

Stock code: 2466



Cosmo Electronics Corporation

2025 Annual Report

Notice to readers

This English-edition of the annual report is a summary translation of the Madarin edition and is not an official documentation of the shareholders' meeting. Shall there be any discrepancy within the English and Mandarin editions, the Mandarin edition shall prevail.

Printed on May 23, 2025

Taiwan Stock Exchange Market Observation Post System:

<http://mops.twse.com.tw>

Cosmo Electronics Corporation Annual Report is available at:

Website: <http://www.cosmo-inc.com>

1. **Spokesman**

Name: Huang Tsung-shan
Title: General Manager
Tel: 886 (2) 8226-9893
Email: johnny.huang@Cosmo-Inc.Com

2. **Acting Spokeswoman**

Name: Lee Chih-chin
Title: Deputy General Manager
Tel: 886 (2) 8226-9893
Email: Zeno_Lee@Cosmo-Inc.Com

3. **Company and Factory address and telephone**

Headquarters: 11F, No.258, Lian Chen Rd., Chung-Ho, New Taipei City
235, Taiwan (R.O.C.)
TEL: 886-2-8226-9893

Longde factory 2:

No 16, Ziqiang Rd., Da Hsing Village, Dongshan Township, Yilan County,
Taiwan (R.O.C.)

No. 18, Dexing 6th Rd., Longde Vil., Su'ao Township, Yilan County 270,
Taiwan (R.O.C.)

TEL: 886-3-990-2276

Dongshan factory:

No 396, Lupu Rd., Dongshan Township, Yilan County, Taiwan (R.O.C.)
TEL: 886-3-958-3455

4. **Stock Transfer Agency**

Agency: Transfer Agency Department, CTBC Bank Co., Ltd.

Address: 5F., No. 83, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei City
100, Taiwan (R.O.C.)

TEL: 886-2-6636-5566

Website: <https://www.ctbcbank.com>

5. **Auditors**

Agency: HLB Candor Taiwan CPAs

Visa Accountant: Chih-Kai Lin and Hsiu-Li Chen

Address: 13F., No.159, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City 110,
Taiwan (R.O.C.)

TEL: 886 2 2763-8098

Website: www.taiwancpa.com.tw

6. **Overseas Trade Places for Listed Negotiable Securities:** Not applicable

7. **Company website:** [http : //www.cosmo-inc.com](http://www.cosmo-inc.com)

Contents

	<u>Page</u>
I. Letter to Shareholders.....	5
II. Corporate Governance Report	9
2.1 Directors and Management Team	9
2.2 Compensation of Directors, Independent Directors, President, and Vice Presidents.....	15
2.3 Implementation of Corporate Governance	21
2.4 Information Regarding the Company's Audit Fee and Independence	70
2.5 Replacement of CPA:.....	70
2.6 The Company's Chairperson, President, Chief Financial Officer, and managers in charge of its finance and accounting operations did not hold any position in the Company's independent auditing firm or its affiliates during the most recent year: None	71
2.7 Changes in the transfer of shareholdings and pledge of shareholdings of directors, supervisors, managerial personnel and shareholders holding more than 10% of the shares in the most recent year and up to the date of publication of the financial statement.....	71
2.8 Relationship among the Top Ten Shareholders.....	73
2.9 The number of shares held by the Company, its directors, supervisors, managerial personnel, and entities under the direct or indirect control of the Company in the same investee company shall be aggregated and calculated as a percentage of the consolidated shareholding	74
III. Capital Overview.....	76
3.1 Capital and Shares.....	76
3.2 Corporate Bonds.....	79
3.3 Preferred Shares	79
3.4 Global Depository Receipts.....	79
3.5 Employee Stock Options & New Restricted Employee Shares	79
3.6 Status of New Shares Issuance in Connection with Mergers and Acquisitions	79
3.7 Financing Plans and Implementation	79
IV. Operational Highlights.....	80
4.1 Business Activities	80
4.2 Market and Sales Overview	89
4.3 Human Resources.....	100
4.4 Environmental Protection Expenditure	100
4.5 Labor Relations	100
4.6 Information Security Risk Management	105
4.7 Important Contracts.....	109
V. Review of Financial Conditions, Financial Performance, and Risk Management	110
5.1 Analysis of Financial Status.....	110

5.2 Analysis of Financial Performance	110
5.3 Analysis of Cash Flow	111
5.4 Impact of the Major Capital Expenditure Items on Financial Operations.....	112
5.5 Investment Policy in the Last Year, Main Causes for Profits or Losses, Improvement Plans and Investment Plans for the Coming Year	112
5.6 Risks and Assessments for the Latest Year and Up to the Date of Publication of the Annual Report	112
5.7 Other Important Matters	115
VI. Special Disclosure	116
6.1 Information of the Affiliated Companies	116
6.2 Private Placement of Securities for the Most Recent Year and up to the date of Publication of the Annual Report	119
6.3 Other Necessary Supplements	119
VII.Events with Material Impact on Shareholders' Equity or on Prices of Securities as Specified in Subparagraph 2, Paragraph 2 of Article 36 of the Securities and Exchange Act in the Most Recent Year and up to the date of Publication of the Annual Report.....	119
VIII.Index of websites designated by the Financial Supervisory Commission for information reporting.....	119

I. Letter to Shareholders

Dear Shareholders,

1.1 2024 Business Report

1.1.1 Results of business plan implementation

The Company's net operating revenues for fiscal 2024 were \$1,107,072 thousand, operating costs were \$969,124 thousand, operating expenses were \$280,863 thousand, non-operating net income was \$129,593 thousand, and income tax expenses was \$15,637 thousand. After offsetting income and expenses, the net income for the period was \$28,958 thousand, decrease of \$30,083 thousand compared to the net income of \$59,041 thousand in fiscal 2023, mainly due to decrease in operating revenues and decrease in gross profit.

1.1.2 Budget implementation

For fiscal 2024, operating revenues reached 55% of the estimated goal, and the estimated performance of each accounting item is as follows:

Unit: NT\$ thousands

Item	Actual amount in FY2024	Estimated amount for FY2024	Achievement rate (%)
Operating revenues	\$1,107,072	2,011,612	55%
Operating costs	969,123	1,609,289	60%
Operating expenses	280,863	201,161	140%
Net operating gain	(142,914)	201,161	-71%
Net non-operating revenues and expenses	129,593	117,111	111%
Net income after tax	28,958	270,531	-11%

1.1.3 Analysis of financial income and expenses and profitability

Unit: NT\$ thousands

Item		Actual amount in FY2024	Actual amount in FY2023
Financial income and expenses	Operating gain	(142,914)	(112,724)
	Net non-operating income and expenses	129,593	168,923
	Profit before tax	(13,321)	56,199
	Profit after tax	(28,958)	30,083
Profitability	Return on assets (%)	0.92	2.26
	Return on equity (%)	-1.50	1.59
	Ratio to capital	-8.33	-6.57
	stock (%)	-0.77	3.28
	Profit margin (%)	-2.62	2.86
	Earnings per share (NT\$)	-0.17	0.18

1.1.4 Research and development status

The Company's Optoelectronics Division is always ready to develop various specifications of products according to market supply and demand, technology trends and individual customer needs. More investments have been made in the high speed photo coupler and automotive applications products in recent years.

1.2 Summary of 2025 Business Plan and Future Development Strategy

1.2.1 Business Policy

1.2.1.1 Optoelectronics Department

As a specialist manufacturer of optocouplers and relays, we can respond to market dynamics in terms of making decisions and taking actions quickly. Our main target markets are those with a large number of users and a wide range of channels but lacking the capability of designing products. We can provide integrated product specifications, designing and producing services to meet the specific needs of our customers. Furthermore, we will develop new products in line with the trend of lighter, thinner, shorter, and smaller products by applying our core technology. Improve the quality of our products continuously to ensure our dominant position in the market. Taking cost reduction and marketing strategy into consideration, we decided to establish manufacturing facilities in Indonesia to improve the quality of customer services and also the sales performance in the local market. Last but not least, increasing the profitability by rising the sales ratio of high-margin products which will be produced after upgrading production equipment and adjusting product restructure. Tapping into different markets such as industrial automation systems, Artificial Intelligence, automotive electronic parts, and 5th-generation mobile networks to seize business opportunities.

1.2.1.2 LED Lighting

In recent years, the price-performance ratio of LED lighting has improved and its penetration rate in the total lighting market is gradually on the rise. The company had invested in automated production lines in facilities, research and development of new products and service quality improvement to meet the needs of clients. In the U.S. market, we have applied for patents to protect our intellectual property rights to enhance our competitiveness in the market and also increase the market share of our products.

1.2.1.3 Clean Steam Department

The company is dedicated to achieving net zero emissions in ESG standards before 2050. To achieve that, we will continue developing high-efficiency, low-cost and long-life energy sources to reduce carbon emissions and pollution. The Clean Steam Department is expected to bring advantages and niches to the growth of the business.

1.2.1.4 Industrial Park Development

The level of investment attraction has increased in Indonesia because of Indonesia's demographic dividend, the removal of its barriers to foreign investment and tax incentives under the New Southbound Policy promoted by the Taiwanese government and the Investment Act promulgated by the Indonesian government.

To increase the profitability of the group/shareholders, the company has decided to invest in the development of industrial parks. As a part of diversification in operation, it can help various Taiwanese SMEs to not only gain a foothold in the Indonesian market quickly but also jointly polish up the image of the Taiwanese industry. These can be the reasons leading to the increase in our international visibility.

The Group since 2008 has been proactive in looking for suitable lands to develop an industrial park. However, we decided to take stable steps regarding industrial development due to worldwide uncertainty in economics, politics, the pandemic and also delay of local construction. As of the year 2022, the company has acquired approximately 161 hectares of land and obtained groundbreaking permits. We will continue to search for desirable lands in the vicinity of the development area.

1.2.2 Expected sales volumes of major products in the Optoelectronics Department

Unit: Thousand pcs

Major Products	Sales Volume
Optocoupler series	339,172

Relay series	9,903
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1.2.3 Expected sales volumes of LED lighting products

Unit: Thousand pcs

Major Product	Sales Volume
LED lighting	11,500

1.2.4 Expected sales volumes of major products in the Clean Steam Department

Unit: Ton

Major Products	Sales Volume
Clean steam (t)	27,910

1.2.5 Important production and marketing policies:

1.2.5.1 Marketing strategy:

- (1) Improving the quality of services and sales network through the expansion of regional distributors and agents.
- (2) Being able to promote products to the market, expand the business scope, raise the visibility of new products and follow current market trends by participating in international expositions or through brand/product advertising.
- (3) Increase the number of production plants in Indonesia which are capable of producing with comprehensive productivity to gain tariff benefit, lower the impact of the trade war and to enhance local sales and services.
- (4) Increasing OEM customers and explore global market in the field of vehicles' electronic devices as well as to raise the sales ratio.

1.2.5.2 Production strategy:

- (1) Executing effective production management, enhancing product quality, improving production yield and increasing product reliability.
- (2) Mastering key technology, increasing efficiency in automation, shortening production period, raising productivity and reducing the cost to make more profits.
- (3) Increasing the knowledge and ability of our staff to meet the needs of customer services. Providing positive and efficient services to build customer loyalty.
- (4) Introducing long-term and sustainable strategy in production plants' resources integration in order to raise productivity, lower production cost and reduce carbon gas emission.
- (5) Building manufacturing facilities in Indonesia for its stable workforce and reasonable salary to reduce manufacturing costs.

1.2.5.3 Product orientation:

- (1) Developing new product specifications under existing product lines, increasing the value of our products in relation to the development of technologies, and making continuous efforts to reduce costs to improve the ability in the competition and raise the market share of our products.
- (2) Applying the latest technique to the specifications of products that are not only in high demand but also in our customers' needs to improve the development of customized OEM products.
- (3) Investing in new product developments which relate to the latest technique. Develop and innovate new products to diversify the Company's product portfolio. Improving sales performance and enhancing brand popularity.
- (4) Upgrading equipment to manufacture high-end products, improve production efficiency and increase production yield and profitability.

1.2.6 Influence by the external competitive environment, the regulatory environment and the general business environment:

Due to increasing market competition, the management will continue to adjust business strategies, product structure, enhance production efficiency and monitor industry developments. We will actively improve our innovative ideas and capabilities, technological competitive advantages. In response to external competition, we will develop our core expertise in solution implementation and new application areas to increase our competitiveness. In addition to complying with regulations and government requirements, we are also committed to promote sustainable developments by following ESG (Environmental, Social and Governance) principles to make contribution to environmental protection.

Given the slow global economic revival, currency inflation, US President Trump's Reciprocal Tariff Policy and geopolitical factors, along with climate change, net-zero carbon emissions goals, circular economy trends, and sustainable business practices, companies must diversify their business operations to mitigate the significant impacts caused by market downturns. Our company has been dedicated to long-term market positioning and adapting our development direction with economic cycles. We are building a diversified and cross-industry structure to develop the resilience and execution capabilities needed to cope with future rapid technological and economic changes. This ensures that we can effectively manage risks and create higher value under diversified operations. We will continue to strive for better performance to respond to the support of our shareholders and society.

Wish you all good health and all the best.

Hsieh Shu-chuan, Chairperson



II. Corporate Governance Report

2.1 Directors and Management Team

2.1.1 Directors

2.1.1.1 Information of the Directors

April 28, 2025

Title	Nationality/ Place of Incorporation	Name	Gender Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholdin g		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			The Chairperson and the President or an Equivalent Position (Top Manager) are the Same Person, Spouses or Relatives within One Degree of Kinship
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	Taiwan	Digicrown technologies ltd	20	June 26, 2024	3	June 23, 2006	15,914,684	9.28%	15,914,684	9.28%	0	0	0	0	None	None	None	None	None	None
Chairperson	Taiwan	Hsieh Shu-chuan	F 70-75	June.26,20 24	3	Sep. 6, 2023	3,168,345	1.88 %	3,231,711	1.88%	0	0	0	0	1. Department of Industrial Engineering and Management, Tungnan University	1. Chairperson of Cosmo Electronics Corporation 2. Chairperson of Da Liang Investment Ltd	Representative of institutional shareholder Independent director	Ho Wei- chuan	One Degrees of Kinship	None
Representative of institutional shareholder Independent director	Taiwan	Ho Wei-chuan	M 41-50	July 31, 2024	3	-	0	0.00%	0	0.00%	0	0	0	0	1. School of Medicine, TMU 2. Attending Physician, Shu- Ming Clinic 3. Former part-time attending physician at the Taichung East District Branch of China Medical University Hospital	1 Vice President of Cosmo Electronics Corporation 2. Examination Director of Cosmo Electronics Corporation (Kunshan)	Vice Preside nt of Cosmo Electro nics Corpora tion	Ho Wei- chuan	One Degrees of Kinship	None
	Taiwan	Lu Hsiao-Hsuan	F 41-50	January, 17, 2025	3	-	0	0.00%	0	0.00%	0	0	0	0	1. Master of International Financial Management, National Chengchi University (NCCU) 2. Branch Manager, Banxin Commercial Bank	None	None	None	None	None
Director	British Virgin Island	SinoPac as Custodian for Fine Asia Int'l Ltd. Investment Account.	19	June, 26, 2024	3	June, 23, 2006	1,174,709	0.69%	1,174,709	0.69%	0	0	0	0	None	None	None	None	None	None

Representative of institutional shareholder Independent director	Taiwan	Huang Tsung-Shan	M 41-50	July 1, 2024	3	July 1, 2024-		0.00%	0.00%	0.00%	0	0	0	0	1. Department of Accounting, University of Southern California (USC) 2. Manager, Deloitte & Touche Certified Public Accountants 3. Manager, Jingsheng Technology Co., Ltd. 4. General Manager, Business Unit, DIGICROWN TECHNOLOGIES LTD.	1. Director of Dongwan Guanzhenxing Energy Trading Co., Ltd. 2. Cosmo Lighting Secretary of State 3. Cosmo Electronic Corporation, President	None	None	None	None
	Taiwan	Lin Jui Tang	M 51-60	January, 17, 2025 20, 2021	3	-	0	0.00%	0	0.00%	0	0	0	0	1. Department of Electrical Engineering, Chien Yi University of Technology 2. Energy Department Manager, Pou Chen Corporation 3. Associate Manager, Cosmo Electronic Corporation.	1. Consultant, of Cosmo Electronics Corporation 2. Chairman, Chia Tai Frozen Foods Industrial Co., Ltd. 3. Director, Bai Xian Agricultural Products Co., Ltd. 4. Chairman, Wovo Trading Co., Ltd.	None	None	None	None
	Taiwan	Lee Chih-Chin	M 51-60	June 26, 2024	3	-	0	0.00%	0	0.00%	0	0	0	0	1. Department of Industrial Management, National Cheng Kung University (NCKU) 2. Assistant Manager, Jincheng Technology Co., Ltd. 3. Materials Manager, Elite Computer Systems Co., Ltd. 4. Associate Manager, DIGICROWN TECHNOLOGIES LTD.	1. Director of Cosmo Electronics Corporation (Kunshan)	None	None	None	None
Independent director	Taiwan	Chuang Yu-Ju	F 41-50	November 8, 2024	3	-	1,161	0.00%	0	0.00%	0	0	0	0	1. Master's Program in Mathematics / Applied Mathematics Group, National Cheng Kung University (NCKU)	1. Certified Public Accountant, Chaoyang CPA Firm	None	None	None	None
Independent director	Taiwan	Chu Jung-Chen	M 41-50	November 8 2024	3	-	0	0	0	0	0	0	0	0	1. Graduate Institute of Law, National Chung Cheng University (CCU) 2. Department of Sociology, Social Work Group, National Taiwan University (NTU)	1. Lead Attorney, Chu, Jung Chen Law Firm 2. Permanent Supervisor, Taiwan Anti-Violence Alliance (TAVA)	None	None	None	None
Independent director	Taiwan	Tsai Wen Lin	F 41-50	November 8 2024	3	-	0	0	0	0	0	0	0	0	1. Graduate Institute of Financial and Economic Law, Fu Jen Catholic University 2. Department of Law, National Taiwan University (NTU) r	1. Partner, Kuo Ju Law Firm	None	None	None	None

2.1.1.2 Major shareholders of the institutional shareholders

April 28, 2025

Name of Institutional Shareholder	Major Shareholder(s)
Bank SinoPac as Custodian for Fine Asia Int'l Ltd. Investment Account	SONG Man Kuai (100%)
DIGICROWN TECHNOLOGIES LTD.	TSAI, NAI-CHENG (89.48%), Jennifer Tasi (3.76%), Cindy Tasi (3.38%), Yuan Fu Investment Corp. (3.38%)

Note 1: If a director is a representative of a corporate shareholder, the name of the corporate shareholder should be entered.

Note 2: Provide the names of the major shareholders of the corporate shareholder (the top ten in terms of shareholding) and their shareholding ratios. If a major shareholder is a corporation, the following table 2 should be completed.

Note 3: If the institutional shareholder is not a company, the names and shareholding ratio of shareholders to be disclosed are the names of people who contributed or donated the capital and the ratio of their contribution or donation. If the donor is deceased, mark "deceased".

2.1.1.3 Major shareholders of the Company's major institutional shareholders:

Name of Institutional Shareholder	Major Shareholder(s)
Yuan Fu Investment Corp.	TSAI, NAI-CHENG (100%)

2.1.1.4 Professional qualifications and independence analysis of directors:

Criteria Name	Professional Qualifications and Experiences (note 1)	Status of Independence	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
DIGICROWN TECHNOLOGIES LTD. (Representative: Hsieh Shu-chuan)	Operation management	Conform with note 2:1,3,8,9,11	0
DIGICROWN TECHNOLOGIES LTD. (Representative: Ho Wei-chuan)	- Factory operation and management - Medical related industries experiences	Conform with note 2:3,5,8,9,11	0
DIGICROWN TECHNOLOGIES LTD. (Representative: Lu Hsiao-Hsuan)	- Accounting and auditing, investment analysis - Finance related industries experiences	Conform with note 2: 3,4,5,8,9,10,11	0
Bank SinoPac as Custodian for Fine Asia Int'l Ltd. Investment Account (Representative: Huang Tsung-Shan)	- Production, operation and factory management - Electronics related industries experiences	Conform with note 2: 3,4,5,8,9,10,11	0
Bank SinoPac as Custodian for Fine Asia Int'l Ltd. Investment Account (Representative: Lee Chih Chinh)	- Production, operation and factory management - The electronics related industries experiences	Conform with note 2: 3,4,5,8,9,10,11	0
Bank SinoPac as Custodian for Fine Asia Int'l Ltd. Investment Account (Representative: LIN,JUI-TANG)	Production, operation and factory management	Conform with note 2: 3,4,5,8,9,10,11	0
CHUNG,YU-JU	- Accounting and auditing - Certified public accountant	Conform with note2	0
CHU,JUNG-CHEN	- Legal - Certificated attorney in practice	Conform with note2	0
TSAI,WEN-LING	- Legal - Certificated attorney in practice	Conform with note2	0

2.2.1.5 Board Diversity and Independence:

- (1) Board Diversity: Directors should possess expertise which include corporate strategy, accounting and taxation, finance, legal, administration and production management in

accordance with Diversified management goals. 44.4% of the Company's directors are employees while 37.5% are independent directors. To reach gender equality, we aim to raise the percentage of female director to at least 33%. The current female members are 44.4% while the male members are 55.5%. We will strive for reaching our goal. The independent director years of service : All of the three independent directors will be serving within 3 years.

