payable)	
The Company	Evlite	100% owned subsidiary	(Sales)	\$ (446,133)	(5%)	OA 120	No significant difference to the general customers	General export receivables in 30~120 days	Accounts Receivable 304,026	6%	Note 2
The Company	Everlight Europe	75% owned subsidiary	(Sales)	(525,763)	(6%)	OA 120	No significant difference to the general customers	General export receivables in 30~120 days	Accounts Receivable 211,673	4%	Note 2
The Company	ELA	99% owned subsidiary	(Sales)	(199,084)	(2%)	OA 140	No significant difference to the general customers	General export receivables in 30~120 days	Accounts Receivable 53,523	1%	Note 2
The Company	Anhui Hongming	Equity accounted investee by the Everlight China	(Sales)	(669,027)	(7%)	OA 120	No significant difference to the general customers	General export receivables in 30~120 days	Accounts Receivable 608,990	11%	
The Company	Everlight China	100% owned sub-subsidiary	Purchases	4,489,734	76%	OA 120 payments	Terms not comparable to other general trading price	General purchase payments in 90~120 days	Accounts Payable (3,619,356)	(71%)	Note 2
The Company	Everlight Zhongshan	100% owned sub-subsidiary	Purchases	270,051	5%	OA 120 payments	Terms not comparable to other general trading price	General purchase payments in 90~120 days	Accounts Payable (232,383)	(5%)	Note 2
The Company	Everlight Lighting China	100% owned sub-subsidiary	Purchases	113,026	2%	OA 120 payments	Terms not comparable to other general trading price	General purchase payments in 90~120 days	Accounts Payable (93,816)	(2%)	Note 2
Everlight Zhongshan	The Company	Ultimate holding company	(Sales)	(288,246)	(100%)	OA 120 receivables	Not applicable	Not applicable	Accounts Receivable 232,383	100%	Note 2
Everlight China	The Company	Ultimate holding company	(Sales)	(4,638,627)	(100%)	OA 120 receivables	Not applicable	Not applicable	Accounts Receivable 3,619,356	100%	Note 2
Everlight Lighting China	The Company	Ultimate holding company	(Sales)	(113,796)	(15%)	OA 120 payments	Terms not comparable to other general trading price	General export receivables in 90~120 days	Accounts Receivable 93,816	16%	Note 2
Everlight Lighting China	Anhui Hongming	Equity accounted investee by the Everlight China	Purchases	108,219	15%	OA 120 payments	Terms not comparable to other general trading price	General purchase payments in 90~120 days	Accounts Payable (83,575)	(4%)	
ELA	The Company	Parent company	Purchases	191,822	100%	OA 140	Not applicable	Not applicable	Accounts Payable (53,665)	(100%)	Note 2
Everlight Europe	The Company	Parent company	Purchases	535,510	100%	OA 120	Not applicable	Not applicable	Accounts Payable (209,651)	(100%)	Note 2
Evlite	The Company	Parent company	Purchases	445,253	100%	OA 120	Not applicable	Not applicable	Accounts Payable (303,894)	(100%)	Note 2

Note 1: The amounts were translated into New Taiwan dollars at the average exchange rates for the six months ended June 30, 2025.

Note 2: The transaction amounts of the subsidiaries are inconsistent with the Company since the financial statements of the subsidiaries did not consider the adjustments made by the Company for processing trade and in transit inventory.

Note 3: The accounts were translated into New Taiwan dollars at the exchange rate at the ended date of the reporting period.

EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Table 4 Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock
June 30, 2025

Unit: In Thousands of New Taiwan Dollar

Name of company	Counterparty	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period (Note 1)	Allowance for bad debts	Note
					Amount	Action taken			
The Company	Evlite	100% owned subsidiary	\$ 304,026	2.58	-		72,024	-	Note 4
The Company	Everlight Europe	75% owned subsidiary	211,673	5.14	-		99,901	-	"
The Company	WOFI Leuchten GmbH	100% owned subsidiary	547,184 (Note 3)	-	-		-	-	"
The Company	Anhui Hongming	Equity accounted investee by the Everlight China	608,990	2.38			108,064		
Everlight China	Everlight Lighting China	Same parent company	417,440 (Note 3)	-	-		-	-	Note 4
Everlight China	The Company	Ultimate holding company	3,619,356	2.64	-		1,454,976	-	"
Everlight Zhongshan	The Company	Ultimate holding company	232,383	2.49	-		36,059	-	"

Note 1: Information as of August 5, 2025.

Note 2: The amounts were translated into New Taiwan dollars at the exchange rates at the reporting date.

Note 3: Lending funds (including interest).

Note 4: The aforementioned transactions had been eliminated in the consolidated financial statements.

EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Table 5 Business relationships and significant intercompany transactions
June 30, 2025

Unit: In Thousands of New Taiwan Dollar

No. (Note 1)	Name of company	Counter-party	Relationship (Note 2)	Intercompany transactions			
				Financial statements accounts	Amount	Terms	Percentage of consolidated net revenue or total assets
0	The Company	Everlight Europe	1	Sales revenue	\$ 525,763	There is no significant difference on the price offered to general customers; and the credit period is OA 120 days.	5%
			1	Accounts receivable	211,673	There is no significant difference on the price offered to general customers; and the credit period is OA 120 days.	1%
0	The Company	Evlite	1	Sales revenue	446,133	There is no significant difference on the price offered to general customers; and the credit period is OA 120 days.	4%
			1	Accounts receivable	304,026	There is no significant difference on the price offered to general customers; and the credit period is OA 120 days.	1%
0	The Company	ELA	1	Sales revenue	199,084	There is no significant difference on the price offered to general customers; and the credit period is OA 140 days.	2%
			1	Accounts receivable	53,523	There is no significant difference on the price offered to general customers; and the credit period is OA 140 days.	0%
0	The Company	WOFI Leuchten GmbH	1	Other receivable due from related parties (Note 3)	547,184	Rate 1%	2%
1	Everlight China	The Company	2	Sales revenue	4,638,627	There is no general price for comparison; and the credit period is OA 120 days.	46%
			2	Accounts receivable	3,619,356	There is no general price for comparison; and the credit period is OA 120 days.	12%
1	Everlight China	Everlight Lighting China	3	Other receivable due from related parties (Note 3)	417,440	Rate 1.5%	1%
2	Everlight Zhongshan	The Company	2	Sales revenue	288,246	There is no general price for comparison; and the credit period is OA 120 days.	3%
			2	Accounts receivable	232,383	There is no general price for comparison; and the credit period is OA 120 days.	1%
3	Everlight Lighting China	The Company	2	Sales revenue	113,796	There is no general price for comparison; and the credit period is OA 120 days.	1%
			2	Accounts receivable	93,816	There is no general price for comparison; and the credit period is OA 120 days.	0%

Note 1: The numbers filled in as follows:

1. 0 represents the parent company.

2. Subsidiaries are sorted in a numerical order starting from 1.

Note 2: Relationship with the transactions labeled as follows:

1. Represents the transactions from the parent company to the subsidiaries.

2. Represents the transactions from the subsidiaries to the parent company.

3. Represents the transactions between the subsidiaries.

Note 3: Lending funds (including interest).

EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Table 6 Information on investees
June 30, 2025