- (2) Board Independence: The Board of Directors consists of 9 members who possess with different professional backgrounds, the members include 3 independent directors, 5 concurrent directors who are managers. All members of the Board of Directors have no circumstances set forth in the Subparagraph 3, Article 26-3 of the Securities and Exchange Act, please refer to the "Professional qualifications and independence analysis of directors" on p.14

Note 1

A person who is under any of the following circumstances shall not act as managerial personnel of a company:

1. Having committed an offence as specified in the Statute for Prevention of Organizational Crimes and subsequently convicted of a crime, and has not started serving the sentence, has not completed serving the sentence, or five years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
2. Having committed the offence in terms of fraud, breach of trust or misappropriation and subsequently convicted with imprisonment for a term of more than one year, and has not started serving the sentence, has not completed serving the sentence, or two years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon.
3. Having committed the offense as specified in the Anti-corruption Act and subsequently convicted of a crime, and has not started serving the sentence, has not completed serving the sentence, or two years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
4. Having been adjudicated bankrupt or adjudicated of the commencement of liquidation process by a court, and having not been reinstated to his rights and privileges;
5. Having been dishonored for unlawful use of credit instruments, and the term of such sanction has not expired yet; or
6. Having no or only limited disposing capacity.
7. Having been adjudicated of the commencement of assistantship and such assistantship having not been revoked yet.

Note 2

1. Does not employed by the Company or its affiliates.
2. Not a member of the board of directors, supervisor of the Company and its affiliates (does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.) (Applies only to independent directors to assess independence.)
3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.
4. A natural-person shareholder, who is not the Board of Directors, holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.
5. A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.
6. If a majority of the company's director seats or voting shares and those of any other company are not controlled by the same person: a director, supervisor, or employee of that other company. (does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.) (Applies only to independent directors to assess independence.)
7. If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution. (does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.) (Applies only to independent directors to assess independence.)
8. Not the director, supervisor, managers or shareholders who hold five percent or more of the shares of a specified company or institution that has a financial or business relationship with the company. (but this does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.)
9. A professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
10. For any such person who is not the spouse of, or related within the second degree of kinship to the Board of Directors.
11. Does not have government agency, a juristic person or representative been elected set forth in the Article 27 of the Company Act.

2.1.1.6 Succession planning for board members and key management

Board member succession planning

The Board of Directors shall be elected pursuant to the candidate nomination system and are nominated by shareholders and the Board of Directors in consultation with appropriate candidates, then the elected candidates will assemble the Board of Directors. The Company advocates the principle of fairness, justness and openness to fulfill the diversity based on the company's business operations, operating model and development needs pursuant to the “Corporation by-laws”, “Corporate Governance Best Practice Principles” and “Procedures for Election of Directors”.

The re-election of the Board of the Directors held in 2021 with 9 members which 3 independent directors included. The professional knowledge (ex. legal, accounting, industry, financing, marketing or technology), professional skills (ex. operational judgement, accounting and financing analytic ability, management ability, crisis management, industry knowledge, going globally, leadership, decision-making ability) and whether are capable of the related industry experience, those are being considered when selecting the Board of Directors. The establishment of selecting the candidates for the Board of Directors meets with the criterion and related regulations to ensure the suitable candidates can be identified effectively.

The preparation for successor of the managerial level

In favor of the company management and operation, the continuing education is scheduled for the important managerial level to ensure they keep abreast of the latest key information, the education information which includes hours and relevant records are available on the annual report. The Company will conduct the internal education training courses annually for the managerial level and encourage staffs to take external training lessons to strengthen their capabilities. Furthermore, the Company conducts performance appraisal every 6 months via observation and interviews to better understand what areas need to be improved as well as expectations of the staffs, the outcome will be utilized as the reference for the successor planning.

2.1.2 Management Team

April 28, 2024

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			The Chairperson and the President or an Equivalent Position (Top Manager) are the Same Person, Spouses or Relatives within One Degree of Kinship
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
President	Taiwan	Huang Tsung-Shan	M	July 4, 2024	0	0.00%	0	0	0	0	1. Department of Accounting, University of Southern California (USC) 2. Manager, Deloitte & Touche Certified Public Accountants 3. Manager, Jingsheng Technology Co., Ltd. 4. General Manager, Business Unit, DIGICROWN TECHNOLOGIES LTD.	1. Director of Dongwan Guanzhenxing Energy Trading Co., Ltd. 2. Cosmo Lighting Secretary of State	None	None	None	None
Finance and Accounting Supervisor	Taiwan	Lu Hsiao-Hsuan	F	August 12, 2024	0	0.00%	0	0	0	0	1. Master of International Financial Management, National Chengchi University (NCCU) 2. Branch Manager, Banxin Commercial Bank 3. Director, Digicrown technologies ltd	None	None	None	None	None
Accounting Supervisor	Taiwan	Lin Tsung-Ting	F	March 5, 2025	0	0.00%	0	0	0	0	1. Department of Accounting, Chang Jung Christian University 2. Deputy Manager, Fengtian Technology Development Co., Ltd.	None	None	None	None	None
Deputy General Manager & Corporate Governance Officer	Taiwan	Lee Chih-chin	M	June 1, 2021	0	0.00%	0	0	0	0	1. Department of Industrial Management, NCKU 2. Assistant Manager of GLOBAL BRANDS MANUFACTURE LTD. 3. Material Manager of Elitegroup Computer Systems Co., Ltd. 4. Assistant Manager of DIGICROWN TECHNOLOGIES LTD.	1. Director of Cosmo Electronics Corporation (Kunshan)	None	None	None	None
Deputy General Manager	Taiwan	Ho Wei-chuan	M	Aug. 1, 2022	0	0.00%	0	0	0	0	1. School of Medicine, TMU 2. Attending Physician, Shu-Ming Clinic 3. Former part-time attending physician at the Taichung East District Branch of China Medical University Hospital	Supervisor of Cosmo Electronics Corporation (Kunshan)	Chairperson	Hsieh Shu-chuan	One Degrees of Kinship	None

2.2 Compensation of Directors, Independent Directors, President, and Vice Presidents

2.2.1 Compensation of Directors and Independent Directors

Dec. 31, 2024; Unit: NT\$ thousands

Title	Name	Compensation								Ratio of Total Compensation (A+B+C+D) to Net Income (%)				Relevant Compensation Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)				Compensation from ventures other than subsidiaries or from the parent company
		Base Compensation (A)		Severance Pay (B)		Directors Compensation (C)		Allowances (D)						Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Compensation (G)								
		The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company		All companies in the consolidated financial statements		The company	All companies in the consolidated financial statements					
																Cash	Stock	Cash	Stock							
Chairperson	DIGICROWN TECHNOLOGIES LTD. (Representative: Hsieh Shu-chuan)	0	0	0	0	2	2	0	0	2	-0.01%	2	-0.01%	0	0	0	0	0	0	0	0	2	-0.01%	2	-0.01%	0
Director & President	Bank SinoPac as Custodian for Fine Asia Int'l Ltd. Investment Account (Representative: Huang, Tsung-Shan)	0	0	0	0	1	1	0	0	1	0.00%	1	0.00%	1,021	1,021	53	53	0	0	0	0	1,075	3.71%	1,075	3.71%	0
Director & President	DIGICROWN TECHNOLOGIES LTD. (Representative: Chao Chia-Chi)	0	0	0	0	0	0	0	0	0	0.00%	0	0.00%	1050	1050	51	51	0	0	0	0	1,101	3.80%	1,101	3.80%	0

Director & Finance and Accounting Supervisor	DIGICROWN TECHNOLOGIES LTD. (Representative: Hung Yu-han)	0	0	0	0	100	100	0	0	0	0.00%	0	0.33%	745	745	35	35	0	0	0	0	780	-	2.69%	780	-	2.69%	0
Director & Deputy GM	DIGICROWN TECHNOLOGIES LTD. (Representative: Ho Wei-chan)	0	0	0	0	1	1	0	0	1	0.00%	1	0.00%	1,304	1,304	73	73	0	0	0	0	1,378	-	4.76%	1,378	-	4.76%	0
Director	DIGICROWN TECHNOLOGIES LTD. (Representative: Lee Xing-Juan)	0	0	0	0	0	0	0	0	0	0.00%	0	0.00%	0	0	0	0	0	0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0
Director	DIGICROWN TECHNOLOGIES LTD. (Representative: Chang Jia-Hao)	0	0	0	0	1	1	0	0	1	0.00%	1	0.00%	383	383	23	23	0	0	0	0	407	-	1.41%	407	-	1.41%	0
Director & Finance and Accounting Supervisor	DIGICROWN TECHNOLOGIES LTD. (Representative: Lu Hsiao-Hsuan)	0	0	0	0	0	0	0	0	0	0.00%	0	0.00%	478	478	27	27	0	0	0	0	505	-	1.74%	505	-	1.74%	0
Director&Deputy GM	Bank SinoPac as Custodian for Fine Asia Int'l Ltd. Investment Account (Representative: Liu Chin-mu)	0	0	0	0	1	1	0	0	1	0.00%	1	0.00%	1,386	1,386	33	33	0	0	0	0	1420	-	4.90%	1,420	-	4.90%	0
Director & Deputy GM & Corporate Governance Officer	Bank SinoPac as Custodian for Fine Asia Int'l Ltd. Investment Account (Representative: Lee Chih-chin)	0	0	0	0	1	1	0	0	1	0.00%	1	0.00%	1,395	1,395	33	33	0	0	0	0	1,429	-	4.93%	1,429	-	4.93%	0
Independent director	Chung Yu-Ju	64	64	0	0	0	0	0	0	64	0.22%	64	0.22%	0	0	0	0	0	0	0	0	64	-	0.22%	64	-	0.22%	0
Independent director	Chu Jung-Chen	64	64	0	0	0	0	0	0	64	0.22%	64	0.22%	0	0	0	0	0	0	0	0	64	-	0.22%	64	-	0.22%	0

Independent director	Tsai Wen-Ling	64	64	0	0	0	0	0	0	64	- 0.22 %	64	- 0.22 %	0	0	0	0	0	0	0	0	64	- 0.22 %	64	- 0.22 %	0
Independent director	Wu Yong-Fu	420	420	0	0	0	0	0	0	420	- 1.45 %	420	- 1.45 %	0	0	0	0	0	0	0	0	420	- 1.45 %	420	- 1.45 %	0
Independent director	Xu Bo-Yu	335	335	0	0	0	0	0	0	335	- 1.16 %	335	- 1.16 %	0	0	0	0	0	0	0	0	335	- 1.16 %	335	- 1.16 %	0
Independent director	Lee Tan	186	186	0	0	0	0	0	0	186	- 1.64 %	186	- 1.64 %	0	0	0	0	0	0	0	0	186	- 1.64 %	186	- 1.64 %	0

1. Please describe the policy, system, standard, and structure of compensation to independent directors, and the correlation between duties, risk, and time input with the amount of compensation: In order to improve the compensation management system for directors and functional members and to reasonably reward the members of the Board of Directors, the compensation to all directors and supervisors is delegated to the Board of Directors in accordance with Article 16 of the Company's Articles of Incorporation; independent directors are paid fixed compensation and business execution fees for attending the Board of Directors' meetings in person.

2. In addition to the above compensation, director compensation shall be disclosed as follows when received from companies included in the consolidated financial statements in the most recent year to compensate directors for their services, (e.g., acting as a non-employee consultant for the parent company/all companies in the financial statement/investment business, etc.): None

Note 1: The Company's employee and director remuneration for the fiscal year 2024 was approved by the Board of Directors on March 28, 2025. A total of NT\$6,941 was appropriated as director remuneration for the year.

Note 2: DIGICROWN TECHNOLOGIES LTD. reassigned its legal representative from Mr. Chao, Chia-Chi to Mr. Ho, Wei-Chan on July 31, 2024.

Note 3: DIGICROWN TECHNOLOGIES LTD. reassigned its legal representative from Ms. Hung, Yu-Han to Ms. Lee Xing-Juan on July 3, 2024.

Note 4: DIGICROWN TECHNOLOGIES LTD. reassigned its legal representative from Ms. Lee Xing-Juan to Mr. Chang, Chia-Hao on July 31, 2024.

Note 5: DIGICROWN TECHNOLOGIES LTD. reassigned its legal representative from Mr. Chang Jia-Hao to Ms. Lu Hsiao-Hsuan on January 17, 2025.

Note 6: On July 1, 2024, Bank SinoPac as Custodian for Fine Asia Int'l Ltd. Investment Account reassigned its legal representative from Mr. Ho, Wei-Chan to Mr. Huang, Tsung-Shan.

Note 7: Independent Director Ms. Lee Tan resigned on August 31, 2024, and was replaced by Ms. Tsai Wen-Ling through a by-election held on November 8, 2024.

Note 8: Independent Director Mr. Wu Yong-Fu resigned on September 30, 2024, and was replaced by Ms. Chung, Yu-Ju through a by-election held on November 8, 2024.

Note 9: Independent Director Mr. Xu Bo-Yu resigned on September 30, 2024, and was replaced by Mr. Chu, Jung-Chen through a by-election held on November 8, 2024.

2.2.2 Compensation of Supervisors :

The audit committee was established on July 20, 2021.

2.2.3 Compensation of the President and Vice Presidents

Dec. 31, 2024; Unit: NT\$ thousands

Dec. 31, 2024, Unit: NT\$ thousand

Title	Name	Salary (A)		Severance Pay (B) (Note 1)		Bonuses and Allowances(C)		Employee Compensation (D)				Ratio of total compensation (A+B+C+D) to net income (%)				Compensation from ventures other than subsidiaries or from the parent company
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company		Companies in the consolidated financial statements		
								Cash	Stock	Cash	Stock					
President	Chao Chia-chi	1,050	1,050	51	51	0	0	0	0	0	0	1,101	-3.80%	1,101	-3.80%	0
President	Huang, Tsung-Shan	1,021	1,021	53	53	0	0	0	0	0	0	1,074	-3.71%	1,074	-3.71%	0
Finance and Accounting Supervisor	Hung Yu-Han	745	745	35	35	0	0	0	0	0	0	780	-2.69%	780	-2.69%	0
Finance Supervisor	Lu Hsiao-Hsuan	478	478	27	27	0	0	0	0	0	0	505	-1.74%	505	-1.74%	0
Vice President	Liu Chin-mu	1,386	1,386	33	33	0	0	0	0	0	0	1,419	-4.90%	1,419	-4.90%	0
Vice President	Lee Chih-Chin	1,395	1,395	33	33	0	0	0	0	0	0	1,428	-4.93%	1,428	-4.93%	0
Vice President	Ho Wei-Chan	1,304	1,304	73	73	0	0	0	0	0	0	1,377	-4.76%	1,377	-4.76%	0

Note 1: There is no actual pension payment in 2023, and the amount contributed to the “new pension system” is \$305 thousand.

Note 2: Ms. Hung, Yu-Han resigned from the position of Finance Supervisor on 2024/05/09, and Accounting Supervisor on 2024/07/03.

Note 3: Mr. Chao Chia-chi resigned from the position President on 2024/06/26.

Note 4: Mr. Huang, Tsung-Shan assumed the position of President on 2024/07/04.

Note 5: Ms. Lu Hsiao-Hsuan assumed the position of Finance Supervisor on 2024/08/12.

2.2.4 Compensation for the top five highest paid executives of the Company:

Title	Name	Salary (A)		Severance Pay (B) (Note 1)		Bonuses and Allowances(C)		Employee Compensation (D)				Ratio of total compensation (A+B+C+D) to net income (%)				Compensation from ventures other than subsidiaries or from the parent company
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company		Companies in the consolidated financial statements		
								Cash	Stock	Cash	Stock					
President	Chao Chia-chi	1,050	1,050	51	51	0	0	0	0	0	0	1,101	-3.80%	1,101	-3.80%	0
President	Huang, Tsung-Shan	1,021	1,021	53	53	0	0	0	0	0	0	1,074	-3.71%	1,174	-3.71%	0
Vice President	Liu Chin-mu	1,386	1,386	33	33	0	0	0	0	0	0	1,419	-4.90%	1,419	-4.90%	0
Vice President	Lee Chih-Chin	1,395	1,395	33	33	0	0	0	0	0	0	1,428	-4.93%	1,428	-4.93%	0
Vice President	Ho Wei-Chan	1,304	1,304	73	73	0	0	0	0	0	0	1,377	-4.76%	1,377	-4.76%	0

Note 1: The term “Top Five Highest-Paid Executives” refers to the Company’s managerial officers. The definition of “managerial officer” shall follow the scope set forth in the Ministry of Finance’s Securities and Futures Commission Letter Tai-Cai-Zheng-San No. 0920001301 dated March 27, 2003. The ranking is determined based on the aggregate amount of salary, retirement/severance payments, bonuses, special expenses, and employee remuneration (i.e., total of items A + B + C + D) received by managerial officers from all entities included in the consolidated financial statements. The top five individuals with the highest total compensation are listed. Directors concurrently serving as managerial officers shall be disclosed in both this table and Table 1-1.

Note 2: This item discloses the salaries, position allowances, and severance payments of the top five highest-paid executives for the most recent fiscal year.

Note 3: This item discloses various forms of compensation received by the top five highest-paid executives during the most recent fiscal year, including but not limited to bonuses, incentive payments, transportation allowances, special expenses, various subsidies, housing, company-provided vehicles, and other in-kind benefits. Where assets such as housing, vehicles, or other exclusive-use facilities are provided, the nature and cost of the asset, as well as the actual or fair market value of rent, fuel, and other expenses, shall be disclosed. If a chauffeur is provided, the remuneration paid by the company to the chauffeur shall be disclosed separately but excluded from the executive’s compensation. Additionally, compensation expenses recognized under IFRS 2 “Share-based Payment,” including employee stock options, restricted shares, or participation in capital increases, shall also be included.

Note 4: This item discloses the amount of employee remuneration (in cash or shares) distributed to the top five highest-paid executives as approved by the board of directors for the most recent fiscal year. If the proposed distribution cannot be reasonably estimated, the amount shall be calculated based on the actual distribution ratio of the prior year. Supplementary disclosure shall be made in Schedule 1-3.

Note 5: The total compensation disclosed shall include all forms of remuneration paid to the top five highest-paid executives by the Company and its consolidated subsidiaries.

Note 6: “Net income after tax” refers to the net income after tax as reported in the standalone or separate financial statements for the most recent fiscal year.

Note 7: a. This item shall specify any compensation received by the top five highest-paid executives from investee companies (excluding subsidiaries) or the parent company. If none, indicate “None.”

b. Compensation refers to remuneration, employee/director/supervisor rewards, and related business expenses received for serving as a director, supervisor, or managerial officer at investee companies (excluding subsidiaries) or the parent company.

※ The compensation disclosed in this table differs from the definition of income under the Income Tax Act and is intended solely for information disclosure, not for taxation purposes.

2.2.5 Name of manager who distributes employee compensation and the distribution status

Dec.31, 2024; Unit: NT\$ thousands

	Title	Name	Employee Compensation - in Stock	Employee Compensation - in Cash	Total	Ratio of Total Amount to Net Income (%)
Executive Officers	President	Chao Chia-chi	0	0	0	0
	President	Huang, Tsung-Shan	0	0	0	0
	Finance and Accounting Supervisor	Hung Yu-han	0	0	0	0
	Finance Supervisor	Lu Hsiao-Hsuan	0	0	0	0
	Vice President	Liu Chin-mu	0	0	0	0
	Vice President	Lee Chih-chin	0	0	0	0
	Vice President	Ho Wei-chan	0	0	0	0

2.2.6 An analysis of the total compensation paid to the Company's directors, supervisors, presidents and vice presidents as a percentage of parent company only and consolidated net income for the most recent two years, and a description of the policy, criteria and composition of compensation payments, the process for determining compensation, and the relationship to operating performance and future risk, for the Company and all companies in the consolidated financial statements, respectively.

2.2.6.1 The ratio of total compensation paid by the Company and by all companies included in the consolidated financial statements for the two most recent fiscal years to directors, president and Vice Presidents of the Company, to the net income.

Title	Ratio of total compensation paid to directors, supervisors, president and Vice Presidents to net income			
	2024		2023	
	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements
Directors	-31.87%	-31.87%	36.46%	36.46%
President and Vice President	-26.54%	-26.54%	30.27%	30.27%

2.2.6.2 The policies, standards, and portfolios for the payment of compensation:

- A. The independent directors of the Company receive fixed compensation and no other compensation.
- B. Directors who are involved in the Company's business affairs are paid monthly in accordance with the Company's salary plan, regardless of profit or loss.
- C. The compensation of directors is appropriated according to the business performance of the Company in the year and the stipulated percentage in Article 19 of the Articles of Incorporation, which stipulate that: "From the profit earned by the Company as shown through the annual account closing, not more than 3% of the gross profit shall be taken for directors' and supervisors' compensation, provided that the amount of accumulated loss, if any, be first withheld."

2.2.6.3 Procedures for setting compensation:

- A. Compensation for President and Vice President consists of salary and bonus. Salary is paid with reference to industry standards, title, rank, education, professional ability and responsibilities, and is based on the scope of authority and responsibility of the position within the Company and its contribution to the Company's operating objectives and performance. The bonus is based on the performance evaluation items of managerial personnel, which include financial indicators (such as the achievement rate of the Company's revenue, profit before tax and profit after tax) and non-financial indicators (such as the preservation and management of assets, quality control of production, and significant deficiencies in compliance with laws and regulations and operational risks of the departments under the management).
- B. The compensation of directors and managers shall be evaluated and set by the Compensation Committee of the Company on a regular basis and approved by the Board of Directors, in addition to the provisions of the Company's Articles of Incorporation.

2.2.6.4 Correlation of operating performance and future risks:

- A. The bonus and compensation of directors and managers take into account the Company's operating objectives and financial condition, as well as their professional competence and responsibilities.
- B. Important decisions by the Company's management are made after weighing various risk factors. The performance of these important decisions is reflected in the Company's profitability, which in turn is related to the management's compensation, i.e., the compensation of the Company's directors, and managers is related to the performance of future risk management.
- C. In order to regularly evaluate the managerial personnel's bonus based on his or her participation in the Company's operations and personal performance contributions, and in accordance with the Company's "Regulations Governing the Year-End Bonus and Operating Performance Bonus", the "Regulations Governing the Year-End Bonus and Operating Performance Bonus" will be reviewed from time to time in accordance with the actual operating conditions and relevant laws and regulations, including financial indicators (such as the achievement rate of the Company's revenue, profit before tax and profit after tax) and non-financial indicators (such as asset preservation and management, product quality control, and significant deficiencies in compliance with laws and regulations and operational risks of the departments under the supervision of the Company) in order to provide reasonable compensation.

2.3 Implementation of Corporate Governance

2.3.1 Operation of the Board of Directors

- A. A total of 11 (A) meetings of the Board of Directors were held in the previous period. The attendance of director and supervisor were as follows: (Jan. 1, 2024 ~ Dec. 31 2024)

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
Chairperson	DIGICROWN TECHNOLOGIES LTD. (Representative: Hsieh Shu-chuan)	8	1	88.00%	Attendance required: 8 times
Chairperson	DIGICROWN TECHNOLOGIES LTD. (Representative: Chao Chia-chi)	6	0	100.00%	Attendance required: 6 times
Director	DIGICROWN TECHNOLOGIES LTD. (Representative: Chang Jia-Hao)	5	0	100.00%	Attendance required: 5 times
Director	DIGICROWN TECHNOLOGIES LTD. (Representative: Hung Yu-han)	4	0	100.00%	Attendance required: 4 times
Director	DIGICROWN TECHNOLOGIES LTD. (Representative: Lee Xing-Juan)	2	0	100.00%	Attendance required: 2 times
Director	DIGICROWN TECHNOLOGIES LTD. (Representative: Ho Wei-chuan)	5	0	100.00%	Attendance required: 5 times
Director	Bank SinoPac as Custodian for Fine Asia Int'l Ltd. Investment Account (Representative: Liu Chin-mu)	10	0	91.00%	Attendance required: 11 Times
Director	Bank SinoPac as Custodian for Fine Asia Int'l Ltd. Investment Account (Representative: Hsieh Shu-chuan)	3	0	100.00%	Attendance required: 3 Times
Director	Bank SinoPac as Custodian for Fine Asia Int'l Ltd. Investment Account (Representative: Ho Wei-Chuan)	1	0	100.00%	Attendance required: 1 Times
Director	Bank SinoPac as Custodian for Fine Asia Int'l Ltd. Investment Account (Representative: Huang, Tsung-Shan)	7	0	100.00%	Attendance required: 7 times
Director	Bank SinoPac as Custodian for Fine Asia Int'l Ltd. Investment Account (Representative: Lee Chih-chin)	8	0	100.00%	Attendance required: 8 times
Independent director	Wu Yong-fu	8	0	100.00%	Attendance required: 8 times
Independent director	Xu Bo-yu	8	0	100.00%	Attendance required: 8 times
Independent director	Li Dan	7	0	88.00%	Attendance required: 8 times
Independent director	Chung Yu-Ju	3	0	100.00%	Attendance required: 3 times
Independent director	Chu Jung-Chen	3	0	100.00%	Attendance required: 3 times
Independent director	Tsai Wen-Ling	3	0	100.00%	Attendance required: 3 times

Note 1. DIGICROWN TECHNOLOGIES LTD. Changed its representative from Mr. Chao Chia-Chi to Mr. Chang Jia-Hao on July 31, 2024.

Note 2. DIGICROWN TECHNOLOGIES LTD. Changed its representative from Ms. Hung Yu-han to Ms. Lee Xing-Juan on July 3, 2024.

Note 3. DIGICROWN TECHNOLOGIES LTD. Changed its representative from Ms. Lee Xing-Juan to Mr. Ho Wei-Chuan on July 31, 2024.

Note 4. Bank SinoPac as Custodian for Fine Asia Int'l Ltd. Investment Account Changed its representative from Mr. Ho Wei-Chuan to Mr. Huang Tsung-Shan.

Other mentionable items:

1. If any of the following circumstances occur, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the company's response should be specified:
 - i. Matters referred to in Article 14-3 of the Securities and Exchange Act.: The Audit Committee was established in accordance with the Article 14-3 and 14-5 of the Securities and Exchange Act. Please refer to the "Operation of Audit Committee, or the Participation of Supervisors in the Board" on page 25~26.
 - ii. Other matters involving objections or expressed reservations by independent directors that were recorded or stated in writing that require a resolution by the board of directors: None.
2. If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified:

Date of Board Meeting	Session	Contents of Motion	Causes for avoidance and condition of voting
2024.02.01	1117	•Discussed and reviewed the awarding of year-end bonuses to managerial officers and directors with employee status in 2023.	•With the exception of the Directors who had their own interests involved (Chao Chia-chi, Hung Yu-han, Ho Wei-chuan, Liu Chin-mu) and who did not participate in the meeting on account of recusal, the Chairperson consulted all the other Directors present and the motion was carried without dissent.
2024.05.09	1119	•Remuneration Proposal for the Company's Chief Accounting Officer and Chief Corporate Governance Officer.	•With the exception of the Directors who had their own interests involved (Hung Yu-han did not participate in the meeting on account of recusal, the Chairperson consulted all the other Directors present and the motion was carried without dissent.
2024.06.26	1201	•Proposal for the Appointment of Members of the Company's Compensation Committee.	•With the exception of the Directors who had their own interests involved (Wu Yon-Fu, Xu Bo-Yu and Li Dan did not participate in the meeting on account of recusal, the Chairperson consulted all the other Directors present and the motion was carried without dissent.
2024.07.04	1202	•Proposal for the Appointment of the Company's President (General Manager).	•With the exception of the Directors who had their own interests involved (Huang Tsung-Shan did not participate in the meeting on account of recusal, the Chairperson consulted all the other Directors present and the motion was carried without dissent.
2024.07.05	1203	•Proposal for the Appointment of the Company's Chief Corporate Governance Officer. •Review by the Compensation Committee of the Remuneration Proposal for the Company's Chief Corporate Governance Officer.	•With the exception of the Directors who had their own interests involved (Lee Chih-chin did not participate in the meeting on account of recusal, the Chairperson consulted all the other Directors present and the motion was carried without dissent.
2024.08.12	1204	•Presentation of Remuneration for the Company's 12th Independent Directors.	•With the exception of the Directors who had their own interests involved (Wu Yon-Fu, Xu Bo-Yu and Li Dan did not participate in the meeting on account of recusal, the Chairperson consulted all the other Directors present and the motion was carried without dissent.
2024.11.08	1206	•Proposal for the Appointment of Members of the Company's Compensation Committee	•With the exception of the Directors who had their own interests involved (Chung Yu-Ju, Chu Jung-Chen and Tsai Wen-Ling did not participate in the meeting on account of recusal, the Chairperson consulted all the other Directors present and the motion was carried without dissent.
2024.11.13	1207	•Presentation of Remuneration for the Company's 12th Independent Directors.	•With the exception of the Directors who had their own interests involved (Chung Yu-Ju, Chu Jung-Chen and Tsai Wen-Ling did not participate in the meeting on account of recusal, the Chairperson consulted all the other Directors present and the motion was carried without dissent.

3. TWSE/TPEX-listed companies are required to disclose the evaluation cycle and period, scope of evaluation, evaluation method, and evaluation items of the self (or peer) evaluations conducted by the Board of Directors:

Evaluation cycle	Evaluation period	Scope of evaluation (Note)	Evaluation method	Evaluation items
Once a year	2024.1.1 ~2024.12.31	1. Board of Directors 2. Individual directors 3. Functional	1. Internal self-evaluation by the Board of Directors 2. Self-assessment by directors, or peer	1. The evaluation items of five major aspects for board performance evaluation 2. The evaluation items of six major aspects for the individual director (self

		committees	evaluation 3. Internal self-evaluation by the functional committees	or peer) performance evaluation 3. The evaluation items of five major aspects for functional committee performance evaluation
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- The performance of the Board of Directors had approved on the 6th meeting of the 10th Board meeting on May 13, 2019 and the prescribed internal assessment of the functional committee will be conducted annually.
- The evaluation has been conducted on March, 2025 and submitted to the 12th meeting of the 13th Board meeting on March 28, 2025 for approval.
- The self-assessment of the performance of the Boar: Excellent

Assessment Category	Assessment Category				Note
	Total Items	Full Score	Self-Evaluation Score	Score Ratio	
A. Participation in the Company's Operations	9 items	45	43	96%	
B. Enhancement of Board Decision-Making Quality	9 items	45	43	96%	
C. Composition and Structure of the Board	3 items	15	15	100%	
D. Director Selection and Ongoing Education	4 items	20	19	95%	
E. Internal Control	5 items	25	23	92%	
Total	30 items	150	143	95%	

- The self-assessment of the performance of the Boar: Excellent

Assessment Category	Assessment Category				Note
	Total Items	Full Score	Self-Evaluation Score	Score Ratio	
A. Understanding of the Company's Goals and Missions	2 items	10	9.8	98%	
B. Awareness of Directors' Responsibilities	2 items	10	10	100%	
C. Participation in the Company's Operations	6 items	30	29.1	97%	
D. Internal Relationship Management and Communication	3 items	15	13.9	93%	
E. Professionalism of Directors	1 item	5	4.9	98%	
F. Internal Control	3 items	15	14.3	95%	
Total	17 items	85	81.9	96%	

4. Evaluation of the Objectives and Implementation Status for Strengthening Board Functions in the Current and Most Recent Fiscal Years (e.g., Establishment of Audit Committee, Enhancement of Information Transparency, etc.) :

- The Rules of Procedure for Board Meetings were established to provide a standardized framework for the operation of the Board. Following the convening of the Audit Committee, material resolutions have been disclosed in accordance with relevant regulations and published on the Company's website.
- In compliance with the Securities and Exchange Act, the Company has planned and established both the Compensation Committee and the Audit Committee to assist the Board of Directors in fulfilling its duties.

2.3.2 Operation of Audit Committee and the Participation of the Board:

2.3.2.1 A total of 6 (A) Audit Committee meetings were held in the previous period. The attendance of the independent directors was as follows: (Jan. 1, 2024 ~ Dec. 31 2024)

Title	Name	Attendance in Person(B)	By Proxy	Attendance Rate (%) (B/A)	Remarks
Independent director	Wu Yong-Fu	4	0	100%	Attendance required: 4 times. The convener of the Audit Committee (Resigned on Sep 30, 2024)
Independent director	Xu Bo-Yu	4	0	100%	Attendance required: 4 times. (Resigned on Sep 30, 2024)
Independent director	Li Dan	3	0	75%	Attendance required: 4 times. (Resigned on Aug 31, 2024)
Independent director	Chung Yu-Ju	2	0	100%	Attendance required: 2 times. The convener of the Audit Committee. (Assumed on Nov 18, 2024)
Independent director	Chu Jung Chen	2	0	100%	Attendance required: 2 times. (Assumed on Nov 18, 2024)
Independent director	Tsai Wen-Ling	2	0	100%	Attendance required: 2 times. Audit Committee. (Assumed on Nov 18, 2024)

Other mentionable items:

- If any of the following circumstances occur, the dates of Audit Committee meetings, sessions, contents of motion, the contents of objections, reservations or significant recommendations of independent directors, resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion should be specified:

(1) Matters referred to in Article 14-5 of the Securities and Exchange Act.

Date of Board Meeting	Session	Contents of Motion	Other matters involving objections, expressed reservations or major events presented by independent directors	All the Opinions of Audit Committee Members and the Company's Response to them
2024.02.01	0113	•Proposal for Issuance of Corporate Guarantee by the Company for Credit Facilities Granted to a Subsidiary	None	All the audit committee members have no objection against the motions.
2024.03.14	0114	•Status of Internal Audit Implementation from October 2023 to January 2024. •Proposal for the 2023 Business Report and Financial Statements. •Proposal for the 2023 Earnings Distribution. •Proposal for the Assessment of the Effectiveness of the Internal Control System and the Internal Control System Statement for 2023.	None	All the audit committee members have no objection against the motions.
2024.05.09	0115	•Status of Internal Audit Implementation from February to March 2024. •Proposal for the Evaluation of the Independence of the Certified Public	None	All the audit committee members have no objection against the motions.

		Accountants, Their Engagement, and Remuneration. •Proposal for the Company's Consolidated Financial Statements for the First Quarter of 2024. •Proposal Regarding the Changes in the Company's Chief Accounting Officer and Chief Corporate Governance Officer. •Proposal for Organizational Restructuring of the Kunshan Investment Entity		
2024.08.12	0201	•Status of Internal Audit Implementation from April to June 2024. •CPA Review Findings on the Financial Statements. •Proposal for the Appointment of the Company's Chief Financial Officer.	None	All the audit committee members have no objection against the motions.
2024.11.13	0202	•Status of Internal Audit Implementation from July to September 2024. •Proposal for the Company's Consolidated Financial Statements for the Third Quarter of 2024. •Proposal for the Company's 2025 Internal Audit. •Proposal for the Revision of the "Assessment of the Effectiveness of the Internal Control System" and the "Internal Audit Implementation Guidelines for the Procedures for the Preparation and Filing of Sustainability Information".	None	All the audit committee members have no objection against the motions.
2024.12.05	0203	•Proposal for the Replacement of the Company's Certifying CPA. •Proposal for the Company's Fourth Domestic Secured Convertible Bond Issuance	None	All the audit committee members have no objection against the motions.

(2) Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all the directors: None

2. If there are independent directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: None
3. Communications between the independent directors, the Company's chief internal auditor and CPAs (e.g. the material items, methods and results of audits of corporate finance or operations, etc.):
 - The internal audit except for the monthly audit report submission with the items need to be improved to the independent directors, the chief auditor should also at least summon an audit committees meeting quarterly reporting the audit scopes, results and follow-up updates.
 - The CPA conducts individual meeting with independent directors at least once yearly with the financial spreadsheets reviews, major discoveries found on audit results of the Company and its subsidiaries, together with other relevant regulations on a submit reports to the independent directors.
 - The communication between the chief auditor, CPA and independent directors should be smooth.
 - The communication results can be found at the company website: <https://www.cosmo-inc.com/tw/about/index.aspx?kind=124>
4. COSMO ELECTRONICS established an Audit Committee on July 20, 2021, consisting of all independent directors, with the following main responsibilities:
 1. Establish or amend the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
 2. Evaluation of the effectiveness of the internal control system.
 3. Establish or amend procedures for handling significant financial transactions involving the acquisition or disposal of assets, derivative transactions, lending of funds to others, or endorsement or guarantee for others in accordance with Article 36-1 of the Securities and Exchange Act.
 4. Matters involving the directors' own interests.
 5. Significant asset or derivative transactions.
 6. Significant loaning funds to others, endorsements and guarantees.
 7. The raising, issuance or private placement of securities of an equity nature.
 8. The appointment, termination or compensation of CPAs

9. Appointment or removal of financial, accounting or internal audit officers.

10. The annual financial statement signed or sealed by the Chairperson, managerial personnel and accounting officers, and the financial statement for the second quarter that is subject to audit and certification by the CPA.