Unit: In Thousands of New Taiwan Dollar

Investor company	Investee company	Location	Main businesses and products	Original investment amount		Ending balance			Net income (Losses) of the Investee	Share of profits/losses of investee	Note
				June 30, 2025	December 31, 2024	Shares (In thousands)	Percentage of ownership	Carrying value			
The Company	Everlight BVI	Registered in British Virgin Islands	Investment	\$ 4,762,934	\$ 4,762,934	1,540	98%	\$ 7,278,277	244,850	239,953	Subsidiaries (Note 3)
The Company	Pai yee	New Taipei City	Investment	580,253	580,253	23,940	100%	495,610	2,511	2,511	Subsidiaries (Note 3)
The Company	ELA and its subsidiaries	Registered in the USA	Sale of LEDs	373,396	373,396	11,375	98.91%	(5,055)	(17,616)	(17,424)	Subsidiaries (Note 3)
The Company	Evervision TW and its subsidiaries	New Taipei City	Manufacture and sales of LCDs and LED processing	35,455	35,455	4,477	24.27%	289,010	(4,095)	(992)	Subsidiaries (Note 3)
The Company	Everlight Europe	Registered in Germany	Sale of LEDs	2,203	2,203	75	75%	213,696	51,324	38,493	Subsidiaries (Note 3)
The Company	ELK	Korea	Sale of LEDs	6,485	6,485	38	100%	59,996	11,512	11,512	Subsidiaries (Note 3)
The Company	Forever	New Taipei City	Investment	400,000	400,000	42,488	100%	458,033	(11,026)	(11,026)	Subsidiaries (Note 3)
The Company	ELIT	New Taipei City	Sale of LED lighting products	500,000	500,000	20,000	100%	251,785	36,020	37,790	Subsidiaries (Note 3)
The Company	Evlite	Kwun Tong, Kowloon, Hong Kong	Sale of LEDs	71,324	71,324	7,000	100%	173,140	5,241	5,241	Subsidiaries (Note 3)
The Company	ELI	Registered in India	Sale of LEDs	1,984	1,984	353	80%	23,505	2,838	2,271	Subsidiaries (Note 3)
The Company	ELS	Singapore	Sale of LEDs	5,989	5,989	200	100%	13,391	404	404	Subsidiaries (Note 3)
The Company	WOFI Holding and its subsidiaries	Germany	Sale of lighting products, pendants and accessories	1,333,883	1,333,883	5,775	100%	(596,053)	(17)	(17)	Subsidiaries (Notes 1 and 3)
The Company	ELJ	Japan	Sale of LEDs	14,911	14,911	5	100%	5,146	(5,395)	(5,395)	Subsidiaries (Note 3)
The Company	ELTH	Thailand	Manufacture and sales of LEDs	23,518	-	490	98%	13,328	(10,271)	(10,066)	Subsidiaries (Note 3)
Pai yee	Everlight BVI	Registered in British Virgin Islands	Investment	120,740	120,740	37	2%	158,542	244,850	4,897	Subsidiaries (Note 3)
Pai yee	Evervision TW and its subsidiaries	New Taipei City	Manufacture and sales of LCDs and LED processing	61,121	61,121	2,940	15.94%	213,139	(4,095)	(653)	Subsidiaries (Note 3)
Pai yee	Everlight Malaysia	Registered in Malaysia	Business development and customer services	2,240	2,240	254	100%	3,252	-	-	Sub-sub-sidiaries (Note 3)
Pai yee	ELI	India	Sale of LEDs	493	493	88	20%	6,584	2,838	567	Subsidiaries (Note 3)
ELIT	ELIT KZ	Kazakhstan	Sale of LED lighting products	73	73	-	100%	-	-	-	Sub-sub-sidiaries (Note 3)
Forever	Evervision TW and its subsidiaries	New Taipei City	Manufacture and sales of LCDs and LED processing	30,978	30,978	5,120	27.76%	339,199	(4,095)	(1,136)	Subsidiaries (Note 3)
Forever	EleOcom Inc.	New Taipei City	Manufacture and sales of electronic components and communication equipment	45,000	45,000	4,500	32.14%	-	-	-	-
Evervision	LeadTech	Hsinchu County	Wafer testing service	30,000	30,000	2,500	43.48%	30,163	1,379	599	-
Evervision	Evervision (B.V.I.) Ltd.	Registered in British Virgin	Investment	696,251	696,251	20,567	100.00%	1,037,907	590	590	Sub-sub-sidiaries (Note 3)
Evervision	VBest GmbH	Germany	Trade Company	790	790	-	75.00%	23,322	101	76	Sub-sub-sidiaries (Note 3)
Evervision Electronics (B.V.I.) Ltd.	Evervision (H.K.) Ltd.	Hong Kong	Trade Company	-	1,179	-	0.00%	-	-	-	Sub-sub-sidiaries (Note 3)

Note 1: The Company invested in WOFI through a cash injection of EUR 11,000 thousand and EUR 16,000 thousand in July 2020 and August 2022, respectively, wherein the registration procedures have not yet to be completed.

Note 2: The amounts were translated into New Taiwan dollars at the average exchange rates for the six months ended June 30, 2025.

Note 3: The aforementioned transactions had been eliminated in the consolidated financial statements.

EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Table 7 Information on investment in Mainland China
June 30, 2025

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

Unit: In Thousands of New Taiwan Dollar 、 Foreign currency

Name of investee	Main businesses and products	Total amount of paid in capital (Note 6)	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2025	Investment flows		Accumulated outflow of investment from Taiwan as of June 30, 2025	Net income (losses) of the investee	Percentage of ownership owned directly or indirectly by the company	Investment Income (losses) (Note 4)	Carrying amount as of June 30, 2025 (Note 6)	Accumulated remittance of earnings as of June 30, 2025
					Outflow	Inflow						
<u>The Company and</u> <u>Pai yee:</u> Everlight China	Manufacture of LEDs	3,591,993 (US\$113,500 、 RMB65,129) (Note 7 and Note 8)	(Note 1)	3,233,548 (US\$110,360)	-	-	3,233,548 (US\$110,360)	268,339	100%	268,339	5,521,691	665,834
Everlight Lighting China	Sale of LEDs	293,000 (US\$10,000) (Note 10)	(Note 1)	152,360 (US\$5,200)	-	-	152,360 (US\$5,200)	43,144	100%	43,144 (Note 11)	474,393 (Note 11)	-
Everlight Electronic Guangzhou	Business development and customer services	187,845 (US\$128 、 RMB45,000) (Note 13)	(Note 1)	3,750 (US\$128)	-	-	3,750 (US\$128)	786	100%	786 (Note 14)	6,989 (Note 14)	-
Everlight Zhongshan	Manufacture of LED related components	879,000 (US\$30,000)	(Note 1)	879,000 (US\$30,000)	-	-	879,000 (US\$30,000)	(4,136)	100%	(4,136)	864,820	14,437
<u>Everlight China and</u> <u>Everlight Zhongshan:</u> Anhui Hongming	Research and Manufacture of Mini LED lighting products	882,511 (RMB215,720)	(Note 3)	-	-	-	-	41,524	33.99%	14,114	350,646	-
<u>Everlight China:</u> Everlight New Electronics (Suzhou) Co., Ltd. (Note 16)	Manufacture of LEDs	20,455 (RMB5,000)	(Note 3)	-	-	-	-	(99)	49%	(49)	10,181	-

EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Table 7 Information on investment in Mainland China
June 30, 2025

(ii) Limitation on investment in Mainland China:

Unit: In Thousands of New Taiwan Dollar / Foreign currency

Company Name	Accumulated Investment in Mainland China as of June 30, 2025 (Note 6)	Investment Amounts Authorized by Investment Commission of Ministry of Economic Affairs (Note 6)	Limitation on investment in Mainland China by Investment Commission of Ministry of Economic Affairs
The Company and Pai yee (Note 5)	5,186,386 (USD168,787 thousand 、 RMB58,892 thousand) (Note 9)	5,310,544 (USD170,682 thousand 、 RMB75,669 thousand)	10,942,853
ELIT	136,620 (USD2,723 thousand 、 RMB13,893 thousand) (Note 9)	136,620 (USD2,723 thousand 、 RMB13,893 thousand)	157,614
Evervision TW	91,885 (Notes 2 、 12 and 15) (USD3,136 thousand)	91,885 (USD3,136 thousand)	742,693

Note 1 : Indirect investment in Mainland China through companies registered in a third region.

Note 2 : Evervision BVI disposed all of its ownership in VBest Electronics (Kunshan) Ltd. (VBest Kunshan) to a third party in December 2024. The aforementioned investment amounts included the investment amounts of USD 18,000 thousand that has yet to be applied for elimination.

Note 3 : Indirect investment in Mainland China through an existing company in Mainland China.

Note 4 : Except for Everlight China and Everlight Lighting, which recognized their gains and losses on investment in accordance with the investees' financial statements of investees, the gains and losses on investment of the remaining companies were recognized according to the investees' self reported financial statements and the amounts were translated into New Taiwan Dollars at average exchange rates for the six months ended June 30 in 2025.

Note 5 : Including the investment amount of USD 3,790 thousand approved by Pai yee.

Note 6 : The amounts were translated into New Taiwan dollars at the exchange rates at the end of the reporting period.

Note 7 : The difference from the Company's outflow of investment was due to the retained earnings transferred to the capital of Everlight China amounting to USD 3,140 thousand and RMB 65,129 thousand in 2007 and 2015, respectively.

Note 8 : Including the remittance amounting to USD 10,140 thousand from Guangzhou Everlight to Everlight BVI to be invested in Everlight China by Everlight BVI in 2007.

Note 9 : The liquidation of Yi Yao, Everlight Electronics (Guangzhou), Everlight Yi Guang Technology (Shanghai), Everlight Lighting Management Consulting (Shanghai), Shanghai Yaming Lighting, and Everlight Fujian, were completed. The aforesaid investments amounting to USD23,099 thousand and RMB58,892 thousand were included in the Company's accumulated outflow of investment from Taiwan; as well as the investments of USD2,723 thousand and RMB13,893 thousand were included in the ELIT's accumulated outflow of investment from Taiwan.

Note 10 : The difference from the Company's outflow of investment was due to the amount of USD 4,800 thousand invested in Everlight Lighting China from Everlight China's owned fund.

Note 11 : Including the gains or losses on investment and ending balance of the carrying value of investment in Everlight Lighting China by Everlight China.

Note 12 : Including the investment amount of the factory in Mainland China written off in 2012 amounting to USD 2,750 thousand.

Note 13 : The difference from the Company's outflow of investment was due to the amount of RMB 45,000 thousand invested in Everlight Electronic (Guangzhou) from Everlight China's owned fund.

Note 14 : Including the gains or losses on investment and ending balance of the carrying value of investment in Everlight Electronic (Guangzhou) by Everlight China.

Note 15 : The liquidation of Debao was completed in June 2017; and the aforesaid investment amounting to USD 386 thousand was included in the Evervision company's accumulated outflow of investment from Taiwan.

Note 16 : Everlight China invested in a company in mainland China, using its owned fund in 2025.

(iii) Significant transactions:

Please refer to "Information on significant transactions" and "Business relationships and significant intercompany transactions" for the information on significant direct or indirect transactions between the Company and the investee companies in Mainland China for the six months ended June 30, 2025.