11. Other significant matters as required by the Company or the competent authorities.

5. Evaluation status of the performance evaluation of the Audit Committee

- The performance of the Board of Directors had approved on the 6th meeting of the 10th Board meeting on May 13, 2019 and the prescribed internal assessment of the functional committee will be conducted annually.
- The 2024 Self-assessment of the performance of the Audit Committee: Excellent. The 2024 Audit Committee Evaluation was completed in March 2025 and was presented to the Board on the 13th meeting of the 12th Board Meeting on March 28, 2025.
- The self-assessment of the performance of the Audit Committee: Excellent

Assessment Category	Total Items	Full Score	Self-Evaluation Score	Score Ratio
A. Participation in Company Operations	3 items	15	15	100%
B. Understanding of Audit Committee Responsibilities	4 items	20	20	100%
C. Enhancement of Audit Committee Decision-Making Quality	6 items	30	30	100%
D. Composition of the Audit Committee and Member Selection	3 items	15	15	100%
E. Internal Control	3 items	15	15	100%
Total	19 items	95	95	100%

2.3.3 Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons

Evaluation Item	Implementation Status		Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	
		Abstract Illustration	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	V	The Company has laid down the “Corporate Governance Best Practice Principles,” which have been approved by the Board and are available on the Company’s website and the Market Observation Post System.	None
2. Shareholding structure & shareholders’ rights	V	1) The Company has established a spokesperson and deputy spokesperson system to ensure timely and appropriate disclosure of information affecting shareholders’ decisions and has appointed the Transfer Agency Dept of CTBC Bank to handle matters relating to shareholder services. A contact email is available on the Investor Information section of the Company’s website to receive suggestions, queries and disputes from shareholders.	1) None
1) Does the company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure?	V	2) Changes in the shareholdings of insiders (directors, managerial officers and major shareholders holding more than 10% of the shares) are reported monthly in accordance with the law on the Market Observation Post System, a website designated by the competent authorities, and the names of shareholders holding more than 5% of the shares (or the top ten shareholders if there are less than ten), the amount and proportion of their shareholdings are published on the Company’s website.	2) None
	V	3) The Company has formulated the “Regulations Governing the Handling of Transactions with Related Parties” and was approved by the Board on March 21, 2023 and will be presented at the Shareholders’ Meeting. The related internal control systems were established to carry out risk control and firewall mechanisms with the affiliates.	
		4) The Company has laid down internal regulations such as “Management of Prevention of Insider Trading” and “Procedures for Handling Significant Information in the Company,” and has simultaneously disclosed the specific implementation details on the Company’s website to	3) None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares? 3) Does the company establish and execute the risk management and firewall system within its conglomerate structure? 4) Does the company establish internal rules against insiders trading with undisclosed information?	V		prohibit insiders from trading marketable securities using unpublished information in the market.	4) None
3. Composition and Responsibilities of the Board of Directors 1) Does the Board develop and	V		(1) According to the Company’s “Corporate Governance Best Practice Principles,” the composition of the Board of Directors shall take into account diversity and shall develop an appropriate diversity approach with respect to its operations, business model and development needs: (2) The individual directors’ implementation of the Board diversity policy is disclosed on the Company’s website and on the Market Observation Post System, with the policy as follows: 1.In line with the objective of diversified management, the overall expertise of the Board of Directors includes corporate strategy, accounting and taxation, finance, legal, administration and production management. 50% of the Company’s directors are employees, 37.5% are	1) None

Evaluation Item	Implementation Status									Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons																																																							
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implement a diversified policy and specific objectives of management for the composition of its members?			independent directors, Currently the female members are 37.5% while male members are 62.5%, we will strive for reaching our goal. The independent director years of service : One has less than three years and two have five to nine years of service. 2.The Company re-elected its Board of Directors of eleventh term in July 2021 according to its diversity policy, with the diversity of directors being realized as follows: <table><tr><th>Title</th><th>Name</th><th>Gender</th><th>Age</th><th>Nationality</th><th>Date of Appointment</th><th>Education</th><th>Industry Experience</th><th>Expertise</th></tr><tr><td>Chairperson</td><td>Hsieh, Shu-Chuan</td><td>Female</td><td>70–75</td><td>Taiwan</td><td>2024.06.26</td><td>Tungnan University / Dept. of Industrial Engineering and Management</td><td>Chairperson, Cosmo Electronics Co., Ltd.; Chairperson, Dar-Liang Investment Co., Ltd.</td><td>Business Management</td></tr><tr><td>Director</td><td>Ho, Wei-Chuan</td><td>Male</td><td>41–50</td><td>Taiwan</td><td>2024.07.31</td><td>Taipei Medical University / School of Medicine</td><td>Deputy General Manager, Cosmo Electronics Co., Ltd.</td><td>Production Management, Business Management</td></tr><tr><td>Director</td><td>Lu, Hsiao-Hsuan</td><td>Female</td><td>41–50</td><td>Taiwan</td><td>2025.01.17</td><td>National Chengchi University / MBA in Business Management</td><td>LTD.Manager, Bank of Panhsin</td><td>Accounting & Auditing, Investment Analysis</td></tr><tr><td>Director</td><td>Huang, Tsung-Shan</td><td>Male</td><td>41–50</td><td>Taiwan</td><td>2024.07.01</td><td>University of Southern California / Dept. of Accounting</td><td>Manager, Cheng-Ta CPAs; Manager, Jing-Cheng Technology Co., Ltd.; General Manager of Business Unit, Digicrown Technologies Ltd.</td><td>Production Management, Business Management, Plant Operations</td></tr><tr><td>Director</td><td>Lin, Jui-Tang</td><td>Male</td><td>51–60</td><td>Taiwan</td><td>2025.01.17</td><td>National Chin-Yi University of Technology / Dept. of Electrical Engineering</td><td>Manager, Energy Division, Pou Chen Corporation; Associate GM, Cosmo Electronics Co., Ltd.; Chairperson, Chia-</td><td>Production Management, Business Management, Plant Operations</td></tr></table>								Title	Name	Gender	Age	Nationality	Date of Appointment	Education	Industry Experience	Expertise	Chairperson	Hsieh, Shu-Chuan	Female	70–75	Taiwan	2024.06.26	Tungnan University / Dept. of Industrial Engineering and Management	Chairperson, Cosmo Electronics Co., Ltd.; Chairperson, Dar-Liang Investment Co., Ltd.	Business Management	Director	Ho, Wei-Chuan	Male	41–50	Taiwan	2024.07.31	Taipei Medical University / School of Medicine	Deputy General Manager, Cosmo Electronics Co., Ltd.	Production Management, Business Management	Director	Lu, Hsiao-Hsuan	Female	41–50	Taiwan	2025.01.17	National Chengchi University / MBA in Business Management	LTD.Manager, Bank of Panhsin	Accounting & Auditing, Investment Analysis	Director	Huang, Tsung-Shan	Male	41–50	Taiwan	2024.07.01	University of Southern California / Dept. of Accounting	Manager, Cheng-Ta CPAs; Manager, Jing-Cheng Technology Co., Ltd.; General Manager of Business Unit, Digicrown Technologies Ltd.	Production Management, Business Management, Plant Operations	Director	Lin, Jui-Tang	Male	51–60	Taiwan	2025.01.17	National Chin-Yi University of Technology / Dept. of Electrical Engineering	Manager, Energy Division, Pou Chen Corporation; Associate GM, Cosmo Electronics Co., Ltd.; Chairperson, Chia-	Production Management, Business Management, Plant Operations	
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[illegible]

Evaluation Item	Implementation Status		Abstract Illustration	Deviations from “the Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons																																																																																										
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2) Does the company voluntarily establish other functional committees in addition to the Compensation Committee and the	V	V	2) The Company does not have any committees of other functions other than the Compensation Committee and the Audit Committee. 3) The performance of the Board of Directors had approved on the 6th meeting of the 10th Board meeting on May 13, 2019 and the prescribed internal assessment of the functional committee will be conducted annually. The results will be presented to the Board and serve as a reference for individual director’s compensation and nomination for reappointment. The Performance Evaluations of the Board, Compensation Committee and Audit Committee were done in March 2025 and will be presented to the Board on the 13th meeting of the 12th Board Meeting on March 28, 2025. The results from the evaluation of the performance of the Board, board members and functional committees for 2024 are as follows. Board performance self-evaluation result: Excellent <table border="1"> <thead> <tr> <th>Assessment Category</th><th>Total Items</th><th>Full Score</th><th>Self-Evaluation Score</th><th>Score Ratio</th></tr> </thead> <tbody> <tr> <td>A. Participation in Company Operations</td><td>9 items</td><td>45</td><td>43</td><td>96%</td></tr> <tr> <td>B. Enhancement of Board Decision-Making Quality</td><td>9 items</td><td>45</td><td>43</td><td>96%</td></tr> <tr> <td>C. Board Composition and Structure</td><td>3 items</td><td>15</td><td>15</td><td>100%</td></tr> <tr> <td>D. Director Selection and Continuing Education</td><td>4 items</td><td>20</td><td>19</td><td>95%</td></tr> <tr> <td>E. Internal Control</td><td>5 items</td><td>25</td><td>23</td><td>92%</td></tr> <tr> <td>Total</td><td>30 items</td><td>150</td><td>143</td><td>95%</td></tr> </tbody> </table> Board member performance self-evaluation result: Excellent <table border="1"> <thead> <tr> <th>Assessment Category</th><th>Total Items</th><th>Full Score</th><th>Self-Evaluation Score</th><th>Score Ratio</th></tr> </thead> <tbody> <tr> <td>A. Participation in Company Operations</td><td>3 items</td><td>15</td><td>15</td><td>100%</td></tr> <tr> <td>B. Understanding of Compensation Committee Responsibilities</td><td>3 items</td><td>15</td><td>15</td><td>100%</td></tr> <tr> <td>C. Enhancement of Compensation Committee Decision-Making Quality</td><td>6 items</td><td>30</td><td>30</td><td>100%</td></tr> <tr> <td>D. Composition and Member Selection of the Compensation Committee</td><td>3 items</td><td>15</td><td>15</td><td>100%</td></tr> <tr> <td>E. Internal Control</td><td>1 item</td><td>5</td><td>5</td><td>100%</td></tr> <tr> <td>Total</td><td>16 items</td><td>80</td><td>80</td><td>100%</td></tr> </tbody> </table> Compensation Committee operational performance self-evaluation result: Excellent <table border="1"> <thead> <tr> <th>Assessment Category</th><th>Total Items</th><th>Full Score</th><th>Self-Evaluation Score</th><th>Score Ratio</th></tr> </thead> <tbody> <tr> <td>A. Participation in Company Operations</td><td>3 items</td><td>15</td><td>15</td><td>100%</td></tr> <tr> <td>B. Understanding of Compensation Committee Responsibilities</td><td>3 items</td><td>15</td><td>15</td><td>100%</td></tr> <tr> <td>C. Enhancement of Compensation Committee Decision-Making Quality</td><td>6 items</td><td>30</td><td>30</td><td>100%</td></tr> </tbody> </table>	Assessment Category	Total Items	Full Score	Self-Evaluation Score	Score Ratio	A. Participation in Company Operations	9 items	45	43	96%	B. Enhancement of Board Decision-Making Quality	9 items	45	43	96%	C. Board Composition and Structure	3 items	15	15	100%	D. Director Selection and Continuing Education	4 items	20	19	95%	E. Internal Control	5 items	25	23	92%	Total	30 items	150	143	95%	Assessment Category	Total Items	Full Score	Self-Evaluation Score	Score Ratio	A. Participation in Company Operations	3 items	15	15	100%	B. Understanding of Compensation Committee Responsibilities	3 items	15	15	100%	C. Enhancement of Compensation Committee Decision-Making Quality	6 items	30	30	100%	D. Composition and Member Selection of the Compensation Committee	3 items	15	15	100%	E. Internal Control	1 item	5	5	100%	Total	16 items	80	80	100%	Assessment Category	Total Items	Full Score	Self-Evaluation Score	Score Ratio	A. Participation in Company Operations	3 items	15	15	100%	B. Understanding of Compensation Committee Responsibilities	3 items	15	15	100%	C. Enhancement of Compensation Committee Decision-Making Quality	6 items	30	30	100%	2) None 3) None
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Audit Committee? 3) Does the company establish a standard to measure the performance of the Board and implement it annually, and are performance evaluation results submitted to the Board of Directors and referenced when determining the compensation of individual directors and nominations for reelection?			<table><tr><td>D. Composition and Member Selection of the Compensation Committee</td><td>3 items</td><td>15</td><td>15</td><td>100%</td></tr><tr><td>E. Internal Control</td><td>1 item</td><td>5</td><td>5</td><td>100%</td></tr><tr><td>Total</td><td>16 items</td><td>80</td><td>80</td><td>100%</td></tr></table> Audit Committee performance self-evaluation result: Excellent <table><tr><td>Assessment Category</td><td>Total Items</td><td>Full Score</td><td>Self-Evaluation Score</td><td>Score Ratio</td></tr><tr><td>A. Participation in Company Operations</td><td>3 items</td><td>15</td><td>15</td><td>100%</td></tr><tr><td>B. Understanding of Audit Committee Responsibilities</td><td>4 items</td><td>20</td><td>20</td><td>100%</td></tr><tr><td>C. Enhancement of Audit Committee Decision-Making Quality</td><td>6 items</td><td>30</td><td>30</td><td>100%</td></tr><tr><td>D. Composition and Member Selection of the Audit Committee</td><td>3 items</td><td>15</td><td>15</td><td>100%</td></tr><tr><td>E. Internal Control</td><td>3 items</td><td>15</td><td>15</td><td>100%</td></tr><tr><td>Total</td><td>19 items</td><td>95</td><td>95</td><td>100%</td></tr></table> 4) The Audit Committee will evaluate the independence and competence of the CPA, the CPA is required to provide the “Total Independence Statement” and AQIs (Audit Quality Indicators) to meet the requirements of Note 1 and to conduct the evaluation according to the 5 categories and 13 items of the AQIs which verify the CPA has no other financial interests and business relations in addition to the fees of the auditing and attestation and taxation. The CPA’s family members should not violate the independence as well. By referring to the AQIs to verify the review quality control of the services and the handling of the faults found in external audit provided by the CPA and its firm should outperform the peers. The most recent evaluation was approved by the Audit Committee on May 9,2024 which was presented and approved by the Board on May 9, 2024. The Company’s Finance Dept has assessed that PwC Taiwan CPAs Tsai I-tai and Liang Chan-nu have met the Company’s independence assessment criteria (Note 1).				D. Composition and Member Selection of the Compensation Committee	3 items	15	15	100%	E. Internal Control	1 item	5	5	100%	Total	16 items	80	80	100%	Assessment Category	Total Items	Full Score	Self-Evaluation Score	Score Ratio	A. Participation in Company Operations	3 items	15	15	100%	B. Understanding of Audit Committee Responsibilities	4 items	20	20	100%	C. Enhancement of Audit Committee Decision-Making Quality	6 items	30	30	100%	D. Composition and Member Selection of the Audit Committee	3 items	15	15	100%	E. Internal Control	3 items	15	15	100%	Total	19 items	95	95	100%
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	Yes	No	
		Abstract Illustration	
4) Does the company regularly evaluate the independence of CPAs?	V		4) None
4. Does the company have an adequate number of corporate governance personnel with appropriate qualification and to appoint a person responsible for corporate governance matters	V	Since the establishment of the corporate governance officer on March 29, 2022, the Company’s 7th meeting of the 11th Board appointed Lee Chih-chin, Vice President of the administration division, as the corporate governance director, who has more than 3 years of expertise in managerial position and possesses of qualifications which required to manage the company. The Liability : 1.Assistance to the duty execution of independent directors and general directors, providing necessary information and arrange continuing education for the directors : (1) To modify the company business scope and governance rules in accordance with the up-to-date corporate laws and regulations which need to notify the board of directors regularly. (2) To provide all the information needed for the board of directors in order to maintain a smooth, barrier-free communication between the board of directors and heads of business groups. (3) To assist independent directors and general directors to map out annual continuing education plans based on the industry features along	It will be implemented in accordance with the policy considering the operating conditions, size and system of the company.

Evaluation Item	Implementation Status				Deviations from “the Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons															
	Yes	No	Abstract Illustration																	
(including but not limited to providing information for directors and supervisors to perform their functions, assisting directors and supervisors with compliance, handling work related to meetings of the board of directors and the shareholders’ meetings, and producing minutes of board meetings and shareholders’ meetings)?			with board of directors’ education and experiences. 2.Assistance of procedures and resolutions of board of directors and shareholder’s meeting in compliance with the laws : (1) To report the updated company governance matters to the board of directors, independent board of directors and audit committees, verifying shareholder’s meeting and board of directors’ meeting in compliance with the relevant laws and regulations. (2) To assist and advise the board of directors’ responsibilities and the resolutions made in the meeting should comply with the laws and regulations. (3) To verify the official announcement made by the board of directors’ meeting before posting on the TWSE to ensure the investors obtain an accurate, sync up and legality information. 3. To schedule a board of directors' meeting 7 days prior, to provide meeting materials, also notify the directors regarding avoid conflicts of interest if any. Complete the meeting minutes within 20 days. 4. To announce the shareholders meeting, preparing the meeting notice, agenda and meeting minutes in accordance with the regulations. To register any amendments or board of directors’ re-election made in the meeting. Continuing education : <table><tr><th>Job Commencement Date</th><th>Class Date</th><th>Organized by</th><th>Course Title</th><th>Hr</th></tr><tr><td>2024.07.05</td><td>2024.09.20</td><td>Securities and Futures Institute (SFI), Republic of China (Taiwan)</td><td>2024 Seminar on the Prevention of Insider Trading</td><td>3</td></tr><tr><td>2024.07.05</td><td>2024.09.03-2024.09.04</td><td>Taiwan Corporate Governance Association</td><td>Taipei Session – Climate Risk Identification Workshop and Net Zero Emissions Awareness Seminar</td><td>9</td></tr></table>		Job Commencement Date	Class Date	Organized by	Course Title	Hr	2024.07.05	2024.09.20	Securities and Futures Institute (SFI), Republic of China (Taiwan)	2024 Seminar on the Prevention of Insider Trading	3	2024.07.05	2024.09.03-2024.09.04	Taiwan Corporate Governance Association	Taipei Session – Climate Risk Identification Workshop and Net Zero Emissions Awareness Seminar	9	
Job Commencement Date	Class Date	Organized by	Course Title	Hr																
2024.07.05	2024.09.20	Securities and Futures Institute (SFI), Republic of China (Taiwan)	2024 Seminar on the Prevention of Insider Trading	3																
2024.07.05	2024.09.03-2024.09.04	Taiwan Corporate Governance Association	Taipei Session – Climate Risk Identification Workshop and Net Zero Emissions Awareness Seminar	9																
5. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees,	V		The Company has set up a stakeholder’s section as required on its website at https://www.cosmo-inc.com/tw/about/index.aspx?root=6		None															

Evaluation Item	Implementation Status		Deviations from “the Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	
		Abstract Illustration	
customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?			
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	V		None
7. Information Disclosure 1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance? 2) Does the company have other information disclosure channels (e.g. building an English website, appointing	V V	1)The Company has disclosed the implementation of relevant financial operations and corporate governance information on its website at: https://www.cosmo-inc.com/tw/about/index.aspx?kind=120 2) 1. Designating a person responsible for the collection and disclosure of information about the Company: A person is designated to collect and disclose information about the Company and to keep the public informed of the latest and accurate information about the Company from time to time through important news. 2. Implementing the spokesperson system: The spokesperson for the Company is President Huang Tsung-Shan and the acting spokesperson is CFO Lee Chih-Chin. 3. Investor Conference information and content is available on the company website: The slides for the Investor Conference (in English and Chinese) are available in the Investors’ section on the Company’s website for easy reference. The financial and operational information at the Investor Conference is not only published in the Investors’ section, but also entered into the Market Observatory Post System (MOPS) in accordance with the requirements of the TWSE. 3)The Company publicly announced and filed its Q1, Q2 and Q3 financial statements and monthly operations well in advance of the prescribed deadlines. However, the Company was unable to publicly announce and file its annual financial statement within two months after the end of the fiscal year, but still completed the public announcement and filing within the deadline stipulated in Article 36 of the Securities and Exchange Act.	1) None 2) None

Evaluation Item	Implementation Status		Deviations from “the Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	
			Abstract Illustration
designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)? 3) Does the company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?		V	3) It will be implemented in accordance with the policy considering the operating conditions, size and system of the company.

Evaluation Item	Implementation Status		Deviations from “the Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	
		Abstract Illustration	
8. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and	V	1) Employee rights/interests and care: The Company respects humanity and cares for its employees as one of its management philosophies, and has formulated various welfare plans and formed a welfare committee by Company staff. See V. Labor Relations under the Overview of Business Operations in this year's Annual Report for employee rights and interests. 2) Investor relations: The Company has instructed its staff to make real-time announcements of material information on finance, business and insider shareholding changes on the MOPS pursuant to the relevant regulations, and has commissioned the Transfer Agency Dept of CTBC Bank to handle share-related matters. 3) Supplier relations: The Company implements the relevant procurement operations in accordance with the Company's "Procurement and Management Procedures" and maintains good relations and close contact with domestic and overseas suppliers. 4) Rights of stakeholders: The Company has complied with relevant laws and regulations and has revealed all relevant information without prejudice to the rights of stakeholders. 5) Liability insurance for the Board of Directors : The Board of Directors is insured with liability insurance from April 15, 2025 ~ April 15, 2026.	1) None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
supervisors)?				

6) Continuing education for directors:

Name	Title	Date of Appointment	Date of Training	Organizer	Course Title	Hours
Chu, Jung-Chen	Director	2024.11.08	2024.12.04	Securities and Futures Institute	How Non-Financial Background Directors and Supervisors Should Review Financial Reports	3
Lee, Dan	Director	2024.06.26	2024.01.12	Taiwan Corporate Governance Association	Corporate Carbon Management Strategies Post Climate Change Response Act	3
Lee, Dan	Director	2024.06.26	2024.01.19	Taiwan Corporate Governance Association	Executive Compensation and ESG Performance System Design	3
Tsai, Wen-Ling	Director	2024.11.08	2024.11.29	Securities and Futures Institute	2025 Seminar on Legal Compliance for Insider Shareholding Transactions	3
Tsai, Wen-Ling	Director	2024.11.08	2024.12.25	Securities and Futures Institute	Seminar on the Use of Derivatives by TWSE/TPEX-Listed Companies to Expand into Asia Asset Management	3
Hsieh, Shu-Chuan	Director	2024.06.26	2024.11.22	Securities and Futures Institute	2025 Seminar on Legal Compliance for Insider Shareholding Transactions	3
Hsieh, Shu-Chuan	Director	2024.06.26	2024.12.25	Securities and Futures Institute	Seminar on the Use of Derivatives by TWSE/TPEX-Listed Companies to Expand into Asia Asset Management	3
Chung, Yu-Ju	Director	2024.11.08	2024.12.05	National Federation of CPAs Associations of the R.O.C.	Latest AML Law and Case Analysis (Recognized for AML and Director Training Hours)	3

Name	Title	Date of Appointment	Date of Training	Organizer	Course Title	Hours
Chu, Jung-Chen	Director	2024.11.08	2024.12.04	Securities and Futures Institute	How Non-Financial Background Directors and Supervisors Should Review Financial Reports	3
Lee, Dan	Director	2024.06.26	2024.01.12	Taiwan Corporate Governance Association	Corporate Carbon Management Strategies Post Climate Change Response Act	3
Lee, Dan	Director	2024.06.26	2024.01.19	Taiwan Corporate Governance Association	Executive Compensation and ESG Performance System Design	3
Tsai, Wen-Ling	Director	2024.11.08	2024.11.29	Securities and Futures Institute	2025 Seminar on Legal Compliance for Insider Shareholding Transactions	3
Tsai, Wen-Ling	Director	2024.11.08	2024.12.25	Securities and Futures Institute	Seminar on the Use of Derivatives by TWSE/TPEX-Listed Companies to Expand into Asia Asset Management	3
Hsieh, Shu-Chuan	Director	2024.06.26	2024.11.22	Securities and Futures Institute	2025 Seminar on Legal Compliance for Insider Shareholding Transactions	3
Hsieh, Shu-Chuan	Director	2024.06.26	2024.12.25	Securities and Futures Institute	Seminar on the Use of Derivatives by TWSE/TPEX-Listed Companies to Expand into Asia Asset Management	3
Chung, Yu-Ju	Director	2024.11.08	2024.12.05	National Federation of CPAs Associations of the R.O.C.	Latest AML Law and Case Analysis (Recognized for AML and Director Training Hours)	3

Continuing education for managerial officers:

Name	Title	Date of Appointment	Date of Training	Organizer	Course Title	Hours
Ho, Wei-Chuan	Director	2024.06.26	2024.02.22	Taiwan Corporate Governance Association	Corporate Governance and Tax Management of Intellectual Property	3
Ho, Wei-Chuan	Director	2024.06.26	2024.05.10	Taiwan Corporate Governance Association	An Overview of Nomination and Compensation Committees under U.S. Law: Case Studies	3
Lee, Chih-Chin	Director	2024.06.26	2024.06.04	Institute of Internal Auditors - Chinese Taiwan	The War and Protection of Intangible Assets – Trade Secrets and Non-Compete	6
Lee, Chih-Chin	Director	2024.06.26	2024.06.07	Accounting Research and Development Foundation	Legal Liability and Internal Control Practices in Employee Fraud	6
Lee, Chih-Chin	Director	2024.06.26	2024.09.20	Securities and Futures Institute	2024 Seminar on the Prevention of Insider Trading	3
Lee, Chih-Chin	Director	2024.06.26	2024.09.03–09.04	Taiwan Corporate Governance Association	[Free Governance Officer Course] Taipei Session – Climate Risk Identification Workshop and Net Zero Emissions Awareness Seminar	9
Chang, Chia-Hao	Director	2024.07.31	2024.11.22	Securities and Futures Institute	2024 Seminar on Legal Compliance for Insider Shareholding Transactions	3
Chang, Chia-Hao	Director	2024.07.31	2024.12.25	Securities and Futures Institute	Seminar on the Use of Derivatives by TWSE/TPEx-Listed Companies to Expand into Asia Asset Management	3
Huang, Tsung-Shan	Director	2024.07.04	2024.10.18	Securities and Futures Institute	2024 Seminar on the Prevention of Insider Trading	3
Huang, Tsung-Shan	Director	2024.07.04	2024.11.22	Securities and Futures Institute	2024 Seminar on Legal Compliance for Insider Shareholding Transactions	3
Liu, Chin-Mu	Director	2024.06.26	2024.07.26	Taiwan Corporate Governance Association	Starting with TIPS: How Companies Can Build IP Risk Prevention and Control	3
Liu, Chin-Mu	Director	2024.06.26	2024.08.23	Taiwan Corporate Governance Association	Preventing Labor Disputes and Corporate Governance	3
7) Risk management policy and risk measurement standard implementation: The Company's risk management policy is to recognize, analyze and measure the potential risks faced by each unit, select appropriate methods to control, handle, manage and monitor them, and further improve the risk management plan, which is carried out centrally or hierarchically according to the characteristics and levels of risks, so that all risks can be effectively kept under control at all times. On the financial side, exchange rates and related derivatives are closely monitored and hedging measures are taken to reduce risk, and the financial structure is kept under scrutiny from time to time to avoid excessive financial exposure. In respect of internal controls, auditors are in place to conduct regular and ad hoc audits of the Company's internal control system and to submit audit reports. The implementation of risk identification and mitigation measures in 2025 are described in Item 5) The state of the company's promotion of sustainable development, any variance from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance. 8) Customer policy implementation: Signing contracts with customers to offer services and guarantees, and setting up a quality assurance dept to handle customer complaints and after-sales services. 9) Liability insurance for directors: The Company has taken out liability insurance for directors for the period from April 15, 2025 ~ April 15, 2026.						

Evaluation Item	Implementation Status		Deviations from “the Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	
9. Please explain the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement measures. (It is not necessary for a company which is not evaluated to fill this column)	√		None

Note 1: CPA Independence Evaluation Standards

Evaluation Item	Evaluation Results
1. Does not provide the auditing and attestation for the same company for the seven consecutive years.	Yes
2. Does not have materiality financial stakeholder with the client.	Yes
3. Does avoid any inappropriate relations.	Yes
4. Does to ensure the integrity, impartiality and independence of the assistants.	Yes

5. Does not audit and attest the previous 2 years of the financial statements after the appointment by the client.	Yes
6. Does not provide the name used by others.	Yes
7. Does not hold the shares of the Company and its affiliate enterprises.	Yes
8. Does not have joint investment or interest sharing relationship with the Company and its affiliated enterprises.	Yes
9. Does not have joint investment or interest sharing relationship with the Company and its affiliated enterprises.	Yes
10. Does not hold a position or receive a fixed salary in the Company and its affiliated enterprises.	Yes
11.Does not involve in the decision-making of the management functions in the Company and its affiliated enterprises.	Yes
12.Does not concurrently involve in other businesses which may result in the lack of the independence.	Yes
13.Does not have kinship with the Company management as the spouse, lineal relative by blood, by marriage or within a 2nd degree of kinship of collateral relative by blood.	Yes
14.Does not receive any commission related to the business.	Yes
15.Does not receive any disciplinary action or matters which damage to the principle of the independence until now.	Yes

2.3.4 Composition, Responsibilities and Operations of the Compensation Committee

- The Company's Board of Directors establishes a Compensation Committee in accordance with the approved Compensation Committee Charter. The Compensation Committee faithfully performs the following duties and responsibilities with the attention of a good administrator, and submits the recommendations to the Board of Directors for discussion.
 - To establish and regularly review the policies, systems, standards and structures for performance evaluation and compensation of directors, president, chief financial officer, and second-level executives.
 - To periodically evaluate and set the salary and compensation for directors, president, chief financial officer and second-level executives.
- On August 12, 2021, the Board of Directors approved the appointment of Wu Yong-fu, Xu Bo-yu and Li Dan as members of the 5th Compensation Committee for the same term as the current Board of Directors, and elected Wu Yong-fu as the convener and chairperson of meetings.

2.3.4.1 Information of the Members in the Compensation Committee

Date: Dec 31, 2024

Title (Note 1)	Criteria	Professional Qualification and Experience (Note 2)	Independence Criteria (Note 3)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Compensation Committee Member
	Name			
Independent director (convener)	Wu Yong-fu	The Compensation Committee consists of all the Board of Directors, please refer to the 3.2 Directors and Management Team/3.2.1 Directors 3.2.1.1 Information of the Directors for their expertise.	All the Compensation committees are conform with the following : 1. Article14-6 "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange" of Securities and Exchange Act issued by the Financial Supervisory Commission (Note 4) 2. The members of the Board of Directors and his/her spouse and minor children do not hold shares of the Company. 3. Did not receive any compensation for the provision of business, legal, financial, and accounting services from the Company or its affiliates in the last two years.	2
Independent director	Xu Bo-yu			None.
Independent director	Li Dan			None
Independent director (convener)	Chung Yu-Ju	As described above.	As described above.	None
Independent director	Chu, Jung-Chen	As described above.	As described above.	None
Independent director	Tsai, Wen-Ling	As described above.	As described above.	None

Note 1: Please specify in the form the relevant years of experience, professional qualifications and experience and independence of each member of the Compensation Committee; in the case of independent directors, please note the relevant content under "(1) Information on Directors" (see Table 1). Please indicate whether you are an independent director or other (if you are a convener, please note).

Note 2: Professional qualifications and experience: Specify the professional qualifications and experience of the individual compensation committee members.

Note 3: Independence Compliance: The independence of a compensation committee member shall be described, including but not limited to whether he/she, his/her spouse, or a relative within the second degree of kinship is a director, supervisor, or employee of the Company or its affiliates; The number and proportion of shares of the Company held by the independent director, his/her spouse or a relative within the second degree of kinship (or by

using the name of another person); whether he/she is a director, supervisor or employee of a company with a specific relationship with the Company (refer to Article 6, paragraph 1, subparagraphs 5~8 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); the amount of compensation received for the provision of business, legal, financial, and accounting services from the Company or its affiliates in the last two years.

Note 4 : During the two years before being elected and during the term of office, meet any of the following situations:

- (1) Not an employee of the company or any of its affiliates;
- (2) Not a director or supervisor of the company or any of its affiliates;
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the company or ranks as one of its top ten shareholders;
- (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the officer in the preceding (1) subparagraph, or of any of the above persons in the preceding subparagraphs (2) and (3);
- (5) Not a director, supervisor, or employee of a corporate/institutional shareholder that directly holds five percent or more of the total number of issued shares of the company, ranks as of its top five shareholders, or has representative director(s) serving on the company's board based on Article 27 of the Company Law;
- (6) Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the company;
- (7) Not a director, supervisor, or employee of a company of which the chairman or CEO (or equivalent) themselves or their spouse also serve as the company's chairman or CEO (or equivalent);
- (8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the company; and
- (9) Other than serving as a compensation committee member of the company, not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the company or to any affiliate of the company, or a spouse thereof, and the service provided is an "audit service" or a "non-audit service which total compensation within the recent two years exceeds NT\$500,000".

2.3.4.2 Implementation Status of the Compensation Committee

1. There are 3 members in the Compensation Committee of the Company.
2. The term of office of the current members: November 08, 2024 to December 31, 2027.
3. Attendance: The Compensation Committee of the Company held 7 meetings from January 1, 2024 to December 31, 2024, and all members attended in person.
4. The Compensation Committee held 7 meetings in 2024, with an average attendance rate of 100%, and the attendance of members was as follows:

Title	Name	Attendance in	By proxy	Attendance Read (%)	Remarks
Convener	Wu Yong-fu	6	0	100%	Attendance required: 6 time(s)
Member	Xu Bo-yu	6	0	100%	Attendance required: 6 time(s)
Member	Li Dan	6	0	100%	Attendance required: 6 time(s)
Convener	Chung Yu-Ju	1	0	100%	Attendance required: 1 time(s)
Member	Chu, Jung-Chen	1	0	100%	Attendance required: 1 time(s)
Member	Tsai, Wen-Ling	1	0	100%	Attendance required: 1 time(s)

Compensation Committee Meeting Information:

Information on the most recent year of the Compensation Committee meeting, review and evaluation of the Company's compensation report is as follows:

Meeting Date	Motion Content and Follow-up	Results of the Compensation Committee	The Company's Handling of the Compensation Committee's Opinions
2024.02.01	•Discussion of distribution of the Board of Directors' remuneration and the managers' and employees' bonus of 2023.	Approved by all committee members	Submitted to the 17h meeting of the 11th Board of Directors on February 1, 2024 for review and approved by all directors present.
2024.03.14	•Proposal for the Distribution of Directors' and Employees' Remuneration for Fiscal Year 2023.	Approved by all committee members.	Submitted to the 18th meeting of the 11th Board of Directors on March 14, 2024 for review and approved by all directors present.
2024.05.09	•Proposal for Discussion on	Approved by all	Submitted to the 19h meeting of the 11th Board

	the Remuneration of the Newly Appointed Chief Accounting Officer and Chief Corporate Governance Officer	committee members.	of Directors on May 09, 2024 for review and approved by all directors present.
2024.07.04	•Report on Changes in Senior Management and Proposal for Discussion on Their Remuneration	Approved by all committee members.	Submitted to the 2th meeting of the 12th Board of Directors on July 04, 2024 for review and approved by all directors present.
2024.07.05	•Report on the Change in the Company's Chief Corporate Governance Officer and Proposal for Discussion on Remuneration	Approved by all committee members.	Submitted to the 3th meeting of the 12th Board of Directors on July 04, 2024 for review and approved by all directors present.
2024.08.12	•Report on the Remuneration for the Company's 12th-Term Independent Directors •Report on the Remuneration for the Newly Appointed Chief Financial Officer	Approved by all committee members.	Submitted to the 4th meeting of the 12th Board of Directors on July 04, 2024 for review and approved by all directors present.
2024.11.13	•Report on the Remuneration for the Company's 12th-Term Independent Directors	Approved by all committee members.	Submitted to the 7th meeting of the 12th Board of Directors on July 04, 2024 for review and approved by all directors present.

Other mentionable items:

1. If the board of directors declines to adopt or modifies a recommendation of the compensation committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the compensation committee's opinion: None
2. Resolutions of the compensation committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified.

5. The assessment of the compensation committee performance are as follows:

- The performance of the Board of Directors had approved on the 6th meeting of the 10th Board meeting on May 13, 2019 and the prescribed internal assessment of the functional committee will be conducted annually.
- The 2024 Compensation Committee operational performance self-evaluation result: Excellent. The Compensation Committee has been evaluated in March 2025 and presented to the Board on the 13th meeting of the 12th Board Meeting held on March 28, 2025.

Item	Item	Score
1. Level of involvement in company's operations	16	100%
2. Awareness of duties of the compensation committee		
3. Enhancing the quality of decision-making in the compensation committee		
4. Composition of the compensation committee and appointment of committee members.		
5. Internal control		

2.3.5 Implementation of Sustainable Development and Deviations from the “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons

Evaluation Item	Implementation Status (Note 1)			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Does the company establish exclusively (or concurrently) dedicated first-line managers authorized by the board to be in charge of proposing the corporate social responsibility policies and reporting to the board?	V		The sustainable development has been integrated into our business strategy purposefully, systematically and organized approach to fulfill the CSR, hence the “Sustainability Development Unit” was set up in 2021 and approved by the Board on Jan 18, 2022 as the highest level for decision-making and assigned the vice president Lee Chih-chin as the convener, bringing together the senior managers from different fields to view the core operational competence which lays out the medium-term and long-term sustainable development plans. The “Sustainability Development Unit” integrates the sources vertically and horizontally and interdepartmental communication, with this approach to verify the crucial sustainable issues which are concerned by the company operation and the stakeholder, to scheme the strategy and plan and the relevant budgets required by departments, the annual execution plan and to follow up the progress to ensure sustainable development strategy to be fulfilled in company daily operation. The “Sustainability Development Unit” will report its fulfillment and future scheme. The report was presented to the Board on November 13, 2024 which covered (1) The identification of the pressing issues on sustainability and the responding plan (2) the objectives and the amendments (3) supervision of the fulfillment and report the progress.	No material difference.
2. Does the company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies? (Note 2)	V		1. In Nov 2021, the board of directors approved the establishment of the “Risk Management Policies and Procedures” as the Company’s overarching guiding principle for risk management. The Company would evaluate risks on an annual basis and formulate and implement risk management policies covering mechanisms such as management objectives, organizational structure, division of authority and responsibility and risk management procedures to effectively identify, measure and control the various risks of the Company and to contain the risks arising from business activities within an acceptable range. The 2024 Risk Identification and Mitigation Measures report has been submitted to the Board of Directors on November 13, 2024. 2. The Company undertakes to integrate and manage all potential strategic, operational, financial and hazard risks that may affect its operations and profitability in a proactive and cost-effective manner, to assess annually the frequency of risk events and the severity of their impact on the Company’s	No material difference.

Evaluation Item	Implementation Status (Note 1)			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons																
	Yes	No	Abstract Illustration																	
			operations, to define the priority and level of risk, and to adopt corresponding risk management strategies according to the level of risk. 3. The Company’s risk management system covers “strategic risk,” “operational risk,” “financial risk,” “hazard risk” and “other risks.” The Company’s risk identification and mitigation measures for 2024 are as follows: <table><tr><th>Pressing issue</th><th>Risk</th><th>Identification</th><th>Risk Mitigation Measures</th></tr><tr><td rowspan="3">Environment</td><td rowspan="3">Hazardous</td><td>climate change</td><td> - Continue monitoring the international climate change warnings and suggestions on risk mitigation and adjustment. - Energy conservation measures through internal accounting. </td></tr><tr><td>energy crisis</td><td> - To take climate risk into consideration for new factory selection and incorporate the raised foundations, cisterns and own power generation, to avoid disruptions to production due to climate hazards. - To provide emergency power supply at sites for temporary power interruptions. </td></tr><tr><td>waste</td><td> - To improve yield rate to reduce the waste. - To improve the recycling and recycled by the certificated operator with a waste clearance and disposal permit. </td></tr><tr><td>Society</td><td>Operation</td><td>employee</td><td> - To manage and maintain the talent periodically. - Mapping out and carrying out employee training and development programs. - Designing competitive compensation and employee benefit plans. </td></tr></table>	Pressing issue	Risk	Identification	Risk Mitigation Measures	Environment	Hazardous	climate change	- Continue monitoring the international climate change warnings and suggestions on risk mitigation and adjustment. - Energy conservation measures through internal accounting.	energy crisis	- To take climate risk into consideration for new factory selection and incorporate the raised foundations, cisterns and own power generation, to avoid disruptions to production due to climate hazards. - To provide emergency power supply at sites for temporary power interruptions.	waste	- To improve yield rate to reduce the waste. - To improve the recycling and recycled by the certificated operator with a waste clearance and disposal permit.	Society	Operation	employee	- To manage and maintain the talent periodically. - Mapping out and carrying out employee training and development programs. - Designing competitive compensation and employee benefit plans.	
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	Yes	No	Abstract Illustration					
					Others	Pandemic	• Setting up a task force in each factory to draw up an pandemic prevention plan and implement it. • Remote offices using information tools.	
				Company Governance	Strategy	Changes in industry markets/comp etitors	• Accelerating the deployment of production lines in Southeast Asia and continuing to automate production lines to reduce manpower demand. • Continuing to upgrade technology and production processes both domestically and internationally. • Always pay attention to the industry boom.	
						Policies and regulations	• Continuously watching and keeping abreast of changes in laws and regulations in the countries where the Company’s production sites are located to avoid operational risks arising from such changes. • In accordance with the regulations and to stipulate related measures.	
					Operation	Customers	• Promoting projects in line with customers’ energy saving and carbon reduction targets to meet their expectations.	
						Supply chain	• Including risk-taking capability in the selection of suppliers and strengthening supplier management. • Encouraging strategic suppliers to promote energy saving and carbon reduction initiatives as part of their corporate social responsibility.	

Evaluation Item	Implementation Status (Note 1)					Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons	
	Yes	No	Abstract Illustration				
					Production/ manufacturing /R&D	• Developing documentary guidelines for various process items and strictly carrying out SOPs. • Boosting the energy efficiency of equipment; working with equipment suppliers regarding high energy-consuming machines and equipment to research and develop, introduce energy-saving models and carry out procurement control in order to effectively improve energy efficiency. • Phasing out existing high energy-consuming machines according to their age or retrofitting them according to the results of effectiveness analysis.	
					Information security	• Continuously strengthening the management of computer equipment, network security, virus protection and system access control. • Enhancing cybersecurity promotion and education training.	
					Intellectual property	• Signing Non-Disclosure Agreements (NDAs) for the development of production technology to reinforce product patenting.	
				Finances	Interest rates, exchange rates, taxes, strategic investments	• Regularly assessing market funding conditions and bank interest rates. • Avoiding systemic and liquidity risks in financial markets by adopting a high degree of liquidity as the basis for capital allocation. • Keeping abreast of tax changes in different countries and proposing timely responses.	

Evaluation Item	Implementation Status (Note 1)			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
3. Environmental issues				
1) Does the company establish proper environmental management systems based on the characteristics of its industry?	V		1) 1. The Company’s waste is collected and recycled by an operator with a waste clearance and disposal permit. 2. The Company has obtained ISO14001 certification, the validity period and the scope of coverage for which are available on its website at https://www.cosmo-ic.com/tw/download/index.aspx?kind=3	1) No material difference.
2) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	V		2) The Company strives to push for digitization and to reduce the amount of paper used for documents. In addition, the production activities in Taiwan affect the environment by generating harmful environmental factors such as dust, sewage, waste, toxicity and noise, which are all tested in accordance with the regulations and the results are reported to the competent authorities, but we continue to minimize the environmental impact produced by domestic and business activities.	2) No material difference.
3) Does the company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?	V		3) The measures taken to address the potential risks of climate change assessed to the Company now and in the future are as follows: 1. Incorporating climate risk into the location and construction of the new plant, including the design of the raised foundations, cisterns and own power generation, to avoid disruptions to production due to climate hazards. 2. Providing diesel power supply units at sites prone to power shortages to cater for temporary power interruptions. 3. Keeping abreast of international climate change risk warning information, as well as climate change risk mitigation and adaptation recommendations.	3) No material difference.
4) Does the company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement policies on energy efficiency and carbon dioxide reduction, greenhouse gas reduction, water reduction, or waste management?	V		4)1. The Company’s GHG (CO2) emissions for the last two years, the water consumption and total waste are as follows: 1.1 The direct emissions (Scope 1): 2.81% of total emissions;. mainly from mobile combustion (gasoline consumption by company car), Fugitive Dust Air Pollution (coolant, septic tank and fire extinguisher) which will be included in the emissions accounting in 2023.; 1.2 The indirect emissions (scope 2): 97.19% of total emissions.; mainly from purchased electricity. 1.3 The waste: mainly from production waste (non-hazardous), scraps (non-hazardous), packing waste and daily general waste produced by the staff, the manufacturing process waste and scrapes are disposed in comply with the requirements by the local governments. 1.4 Scope of information: Only Cosmo Electronics Corp. 1.5 Emissions accounting coverage: Yilan Longde factory 2 (16, Ziqiang Road, Da Hsin Village, Dongshan Township, Yilan County, and No 18, Dexing 6th Road) Yilan Dongshan factory: No. 396, Lupu Rd., Dongshan Township, Yilan County) and the dormitory. Headquarters: 11F, No.258,Lian Chen Rd.,Chung-Ho, New Taipei City 235,Taiwan R.O.C. 1.6 Accounting period: January 1 to December 31, 2024	4) No material difference.

Evaluation Item	Implementation Status (Note 1)						Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons																																											
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			<table><tr><th>Category</th><th>2024</th><th>%</th><th>2023</th><th>%</th><th>2022</th><th>%</th></tr><tr><td>Direct Emissions (Scope 1) (GHG emissions Unit: tonnes CO2e/year)</td><td>63.7689</td><td>2.81</td><td>56.434</td><td>4.71</td><td colspan="2">Scheduled in 2023</td></tr><tr><td>Indirect Emissions (Scope 2) (GHG emissions Unit: tonnes CO2e/year)</td><td>2,209.03</td><td>97.19</td><td>1,958.14</td><td>95.29</td><td>2,861.46</td><td>100</td></tr><tr><td>Water Consumption</td><td>10,602 m3</td><td></td><td>9,960 m3</td><td></td><td>10,774 m3</td><td></td></tr><tr><td>Total weight of waste – non-hazardous</td><td>42,530KG</td><td></td><td>35,420 KG</td><td></td><td>57,970 KG</td><td></td></tr><tr><td>Total weight of waste - hazardous</td><td>0</td><td></td><td>0</td><td></td><td>0</td><td></td></tr></table>						Category	2024	%	2023	%	2022	%	Direct Emissions (Scope 1) (GHG emissions Unit: tonnes CO2e/year)	63.7689	2.81	56.434	4.71	Scheduled in 2023		Indirect Emissions (Scope 2) (GHG emissions Unit: tonnes CO2e/year)	2,209.03	97.19	1,958.14	95.29	2,861.46	100	Water Consumption	10,602 m3		9,960 m3		10,774 m3		Total weight of waste – non-hazardous	42,530KG		35,420 KG		57,970 KG		Total weight of waste - hazardous	0		0		0	
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			2. In alignment with international emission reduction trends, the Company has established annual reduction targets effective from 2024 as follows:																																															
			Greenhouse Gas Emissions Reduction:																																															
			Short-term (2025–2027): Annual reduction of carbon emission intensity by 10%																																															
Mid-term (2028): Annual reduction of carbon emission intensity by 5%																																																		
Long-term (2029): Annual reduction of carbon emission intensity by 3%																																																		
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	Yes	No	Abstract Illustration									
			Waste	42,530 KG / 0.0824	35,420 KG / 0.0941	-12.41%	Reduced production volume in 2024 led to a corresponding decrease in process waste.					
			3.The Company’s ongoing policy initiatives to push for GHG reduction and water conservation management are as follows: (1) The Company has fully implemented electronic invoicing to reduce carbon emissions in 2021. (2) Company has introduced an electronic document system for a paperless office, making it easy to operate, saving time and significantly reducing paper consumption. (3) Switching to electronic signatures for regular processes saves time and cuts paper consumption. (4) Lights are turned off when leaving and checked again at the end of the day to ensure that the power is off. (5) The room air conditioning temperature is set at 26 °C. (6) To achieve the energy saving and carbon reduction targets, high efficiency facilities such as LED lamps, automated sensor lights and related energy saving labeled products will be used.									
4. Social issues 1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	V		1) Cosmo Electronics Corp. is committed to the Responsible Business Alliance (RBA), and to fulfill its CSR and protect the basic human rights of all its employees, it upholds and respects the principles enshrined in the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the UN Global Compact and the UN International Labor Organization, and it will not commit any human rights violations or infringements and clearly states that it will treat all employees with fairness and equity. Cosmo Electronics Corp.’s human rights policy applies to the Company and each of its operating locations, and complies with labor and gender equality in employment laws and regulations where it operates, and it has formulated and enforces human rights protection and labor policies. Please refer the following human right policies and the management : <table><tr><th>Human Rights Issue</th><th>Management</th></tr><tr><td>Diversity and inclusion (D&I) and Equity</td><td>1.To provide employees with a gender equality, diverse work place, upholding the openness, fairness and no discrimination is allowed on the basis of age, sex, physical and mental disabilities, race, religion, political stance or pregnancy. 2.To eliminate any form of forced labor, employment discrimination, sexual harassment and disrespect of privacy to create an equal opportunity, respectful, safe, equitable and free of discrimination and harassment work environment. 3.To fulfill internal control in recruitment process, the hiring posts will</td></tr></table>					Human Rights Issue	Management	Diversity and inclusion (D&I) and Equity	1.To provide employees with a gender equality, diverse work place, upholding the openness, fairness and no discrimination is allowed on the basis of age, sex, physical and mental disabilities, race, religion, political stance or pregnancy. 2.To eliminate any form of forced labor, employment discrimination, sexual harassment and disrespect of privacy to create an equal opportunity, respectful, safe, equitable and free of discrimination and harassment work environment. 3.To fulfill internal control in recruitment process, the hiring posts will	1) No material difference.
Human Rights Issue	Management											
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	Yes	No	Abstract Illustration	
				comply with the discrimination rules, prior to an interview, the interviewer is well informed that any non-job-related personal information shall be avoided.
			Against child labor	1.In conformity with the local laws on minimum age requirements and the company’s internal control rules, the interviewee is required to present identity document to prevent from child laboring. 2.The Company did not hire children as labor in 2024
			Meet the minimum wage	To provide more than required minimum wage and employee welfare in accordance with the local government requirements.
			Reasonable working hours	The Internal control of the performance appraisal and employee management stipulate the attendance and work overtime. No mandatory overtime is allowed without employees’ consent and will provide overtime pay or compensatory leave. The working hours meet the local government requirements and will care and manage employees’ attendance regularly.
			Safety in the work place	1.A well-implemented safety and hygiene measures to create a heathy, safe and caring work environment for the employees, therefore they can benefit from this spiritually and mentally. The adaptation of a zero tolerance approach for occupational accident in the factory. 2. The Prevention and Management of Unlawful Infringement in the Performance of Duties put in place to ensure the work place is safe. 3.Training for the occupational safety includes : fire safety, first aid personnel training, CPR and AED, personnel assignment in charge of occupational safety and health. 4.A well-planned anti-sexual harassment prevention and appropriate disciplinary measures have been mapped out, an email HR.COSMO@cosmo-ic.com is dedicated to file a complaint in order to protect the employee’s right and ensure a safe work environment. 5. In accordance with the Fire Services Law and its implementing regulations, the Company has a fire protection plan and conducts monthly inspections of fire prevention and evacuation facilities, fire safety equipment (e.g., fire extinguishers, indoor hydrants, etc.), and daily inspections of power supplies according to the plan. Fire prevention and escape drills are held every six months. Before the end of May each year, we appoint a qualified professional fire inspection

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	Yes	No	Abstract Illustration	
2) Does the company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries?	V		company to report to the competent authority for fire equipment inspection. 6. The office has an access control, guests or vendors must be confirmed by the inviting unit or the interviewed unit before proceeding to the office. 7. The office is equipped with a security system, and colleagues leaving the office after work will be monitored by the security system to ensure the safety of the office.	2) No material difference.
			Labor-management Consultation 1.To provide a diverse communication channel, a regular labor-management meeting is scheduled to cover company policy, employment benefits and activities. The meeting allows employees to fully express themselves to provide the immediate and necessary assistance they need. 2.The Employees' Welfare Committee is established to hold regular/irregular activities which aims to enhance the interaction and a healthy body & mind between employees.	
3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis? (The number of fires, the number of deaths and injuries, the ratio of deaths and injuries to the total number of employees, and the improvement measures taken to cope with the fires during the year.)	V		2) 1. The Company has devised and implemented reasonable staff welfare measures, details of which are set out in this Annual Report V. Description of Labor Relations, which are also available on the Company’s website and the MOPS for public inquiry. 2. The Company has laid down the “Year-end bonus / Guidelines for Operating Performance Bonus” as the basis for the operating achievements of each business unit, and then adjusts the compensation of employees properly according to the following conditions: (1) Industry salary levels: Salaries are adjusted annually by reference to industry salary surveys and in line with industry salary levels and economic trends. (2) Performance criteria: Salaries are adjusted according to the operational performance of the Company and the performance of individuals, and operational results are duly reflected in the compensation of employees. (3) Promotion criteria: When a staff member is recognized for promotion, the salary will be increased immediately to encourage excellence. 3) (1) We hold regular safety training sessions on the use of equipment, workshops, and fire drills for all staff, the fire equipment maintenance and check annually. (2) All new recruits are trained in labor safety courses on arrival. (3) Annual testing of organic solvents, exhaust, drainage, heavy metals, etc. by a professional institution is commissioned and control or protective measures are taken immediately when the levels are in excess of what is required by law. (4) As stipulated in the labor safety and health regulations, a labor safety committee and a labor safety	3) No material difference.

Evaluation Item	Implementation Status (Note 1)			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons							
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			and health specialist are in place to regularly monitor and carry out safety inspections in the workplace and improve their duties, and to regularly send staff to vocational training institutions for training as provided for in the regulations. (5) Annual staff health checks are carried out and, in the case of staff working in special environments, special health checks are conducted to enable them to keep track of their condition. (6) Specialist tests on the workplace are regularly undertaken by qualified agents and any abnormalities are promptly rectified. (7) Through systematic execution and regular audits, the Company ensures that environmental and safety protection aspects are properly carried out. The implementation is as follows: <table><tr><th>Item</th><th>2023</th><th>2024</th></tr><tr><td>Labor safety and health training</td><td rowspan="2">Total 59 hrs / 2,463 persons</td><td rowspan="2">Total 525 hrs / 526 persons</td></tr><tr><td>Fire safety</td></tr></table> (8) The number of fires, the number of deaths and injuries, the ratio of deaths and injuries to the total number of employees, and the improvement measures taken in response to the fires during the year: None.	Item	2023	2024	Labor safety and health training	Total 59 hrs / 2,463 persons	Total 525 hrs / 526 persons	Fire safety	
Item	2023	2024									
Labor safety and health training	Total 59 hrs / 2,463 persons	Total 525 hrs / 526 persons									
Fire safety											
4) Does the company provide its employees with career development and training sessions?	V			4) No material difference.							
5) Do the company’s products and services comply with relevant laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer protection and grievance procedure policies implemented?	V		4) We organize regular and occasional employee training to enhance their career development capabilities and help the Company grow with its staff. 5) We have dedicated staff and an email address on our website to handle this. 6) The Company has developed the Ethical Corporate Management Best Practice Principles and the Procedures for Ethical Management and Guidelines for Conduct, which include a supplier management policy that requires suppliers to follow relevant guidelines on environmental, occupational safety and health or labor human rights issues.	5) No material difference.							
6) Does the company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational health and safety, or labor and human rights? If so, describe the results.	V			6) No material difference.							
5. Does the company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the company, such as corporate social responsibility reports? Do the reports above		V	The Sustainability Report is scheduled to be issued in August 2025.	It will be implemented in accordance with the policy considering the operating conditions, size and system of the							

Evaluation Item	Implementation Status (Note 1)			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
obtain assurance from a third party verification unit?				company.
6. Describe the difference, if any, between actual practice and the corporate social responsibility principles, if the company has implemented such principles based on the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies: Not applicable.				
7. Other significant information for explaining the implementation status of sustainable development practices: The Board of Directors shall be elected pursuant to the candidate nomination system and are nominated by shareholders and the Board of Directors in consultation with appropriate candidates, then the elected candidates will assemble the Board of Directors. The Company advocates the principle of fairness, justness and openness to fulfill the diversity based on the company's business operations, operating model and development needs pursuant to the “Corporation by-laws,” “Corporate Governance Best Practice Principles” and “Procedures for Election of Directors”. The re-election of the Board of the Directors held in 2021 with 9 members which 3 independent directors included. The professional knowledge (ex. legal, accounting, industry, financing, marketing or technology), professional skills (ex. operational judgement, accounting and financing analytic ability, management ability, crisis management, industry knowledge, going globally, leadership, decision-making ability) and whether are capable of the related industry experience, those are being considered when selecting the Board of Directors. The establishment of selecting the candidates for the Board of Directors meets with the criterion and related regulations to ensure the suitable candidates can be identified effectively. The preparation for successor of the managerial level In favor of the company management and operation, the continuing education is scheduled for the important managerial level to ensure they keep abreast of the latest important information, the education information includes hours and relevant records are available on the annual report. The Company will conduct the internal education training annually for the managerial level and encourage staff taking external training to strengthen their capabilities for the talent cultivation. Apart from that, the Company conducts performance appraisal every 6 months via observation and interviews to better understand what areas need to be improved and expectations of the staff, the results will be utilized as the reference for the successor planning.				

Note: 1. If “Yes” is checked under implementation, please describe the key policies, strategies, and measures and results adopted. If “No” is checked under implementation, please give reasons and describe relevant strategies and measures to be adopted in the future. However, regarding promotion projects 1 and 2, listed OTC companies should describe the governance and supervision structure of sustainable development, including but not limited to management guidelines, strategy and goal formulation, review measures, etc. Also describe the company's risk management policies or strategies for environmental, social and corporate governance issues related to operations, and its assessment status. The materiality principle refers to environmental, social, or corporate governance issues that have a material impact on the investors or other stakeholders of the company.

Please refer to the best practice reference examples on the website of the Corporate Governance Center of the Taiwan Stock Exchange for the method of disclosure.

Climate-Related Information of TWSE/TPEX Listed Company

1.Implementation of Climate-Related Information

Item	Implementation status							
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	In 2021, our company established a 'Sustainable Development Unit,' which was officially endorsed by the Board of Directors on January 18, 2022, as the highest-level unit for decision-making related to sustainable development. The Vice President of the Executive Management Department was appointed by the Chairman to serve as the key contact between this unit and senior executives from different departments. This unit is expected to formulate mid-to-long-term sustainable development plans and provide an annual report to the Board of Directors on ESG and climate change-related issues, impact assessments, and the progress of sustainability goal execution.							
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term). 3. Describe the financial impact of extreme weather events and transformative actions.	Risk category	Issue	Risk factor	Term	Degree of impact	Financial impact description	Opportunity description	Management strategy
	Transition Risk	Policies and regulations	Declare carbon emissions	short	high	'The cost for increasing audit capabilities and establishing third-party verification. 'National net-zero emission policies leading to increased greenhouse gas emission costs. 'Other sustainability-related regulations leading to increased operational costs.	'Improving resource utilization efficiency. 'Increasing the utilization of renewable energy. 'Discussing relevant energy-saving measures to reduce carbon emissions.	'Implementing greenhouse gas inventory, setting carbon reduction goals, and conducting ongoing assessments. 'Continuously monitoring the evolution of regulations and evaluating draft content, engaging in proactive discussions to ensure compliance with regulations.
			Increased requirements for climate-related information disclosure	short	high			
			Uncertainty of legislation	medium	high			
			Carbon tax and energy tax	medium	moderate			
			Carbon emission regulations and trades	medium	low			
		Technology	The regulations and standards of product efficiency	medium	low	'Inadequate product efficiency leading to customer dissatisfaction and finally leading to a decrease in sales.	'Reducing the product defect rate leading to a decrease in scrap costs.	'Evaluating feasible technologies and materials for product design to reduce energy consumption in products.
		Market	Significant increases in material prices	short	moderate	'Increased production costs.	'Material substitution planning. 'Avoiding supplier dependency risk by evaluating alternative suppliers.	'Increasing alternative material supply options. 'Negotiating long-term supply contracts with suppliers.
			The changes of customer behavior	medium	low	'Rising consumer climate change awareness leading to a decrease in sales due to changing procurement demands.	'Implementing low-carbon green production. 'Elevating process improvements to drive product transformation.	'Evaluating feasible technologies and materials for product design to reduce product energy consumption. 'Enhancing energy efficiency through equipment improvement and upgrades.

			Typhoon or heavy rain	short	low	'Impacts on workforce planning and management. °		'Establishing emergency response procedures to reduce personnel and property losses.
	Physical Risk	Acute Risk	Drought	short	low	'Equipment damage or retirement. 'Reduced production capacity or decreased sales volume.	'Enhancing resilience to abnormal weather conditions.	'Reducing the probability of losses from natural disasters through business insurance.
		Chronic Risk	Prolonged heatwave	long	low	'Increased electricity usage leading to increased costs.	'Implementing energy-saving and carbon-reduction production.	'Conserving electricity to reduce costs. 'Evaluating the investment in energy-efficient equipment.
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	The process of identifying and assessing climate-related risks. 1. Collecting future climate-related development trends, including climate change trends, potential changes in future regulations, and market conditions. 2. Learning climate risk categories: Identifying different climate risks that may affect the business, including extreme weather events (such as hurricanes, heavy rainfall, drought), sustained high temperatures, etc. 3. Assessing the impact level: Evaluating the likelihood and impact of various climate risks and disasters on the business and representing them on a scale from 'high,' 'medium,' to 'low' based on their severity. These risks include assessments of their impact on policy and regulations, technology, and the market, among other aspects. 4. Assessing business resilience: Examining the company's current ability to respond to climate-related risks, including evaluating assets, supply chains, business processes, and geographical locations. 5. Exploring potential opportunities: Considering potential business opportunities and markets that climate change may bring, such as process improvements leading to product transformation, increased resource efficiency, energy-saving and carbon reduction, and low-carbon green production. 6. Developing response strategies: Based on the assessment results, formulating strategies to address different risks. This may involve enhancing business resilience, diversifying supply chains, implementing energy-saving and carbon reduction measures, and adopting renewable energy, among other actions. 7. Monitoring and updating: Continuously monitor changes in climate-related regulations and the market, and update risk assessments and response strategies as needed. Regularly review and improve strategies to ensure ongoing adaptability to changes. Management process 1. Establishing a Risk Management Committee: Identifying responsible individuals and timetables for risk mitigation. 2. Evaluating the likelihood and impact of various risk events: Determining the priority of risks, categorizing them into high, medium, and low priority levels. 3. Developing risk management strategies: Designing response strategies for risks at three different levels, including mitigating the impact of risks and enhancing business resilience. 4. Execution and monitoring: Implementing the devised risk management strategies and continuously monitoring changes in risk and the effectiveness of response measures. 5. Review and improve: Continuously improve risk management strategies based on actual results, and adjust risk management strategies and objectives as needed. Annual risk management system 1. Integrated risk management: Incorporating risk management into the company's business plans and operational processes. Integrating climate-related risk management and setting risk management measures to achieve overall risk management coordination and efficiency. 2. Resource allocation: Allocating necessary resources, including budget, personnel, and technology, to support the implementation of risk management measures. 3. Education and training: Training employees to enhance their awareness and capacity to address climate-related risks. Encouraging employee engagement in climate-related risk management and fostering risk awareness. 4. Transparency report: Disclosing climate-related risk assessments and management measures in the company's sustainability reports, and transparently communicating with stakeholders. °							
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios,	Scenario analysis is not applied to assess the resilience to climate change risks.							

parameters, assumptions, analysis factors and major financial impacts used should be described.	
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	The indicators that might be considered. 1. Greenhouse gas emissions: Examining carbon footprint, measured in carbon dioxide (CO₂) equivalent, and using greenhouse gas emissions as an indicator to determine compliance with regulatory standards for emissions generated in the supply chain and production processes. 2.Resource usage efficiency: Examining the efficiency of resources such as energy, water, and raw materials, assessing resource utilization efficiency, and seeking opportunities for energy conservation and emissions reduction. 3.Renewable energy proportion: Measuring the percentage of renewable energy used in the energy consumption to evaluate the progress in energy transformation.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	Not using internal carbon pricing as a planning tool
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	No climate-related targets have been set.
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below).	Carbon reduction goals: Currently in the process of conducting a comprehensive carbon inventory, and the establishment of carbon reduction goals will commence after the completion of the inventory. It is expected that carbon reduction goals will be set by 2025. Renewable energy proportion target: Currently in the process of assessing the feasibility of using renewable energy. Resource efficiency: Enhancing resource utilization efficiency, including energy, water, and raw materials. Reducing the consumption of energy, water, and raw materials and exploring more environmentally friendly and energy-efficient alternatives.

Note: Short-term: 1-3 years; Medium-term: 4-7 years; Long-term: 7 years and beyond

Instructions for Completing the Table:

Basic information of the company ☐ Capital of NT\$10 billion or more, iron and steel industry, or cement industry ☐ Capital of NT\$5 billion or more but less than NT\$10 billion ☒ Capital of less than NT\$5 billion	Minimum required disclosure under the Sustainable Development Roadmap for TWSE/TPEX Listed Companies: ☐ Inventory for parent company only ☐ Inventory for all consolidated entities ☐ Assurance for parent company only ☐ Assurance for all consolidated entities
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Scope 1	Total emissions (Metric tons CO ₂ e)	Intensity (Metric tons CO ₂ e/NT\$ 1 million) (Note 2)	Assurance body	Description of assurance status (Note 3)
Parent	63.7689	0.1236	Without confirmation from a trustworthy agency	NA
Subsidiary(ies)	calculation in process	calculation in process	Without confirmation from a trustworthy agency	NA
Total	63.7691	0.1236		
Scope 2	Total emissions (Metric tons CO ₂ e)	Intensity (Metric tons CO ₂ e/NT\$ 1 million) (Note 2)	Assurance body	Description of assurance status (Note 3)
Parent	2.209.0381	4.2812	Without confirmation from a trustworthy agency	NA
Subsidiary(ies)	calculation in process	Scheduled in 2027	Without confirmation from a trustworthy agency	NA
Total	2.209.0381	4.2812		
Scope 3	NA			

1-1. Greenhouse Gas Inventory and Assurance Status

1. Scope 1 and Scope 2 information in this table shall be disclosed according to the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations. Scope 3 information may be voluntarily disclosed by the business.

2. The company may conduct the greenhouse gas inventory in accordance with the following standards:

(1) The Greenhouse Gas Protocol (GHG Protocol).

(2) ISO 14064-1 issued by the International Organization for Standardization.

3. The assurance body shall meet the provisions regarding assurance of sustainability reports prescribed by the TWSE and the TPEX.

4. The information for subsidiaries may be reported individually, or in aggregate (e.g., by country or by region), or on a consolidated basis (Note 1).

5. The intensity of greenhouse gas emissions may be calculated per unit of product/service or revenue, but at least the data calculated in terms of revenue (NT\$ 1 million) should be disclosed (Note 2).

6. The proportion of total emissions from operating sites or subsidiaries not included in the inventory calculation shall not be more than 5%. "Total emissions" above means the quantity of emissions calculated according to the mandatory inventory scope referred to in point 1 of these Instructions for Completing the Table.

7. The description of assurance status shall summarize the content of the assurance report of the assurance body, and the complete assurance opinion shall be appended to the annual report (Note 3).

2.3.6 Fulfillment of Ethical Corporate Management and Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Establishment of ethical corporate management policies and programs				
1) Does the company have a Board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy?	V		1) On May 12, 2015, April 10, 2019 and November 10, 2021, the Company’s board of directors approved and revised the establishment of the “Ethical Corporate Management Best Practice Principles” and the “Procedures for Ethical Management and Guidelines for Conduct,” which are available on the Company’s website and the MOPS.	1) No material difference.
2) Does the company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?	V		2) The Company has formulated the “Ethical Corporate Management Best Practice Principles” and the “Procedures for Ethical Management and Guidelines for Conduct,” which contain safeguards against unethical conduct and specify procedures, sanctions and grievance systems for non-compliance.	2) No material difference.
	V		3) The Company has prepared the “Ethical Corporate Management Best	3) No material difference.

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
3) Does the company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the company enforce the programs above effectively and perform regular reviews and amendments?			Practice Principles” and the “Procedures for Ethical Management and Guidelines for Conduct,” and has defined and implemented precautionary measures and regularly reviews and revises the aforementioned programs.	
2. Fulfill operations integrity policy 1) Does the company evaluate business partners’ ethical records and include ethics-related clauses in business contracts?	V		1) The Company shall require suppliers, contractors and other partners who have business dealings with the Company to comply with the Company’s Code of Conduct for Employees and to conduct themselves with integrity and honesty. The Company has an ethical conduct clause in all external contracts entered into by the Company in connection with its business activities. The Company may downgrade, suspend or remove from the list of eligible suppliers any party with a record of unethical conduct.	1) No material difference.
2) Does the company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?	V		2) (1) The Company’s administration division acts as the dedicated unit of the Ethical Management Working Group, with the Vice President of the administration division as the convener. According to the unit’s work duties and scope, it is responsible for assisting the board of directors and management in formulating and overseeing the implementation of ethical management policies and preventive programs to ensure the enforcement of the ethical corporate management best practice principles, which was reported to the Board on 2024/11/13. (2) The Company’s ethical management policy was enforced, the 2024 implementation is as follows: 1. Legal compliance promotion: The administration division promoted the awareness education among all directors/employees, compiled the ethical corporate management best practice principles and the important rules for handling internal material information, and educated directors/employees on the points to note in conducting business.	2) No material difference.

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	V		2. Periodic review The Company’s annual self-audit and self-assessment of compliance with laws and regulations are performed by each unit to achieve effective control and implementation, with independent audits by an auditing entity to ensure the operation of the overall mechanism to jointly manage and prevent the occurrence of unethical conduct. Zero external reports were filed in fiscal 2023. 3. Whistleblower system and whistleblower protection The Company has set up a specific whistleblower system under the Corporate Governance Best Practice Principles, the Ethical Corporate Management Best Practice Principles and the Procedures for Ethical Management and Guidelines for Conduct to actively prevent unethical conduct and encourage internal and external staff to report unethical conduct or misconduct and has designated the President’s Office as the dedicated unit to receive reports of unethical conduct from our employees. If the report involves a director or a senior executive, it will be referred to the independent director, and the identity of the whistleblower and the content of the report will be kept confidential, and the whistleblower will be protected from improper treatment as a result of the report. Zero external reports were filed in fiscal 2024. 3) To avoid prejudice to the Company’s interests, its “Code of Conduct for Employees,” “Ethical Corporate Management Best Practice Principles” and “Procedures for Ethical Management and Guidelines for Conduct” all contain policies on the avoidance of conflicts of interest. For suppliers who have business dealings with the Company, they are also required to observe the Company’s code of conduct for employees, not to engage in any illegal business practices and not to offer improper benefits or bribes to the Company’s staff in all transactions with the Company. The Company has a reporting system on its intranet site for employees and	3) No material difference.

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
4) Does the company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits?	V		related personnel to report any improper practice. 4) In order to establish an effective accounting and internal control system, the Company has fully computerized its operations, linking all management functions from computer to computer, and performing exception management at every level.	4) No material difference.
5) Does the company regularly hold internal and external educational trainings on operational integrity?	V		5) Internal and external training on ethical management: In fiscal 2024, the Company held internal and external training sessions on ethical management issues (including courses on ethical management regulations compliance, safety and health training, accounting system and internal control), for 2,492 persons totaling 465 hours.	5) No material difference.
3. Operation of the integrity channel 1) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	V		1) 2) A whistleblower system is set up on the Company’s intranet site to receive reports of any unlawful or unethical activity, with an independent and dedicated unit responsible for investigating the matter and keeping the identity of the whistleblower and the content of the report confidential. 3) The Company does not tolerate any threats or reprisals against whistleblowers. If the whistleblower wishes to remain anonymous, the Company will use anonymity instead of the name of the whistleblower during the investigation.	1) 2) No material difference. 3) No material difference.
2) Does the company have in place standard operating procedures for investigating accusation cases, as well as follow-up actions and relevant post-investigation confidentiality measures?	V			
3) Does the company provide proper whistleblower protection?	V			
4. Strengthening information disclosure Does the company disclose its ethical corporate management policies and the results of its implementation on the company’s website and MOPS?	V		The Company’s board of directors approved and revised on May 12, 2015 April 10, 2019 and November 10, 2021 the formulation of the “Ethical Corporate Management Best Practice Principles” and the “Procedures for Ethical Management and Guidelines for Conduct,” which are available on the Company’s website and the MOPS. Internal and external training on ethical management: In fiscal 2023, the Company held internal and external training sessions on ethical management	No material difference.

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			issues (including courses on ethical management regulations compliance, safety and health training, accounting system and internal control), for 2,492 persons totaling 465 hours.	
5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation: None				
6. Other important information to facilitate a better understanding of the company’s ethical corporate management policies: None				

2.3.7 Other Important Information Regarding Corporate Governance: None

2.3.8 Implementation Status of Internal Control System

2.3.8.1 Statement of Internal Control:

<https://mops.twse.com.tw/mops/#/web/t06sg20>

2.3.8.2 Where a CPA is engaged to conduct a special audit of the internal control system, the CPA's audit report shall be disclosed:

<https://mops.twse.com.tw/mops/#/web/t06hsg20>

2.3.9 Major Resolutions of Shareholders' Meetings and Board Meetings and the Implementation Status of Them During the Most Recent Fiscal Year or During the Current Fiscal Year Up to the Publication Date of the Annual Report;

2.3.9.1 Major Resolutions of Shareholders' Meetings in 2024 and the Implementation Status of Them:

Date	Major Resolutions	Implementation Status
2024.06.26	1. Approval of the 2023 Business Report and Financial Statements 2. Approval of the 2023 Earnings Distribution Proposal 3. Amendments to the Rules of Procedure for Shareholders' Meetings 4. Full Re-election of Directors 5. Proposal to Lift the Non-Competition Restrictions on Newly Elected Directors	1. Approved by the shareholders' meeting and fully implemented accordingly. 2. Approved by the shareholders' meeting and fully implemented accordingly. 3. Approved by the shareholders' meeting and the amended rules have been uploaded to the Market Observation Post System (MOPS) as required. 4. Approved by the shareholders' meeting and fully implemented accordingly. 5. Approved by the shareholders' meeting and fully implemented accordingly.
2024.11.08 1 st extraordinary shareholder's meeting	1. By-election of Independent Directors	1. Approved by the shareholders' meeting and fully implemented accordingly.

2.3.9.2 Major Resolutions of Board Meetings in Fiscal Year 2024 and During the Current Fiscal Year Up to the Publication Date of the Annual Report:

Date	Resolution Summary
2024.02.01	1. Approved the Company's credit and transaction limits with financial institutions. 2. Approved provision of guarantee for subsidiary's credit facilities. 3. Approved year-end bonuses for 2023 for managerial officers and directors also serving as employees. 4. Approved amendments to the Rules of Procedure for Board Meetings and the Audit Committee Charter.
2024.03.14	1. Reported internal audit implementation from October 2023 to January 2024. 2. Reported the 2023 board performance evaluation. 3. Reported the GHG inventory and verification schedule progress (November 2023 to January 2024). 4. Approved the Company's credit and transaction limits with financial institutions. 5. Approved the distribution of 2023 employee and director remuneration. 6. Approved the 2023 business report and financial statements. 7. Approved the 2023 earnings distribution proposal. 8. Approved the 2023 internal control system effectiveness assessment and declaration. 9. Approved full re-election of the board of directors. 10. Approved period, number of seats, and location for shareholder proposals and director nominations (including independent directors). 11. Approved matters related to convening the 2024 Annual General Meeting.
2024.05.09	1. Reported internal audit implementation from February to March 2024. 2. Reported status of directors' liability insurance coverage. 3. Reported the GHG inventory and verification schedule progress from February to April 2024. 4. Approved the Company's credit and transaction limits with financial institutions. 5. Approved the evaluation, appointment, and remuneration of the certifying CPA.

	6. Approved the Company's Q1 2024 consolidated financial statements. 7. Approved amendments to the Rules of Procedure for Shareholders' Meetings. 8. Approved the list of nominated directors (including independent directors) by the Board. 9. Approved lifting the non-compete restrictions on newly appointed directors. 10. Approved addition of agenda items for the 2024 Annual General Meeting. 11. Approved changes in the Company's Chief Accounting Officer and Chief Corporate Governance Officer. 12. Approved remuneration for the Company's Chief Accounting Officer and Chief Corporate Governance Officer. 13. Approved organizational restructuring of the Kunshan investment entity.
2024.06.26	1. Approved the election of the Chairperson of the Board. 2. Approved the appointment of members to the Compensation Committee.
2024.07.04	1. Approved the appointment of the Company's President (General Manager). 2. Approved the compensation of senior executives as reviewed by the Compensation Committee. 3. Approved the signing of an industry-academia collaboration and academic feedback mechanism agreement with National Central University.
2024.07.05	1. Approved the appointment of the Company's Chief Corporate Governance Officer. 2. Approved the compensation of the Chief Corporate Governance Officer as reviewed by the Compensation Committee.
2024.08.12	1. Reported internal audit implementation from April to June 2024. 2. Reported GHG inventory and verification schedule progress for May to July 2024 (Cosmo Electronics Group). 3. Approved the Company's Q2 2024 consolidated financial statements. 4. Approved the appointment of the Company's Chief Financial Officer. 5. Approved the remuneration for the Company's 12th-term Independent Directors. 6. Approved the remuneration for the newly appointed Chief Financial Officer. 7. Approved acquisition of machinery and equipment among related parties.
2024.09.23	1. Approved the by-election of an Independent Director. 2. Approved the list of Independent Director nominees nominated by the Board. 3. Approved the nomination period, number of seats, and location for shareholder-nominated Independent Director candidates. 4. Approved matters relating to convening the Company's first extraordinary shareholders' meeting in 2024.
2024.11.08	1. Approved the Appointment of Members to the Company's Compensation Committee.
2024.11.13	1. Reported the implementation status of internal audits from July to September 2024. 2. Reported the progress of the GHG inventory and verification schedule planning for Cosmo Electronics Group from August to October 2024. 3. Reported on the Company's corporate governance operations in 2024. 4. Approved the application for credit and transaction limits with financial institutions. 5. Approved the Company's consolidated financial statements for the third quarter of 2024. 6. Approved the internal audit plan for 2025. 7. Approved the amendments to the "Assessment of the Effectiveness of the Internal Control System" and the internal audit implementation guidelines under the "Procedures for the Preparation and Filing of Sustainability Information." 8. Approved the remuneration for the Company's 12th-term Independent Directors.
2024.12.05	1. Approved the proposed change of the Company's certifying CPA. 2. Approved the proposed issuance of the Company's fourth secured convertible corporate bonds in the domestic market.
2025.01.16	1. Reported the implementation status of internal audits from October to November 2024. 2. Approved the assessment of the independence, appointment, and remuneration of the certifying CPA. 3. Approved the distribution of year-end bonuses for 2024 to managerial officers and directors who also serve as employees. 4. Approved the amendment to the internal control system assessment items regarding information security. 5. Approved the revision of the internal control system and corresponding audit guidelines for the "Investment Cycle – Acquisition of Long-Term Equity Investments" process.

	6. Approved the acquisition of machinery and equipment among related parties. 7. Approved the Company's proposed cash capital increase through issuance of common shares. 8. Approved the Company's proposed private placement of common shares. 9. Approved matters related to convening the Company's first extraordinary shareholders' meeting in 2025.
2025.02.26	1. Approved the amendments to the Company's bylaws. 2. Approved the changes to the terms of the private placement of common shares as approved by the Board on January 16, 2025. 3. Approved the addition of agenda items for the Company's first extraordinary shareholders' meeting in 2025.
2025.03.05	1. Approved the change in the Company's Chief Accounting Officer. 2. Approved the remuneration for the Company's Chief Accounting Officer.
2025.03.14	1. Reported the implementation status of internal audits from December 2024 to January 2025. 2. Reported the progress of the GHG inventory and verification schedule planning for Cosmo Electronics Group from November 2024 to January 2025. 3. Approved the Company's application for credit and transaction limits with financial institutions. 4. Approved the Company's self-prepared financial statements for fiscal year 2024. 5. Approved the private placement of common shares, price determination, and related matters.
2025.03.21	1. Approved the extension of a facility loan from the Company to its subsidiary, Pt. Cosmo Technology. 2. Approved the extension of a facility loan from the Company to its subsidiary, Cosmo Electronics (HK) Company Limited.
2025.03.28	1. Reported the 2024 Board of Directors and Functional Committees Performance Evaluation. 2. Approved the distribution of 2024 remuneration for directors, supervisors, and managerial officers. 3. Approved the salary adjustment for senior executives at Grade 2 level. 4. Approved the 2024 Business Report and Financial Statements. 5. Approved the proposal for the offsetting of accumulated losses for 2024. 6. Approved the 2024 Internal Control System Effectiveness Assessment and Internal Control System Declaration. 7. Approved the amendments to the Company's Articles of Incorporation. 8. Approved the amendments to the "Procedures for the Acquisition or Disposal of Assets." 9. Approved matters related to convening the 2025 Annual General Meeting of Shareholders. 10. Approved the proposal period and acceptance office for shareholders' proposals to the 2025 Annual General Meeting.
2025.04.15	1. Reported the cancellation of the first private placement of common shares approved on March 14, 2025. 2. Reported the status of Directors' Liability Insurance coverage. 3. Approved the second private placement of common shares, including pricing and other related matters.
2025.05.02	1. Approved the transfer of production capacity from the Yilan Dongshan Plant and Longde No. 2 Plant to the Company's subsidiary in Indonesia.
2025.05.08	1. Approval of the proposal for the Company to provide facility loans to its subsidiary, Cosmo Electronics (HK) Company Limited. 2. Approval of the amendment to the Company's Procedures for Acquisition or Disposal of Assets.
2025.05.14	1. Report on the progress of the Company's private placement of common shares in 2025. 2. Report on the internal audit implementation status from February to March 2025. 3. Progress report on Cosmo Group's GHG inventory and verification schedule from February to April 2025. 4. Approval of the proposal to replace the CPA signing off on the Company's financial statements with Candor Taiwan CPAs. 5. Approval of the Company's consolidated financial report for the first quarter of 2025. 6. Approval of the discussion on the Company's disposal of machinery and equipment. 7. Approval of the addition of new agenda items for the 2025 Annual General Shareholders'

	Meeting.
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2.3.10 Major Issues of Record or Written Statements Made by Any Director Dissenting to Important Resolutions Passed by the Board of Directors: None

2.3.11 Resignation or Dismissal of the Company's Key Individuals: None

2.4 Information Regarding the Company's Audit Fee and Independence

(1)

Unit: NT\$ thousands

Name of Accounting Firm	Name of CPA	Period Covered by CPAs' Audit	Audit Fee	Non-audit Fee (note)	Total	Remark
PwC Taiwan	Tsai, I-tai	Jan 01. 2024 – Dec 05. 2024	3,935	0	3,935	The accounting firm was replaced on 2024/12/05 due to the Company's business restructuring and efforts to streamline expenses.
	Liang, Chan-nu					
Candor Taiwan CPAs	Lin, Chih-Kai	Dec 05. 2024 – Dec 31. 2024	1,000	200	1,200	Tax attestation services.
	Chen, Hsiu-Li					

- (2) If the audit fee paid in the year of change of accounting firm is less than the audit fee in the year before the change, the amount of the audit fee before and after the change and the reasons for the difference should be disclosed: Not applicable.
- (3) If the audit fee is decreased by 10% or more from the previous year, the amount, percentage and reasons for the decrease should be disclosed: Not applicable.

2.5 Replacement of CPA:

2.5.1 Regarding the Former CPA

Date of Change	Approved by the Board of Directors on December 5, 2024		
Reason for Replacement	Due to business restructuring and cost optimization		
Initiator of Termination or Non-Acceptance (Company or CPA)	Party	CPA	Company
	Condition		
	Voluntary Termination		
	Declined Continued Engagement		V
Audit Opinions Other Than Unqualified Issued in the Most Recent Two Years and Reasons Thereof	N/A		

Any Disagreements with the Issuer	N/A
Other Disclosures	Starting from the fourth quarter of 2024, the financial reports have been reviewed or audited by the newly appointed CPA firm.

2.5.2 Regarding the Successor CPA

CPA Firm	Candor Taiwan CPAs
Name(s) of CPA(s)	Lin, Chih-Kai and Chen, Hsiu-Li
Date of Appointment	Approved by the Board of Directors on December 5, 2024.
Inquiries and Results Prior to Appointment Regarding Accounting Treatment Methods or Accounting Principles for Specific Transactions and Potential Audit Opinions on Financial Reports	N/A
Opinions of the Successor CPA Regarding Disagreements with the Predecessor CPA	N/A

2.5.3 Reply from the Predecessor CPA Regarding the Three Items under Subparagraphs 1 and 2, Paragraph 6, Article 10 of the Regulations Governing Information to be Published in Annual Reports of Public Companies: None

2.6 The Company's Chairperson, President, Chief Financial Officer, and managers in charge of its finance and accounting operations did not hold any position in the Company's independent auditing firm or its affiliates during the most recent year: None

2.7 Changes in the transfer of shareholdings and pledge of shareholdings of directors, supervisors, managerial personnel and shareholders holding more than 10% of the shares in the most recent year and up to the date of publication of the financial statement

2.7.1 Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders

Title	Name	2024		By April 28, 2025	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairperson	DIGICROWN TECHNOLOGIES LTD. Representative: Hsieh Shuchuan (Date of Appointment: 2024/6/26)	0	7,500,000	0	(7,500,000)
Director	DIGICROWN TECHNOLOGIES LTD. Representative: Ho Wei-chuan	0	0	0	0

Title	Name	2024		By April 28, 2025	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Director	DIGICROWN TECHNOLOGIES LTD. Representative: Lu Hsiao-Hsuan	0	0	0	0
Director	Bank SinoPac as Custodian for Fine Asia Int'l Ltd. Investment Account Representative: Huang Tsung-Shan	0	0	0	0
Director	Bank SinoPac as Custodian for Fine Asia Int'l Ltd. Investment Account Representative: Lin Jui-Tang	0	0	0	0
Director	Bank SinoPac as Custodian for Fine Asia Int'l Ltd. Investment Account Representative: Li, Chih-Chin (Date of Appointment: 2024/6/26)	0	0	0	0
Independent Director	Chung, Yu-Ju (Date of Appointment: 2024/11/8)	0	0	0	0
Independent Director	Chu, Jung-Chen (Date of Appointment: 2024/11/8)	0	0	0	0
Independent Director	Tsai, Wen-Ling (Date of Appointment: 2024/11/8)	0	0	0	0
President and Spokesperson	Huang, Tsung-Shan (Appointed as President on 2024/7/4)	0	0	0	0
Deputy General Manager and Corporate Governance Officer	Li, Chih-Chin	0	0	0	0
Deputy General Manager	Ho, Wei-Chuan	0	0	0	0
Head of Finance Department	Lu, Hsiao-Hsuan (Date of Appointment: 2024/8/12)	1,000 (1,000)	0	0	0
Head of Accounting Department	Lin, Tsung-Ting (Appointed on: 2025/3/5)	0	0	0	0
Independent Director	Wu, Yung-Fu (Date of Dismissal: 2024/9/30)	0	0	0	0
Independent Director	Hsu, Po-Yu (Date of Dismissal: 2024/9/30)	0	0	0	0
Independent Director	Li, Dan (Date of Dismissal: 2024/8/31)	0	0	0	0
President	Chao, Chia-Chi (Dismissed on: 2024/6/26)	0	0	0	0
Deputy General Manager	Liu, Chin-Mu (Dismissed on: 2024/1/20)	0	0	0	0
Chief Financial Officer and Corporate Governance Officer	Hung, Yu-Han (Relieved from position as Accounting Officer on 2024/5/9) (Relieved from positions as Financial Officer and Corporate Governance Officer on 2024/7/3)	0	0	0	0
Head of Accounting Department	Chiu, Li-Hua (Appointed on 2024/5/9) (Relieved from position on 2025/3/5)	0	0	0	0

Title	Name	2024		By April 28, 2025	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairperson	Bank SinoPac as Custodian for Fine Asia Int'l Ltd. Investment Account Representative: Hsieh, Shu-Chuan (Relieved from position on 2024/6/26)	0	0	0	0

2.7.2 Information on the transfer of shares:

https://mops.twse.com.tw/mops/#/web/query6_1

2.7.3 Information on pledge of shares:

https://mopsov.twse.com.tw/mops/web/STAMAK03_1

2.8 Relationship among the Top Ten Shareholders

Name	Current Shareholding		Spouse's/m inor's Sharehold ing		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remark
	Shares	%	Shares	%	Shares	%	Name	Relationship	
DIGICROWN TECHNOLOGIES LTD.	15,914,684	9.28%	—	—	—	—	1.Kuan Chia Investment Ltd. 2.Da Liang Investment Ltd. 3. Hung Yi Investment Ltd.	1. Chairperson of each company is the same person 2. Chairperson of each company is related to the person in charge of the Company in the first degree of kinship 3. Chairperson of each company is related to the person in charge of the Company in the second-degree of kinship	—
Representative: Tsai, Nai-Cheng	486,299	0.28%	112	0	0	0	1.Kuan Chia Investment Ltd. 2.Da Liang Investment Ltd. 3. Hung Yi Investment Ltd.	1.Chairperson of company 2.Related to the person in charge of the Company in the first degree of kinship 3. Related to the person in charge of the Company in the second-degree of kinship	—
Da Liang Investment Ltd.	14,427,304	8.41%	0	0	0	0	1.Kuan Chia Investment Ltd. 2. DIGICROWN TECHNOLOGIES LTD. 3. Hung Yi Investment Ltd.	1. Chairperson of each company is the same person 2. Chairperson of each company is related to the person in charge of the Company in the first degree of kinship 3. Chairperson of each company is related to the person in charge of the Company in the second-degree of kinship	—
Representative: Hsieh, Shu-Chuan	3,231,711	1.88%	0	0	0	0	1.DIGICROWN TECHNOLOGIES LTD. 2..Kuan Chia Investment Ltd. 3. Hung Yi Investment Ltd.	1. Related to the person in charge of the Company in the first degree of kinship 2. Related to the person in charge of the Company in the first degree of kinship 3. Related to the person in charge of the Company in the first degree of kinship	—
Wei Jia Investment Co., Ltd.	14,356,481	8.37%					None	None	—
Representative: Liao, Chen-Hsiang	0	0	0	0	0	0	None	None	—

Hung Yi Investment Ltd.	13,957,367	8.14%	—	—	—	—	1. Kuan Chia Investment Ltd. 2. Da Liang Investment Ltd. 3. DIGICROWN TECHNOLOGIE S LTD.	1. Related to the person in charge of the Company in the second-degree of kinship 2. Related to the person in charge of the Company in the first degree of kinship 3. Related to the person in charge of the Company in the second-degree of kinship	—
Representative: Ho Wei-chuan	0	0	0	0	0	0	1. Kuan Chia Investment Ltd. 2. Da Liang Investment Ltd. 3. DIGICROWN TECHNOLOGIE S LTD.	1. Related to the person in charge of the Company in the second-degree of kinship 2. Related to the person in charge of the Company in the first degree of kinship 3. Related to the person in charge of the Company in the second-degree of kinship	—
Tsan Hua Investment Co., Ltd.	13,266,627	7.74%	—	—	—	—	None	None	—
Representative: Lin, Shu-Ping	5,924	0.01%	0	0	0	0	None	None	—
Kuan Che Investment Ltd.	12,936,160	7.54%	—	—	—	—	None	None	—
Representative: Johnson Tsao	1,105,684	0.64%	0	0	0	0	None	None	—
Tai Sung Investment Co., Ltd.	12,398,760	7.23%	—	—	—	—	None	None	—
Representative: Ernest Song	158,000	0.09%	0	0	0	0	None	None	—
Kuan Chia Investment Ltd.	12,285,057	7.17%					1. DIGICROWN TECHNOLOGIE S LTD. 2. Da Liang Investment Ltd. 3. Hung Yi Investment Ltd.	1. Chairperson of each company is the same person 2. Related to the person in charge of the Company in the first degree of kinship 3. Related to the person in charge of the Company in the first degree of kinship	—
Representative: TSAI, NAI-CHENG	486,299	0.28%	112	0	0	0	1. DIGICROWN TECHNOLOGIE S LTD. 2. Da Liang Investment Ltd. 3. Hung Yi Investment Ltd.	1. The person in charge of the company 2. Related to the person in charge of the Company in the first degree of kinship 3. Related to the person in charge of the Company in the second-degree of kinship	—
Cathay United Bank as Custodian for Fei Da Co., Ltd. Investment Account	11,223,833	6.55%					None	None	—
Ming Sheng Investment Co., Ltd.	5,071,000	2.96%					None	None	—
Representative: Collin HY Wang	0	0	0	0	0	0	None	None	—

2.9 The number of shares held by the Company, its directors, supervisors, managerial personnel, and entities under the direct or indirect control of the Company in the same investee company shall be aggregated and calculated as a percentage of the consolidated shareholding

March 31, 2025 Unit: shares / %

Name	Investment by the Company		Direct or Indirect Ownership by Directors/Supervisors/Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%

COSMO ELECTRONICS (HK) COMPANY LIMITED	63,180,000	100%	0	0	63,180,000	100%
GRAND CONCEPT GROUP LIMITED	10,735,000	100%	0	0	10,735,000	100%
GRANDWAY INTERNATIONAL LIMITED	30,080,000	100%	0	0	30,080,000	100%
PT COSMO TECHNOLOGY	21,100	100%	0	0	21,100	100%
Vietnam Cosmo Power Co., Ltd.	-	100%	0	0	-	100%

III. Capital Overview

3.1 Capital and Shares

3.1.1 Sources of Capital

Month /Year	Par Value (NT\$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount (NT\$ thousands)	Shares	Amount (NT\$ thousands)	Sources of Capital	Capital Increased by Assets Other than Cash	Other
Aug. 1995	1,000	59,000	59,000,000	59,000	59,000,000	Cash capital increase: \$30,000,000	—	Jing(84)-Shang-Zi No. 01008237
Dec. 1996	10	10,760,000	107,600,000	10,760,000	107,600,000	Cash capital increase: \$48,600,000	—	Jing(86)-Shang-Zi No. 101454
Sep. 1997	10	15,374,000	153,740,000	13,374,000	133,740,000	Cash capital increase: \$10,000,000 Capitalization of retained earnings: \$16,140,000	—	Jing(86)-Shang-Zi No. 121515
Sep. 1997	10	15,374,000	153,740,000	15,374,000	153,740,000	Cash capital increase: \$20,000,000	—	Jing(86)-Shang-Zi No. 121515
Oct. 1998	10	44,500,000	445,000,000	22,667,452	226,674,520	Cash capital increase: \$49,000,000 Capitalization of retained earnings: \$8,560,520 Capitalization of capital reserves: \$15,374,000	—	Tai-Cai-Zheng (Yi) No. 57083
June 1999	10	44,500,000	445,000,000	26,448,795	264,487,950	Capitalization of retained earnings: \$15,145,980 Capitalization of capital reserves: \$22,667,450	—	Tai-Cai-Zheng (Yi) No. 55844
Nov. 1999	10	44,500,000	445,000,000	30,000,000	300,000,000	Cash capital increase: \$35,512,050	—	Tai-Cai-Zheng (Yi) No. 82841
April 2000	10	44,500,000	445,000,000	36,942,272	369,422,720	Capitalization of retained earnings: \$39,422,720 Capitalization of capital reserves: \$30,000,000	—	Tai-Cai-Zheng (Yi) No. 32118
Jan. 2001	10	44,500,000	445,000,000	44,442,272	444,422,720	Cash capital increase: \$75,000,000	—	Tai-Cai-Zheng (Yi) No. 79433
Dec. 2001	10	101,600,000	1,016,000,000	53,780,200	537,802,000	Capitalization of retained earnings: \$87,601,900 Capitalization of capital reserves: \$5,777,380	—	Tai-Cai-Zheng (Yi) No. 165285
Nov. 2002	10	101,600,000	1,016,000,000	71,580,200	715,802,000	Cash capital increase: \$178,000,000	—	Tai-Cai-Zheng-Yi No. 0910129807
Feb. 2003	10	101,600,000	1,016,000,000	73,036,890	730,368,900	Convertible bonds: \$14,566,900	—	Tai-Cai-Zheng-Yi No. 0910129807
April 2003	10	101,600,000	1,016,000,000	73,327,798	733,277,980	Convertible bonds: \$2,909,080	—	Tai-Cai-Zheng-Yi No. 0910129807
Oct. 2003	10	101,600,000	1,016,000,000	73,436,883	734,368,830	Convertible bonds: \$1,090,850	—	Tai-Cai-Zheng-Yi No. 0910129807
Dec. 2003	10	101,600,000	1,016,000,000	74,036,869	740,368,690	Convertible bonds: \$5,999,860	—	Tai-Cai-Zheng-Yi No. 0910129807
June 2004	10	101,600,000	1,016,000,000	77,355,032	773,550,320	Convertible bonds: \$33,181,630	—	Tai-Cai-Zheng-Yi No. 0910129807
Nov. 2004	10	101,600,000	1,016,000,000	89,622,899	896,228,990	Convertible bonds: \$122,678,670	—	Tai-Cai-Zheng-Yi No. 0910129807
Jan. 2007	10	170,000,000	1,700,000,000	119,622,899	1,196,228,990	Private cash capital increase: \$300,000,000	—	Jing-Shou-Shang-Zi No. 96.1.15 09601009090
Sep. 2008	10	170,000,000	1,700,000,000	132,822,665	1,328,226,650	Capitalization of retained earnings: \$72,186,220 Capitalization of capital reserves: \$59,811,440	—	Jing-Shou-Shang-Zi No. 97.9.9 09701228260
Sep. 2010	10	170,000,000	1,700,000,000	136,807,345	1,368,073,450	Capitalization of retained earnings: \$39,846,800	—	Jing-Shou-Shang-Zi No. 99.9.27 09901216670
Oct. 2014	10	170,000,000	1,700,000,000	143,807,345	1,438,073,450	Private cash capital increase: \$70,000,000	—	Jing-Shou-Shang-Zi No. 103.10.17 10301215500
Dec. 2015	10	170,000,000	1,700,000,000	156,307,345	1,563,073,450	Cash capital increase: \$125,000,000	—	Jing-Shou-Shang-Zi No. 104.12.04 10401261000

Aug. 2018	10	170,000,000	1,700,000,000	156,334,226	1,563,342,260	Convertible bonds: \$268,810	—	Jing-Shou-Shang-Zi No. 107.08.17 10701081730
July 2019	10	200,000,000	2,000,000,000	156,334,226	1,563,342,260	(Capital approved)	—	Jing-Shou-Shang-Zi No. 108.07.12 10801085090
Oct 2021	10	200,000,000	2,000,000,000	161,024,253	1,610,242,530	New common share issuance through the increase of capital by capitalization of capital reserve:\$46,900,270	—	Jing-Shou-Shang-Zi No. 110.10.19 11001189830
Nov 2021	10	200,000,000	2,000,000,000	161,471,617	1,614,716,170	Convertible bonds: \$4,473,640	—	Jing-Shou-Shang-Zi No. 110.11.29 11001221890
March 2022	10	200,000,000	2,000,000,000	161,623,378	1,616,233,780	Convertible bonds: \$1,517,610	—	Jing-Shou-Shang-Zi No. 111.03.02 1110101918
Dec. 2022	10	200,000,000	2,000,000,000	168,088,313	1,680,883,130	New common share issuance through the increase of capital by capitalization of capital reserve:\$ 64,649,350	—	Jing-Shou-Shang-Zi No. 111.12.30 11101248440
April 2023	10	200,000,000	2,000,000,000	168,096,762	1,680,967,620	Convertible bonds: \$84,490	—	Jing-Shou-Shang-Zi No. 112.04.17 11230058520
Oct 2023	10	200,000,000	2,000,000,000	171,458,697	1,714,586,970	New common share issuance through the increase of capital by capitalization of capital reserve:\$ 33,619,350	—	Jing-Shou-Shang-Zi No 112.10.05 11230189570
April 2025	10	250,000,000	2,500,000,000	171,458,697	1,714,586,970	(Capital approved)	—	Jing-Shou-Shang-Zi No 114.04.15 11430044670

Note: Prior to 1995, each share had a par value of NT\$1,000. In mid-1996, each share was divided into 100 shares, and the par value of each share after the division was NT\$10.

Share type	Authorized			Remark
	Issued shares	Un-issued shares	Total shares	
Registered common stock	171,458,697	78,541,303	250,000,000	None

Information on shelf registration system: None

3.1.2 Status of Shareholders

April 28, 2025

Shareholding	Shares held	Shareholding percentage
Name of Major Shareholder		
DIGICROWN TECHNOLOGIES LTD.	15,914,684	9.28%
Da Liang Investment Ltd.	14,422,304	8.41%
Wei Jia Investment Co., Ltd.	14,356,481	8.37%
Hung Yi Investment Ltd.	13,957,367	8.14%
Tsan Hua Investment Co., Ltd.	13,266,627	7.74%
Kuan Che Investment Ltd.	12,936,160	7.54%
Tai Sung Investment Co., Ltd.	12,398,010	7.23%
Kuan Chia Investment Ltd.	12,285,057	7.17%
Cathay United Bank as Custodian for Fei Da Co., Ltd. Investment Account	11,223,833	6.55%
Ming Sheng Investment Co., Ltd.	5,071,000	2.96%

3.1.3 Dividend Policy and Implementation Status

3.1.3.1 Dividend policy

The Company shall use the current year's profit before tax to deduct the profit before compensation distribution to employees and directors and supervisors, and reserve the amount to cover accumulated losses in advance. If there is any remaining balance, 5% to 12% shall be set aside as compensation to employees and not more than 3% shall be set

aside as compensation to directors and supervisors. The distribution of compensation must be approved by a resolution of the board of directors with at least two-thirds of the directors present and agreed by a majority of the directors present, and reported to the shareholders' meeting.

The aforementioned employee compensation may be made in the form of stock or cash, and may be paid to employees of subsidiaries of the Company meeting certain specific requirements.

The Company shall, after its losses have been covered and all taxes and dues have been paid and at the time of allocating surplus profits, first set aside ten percent of such profits as a legal reserve. However, when the legal reserve amounts to the authorized capital, this shall not apply. If necessary, special reserve may be set aside or reversed in accordance with laws and regulations. If there is any undistributed earnings from prior years, the Board of Directors shall prepare a proposal for the distribution of earnings and submit it to the shareholders' meeting for resolution.

The Company's dividend policy will take into account the Company's environment and growth stage, future capital requirements and long-term financial planning, and the Board of Directors will prepare a proposal for the distribution of earnings and submit it to the shareholders' meeting for approval.

Since the Company is in a fast-changing industry and development trend and is in a growth stage, it needs to continue to invest capital. In the future, depending on the Company's working capital position and considering the shareholders' demand for cash inflow, the Company will allocate 15% or more of the distributable earnings to shareholders as dividends, except that if the distributable earnings are less than 20% of the paid-in capital, they may not be distributed. The distribution of dividends to shareholders may be made in cash or in shares, with cash dividends not less than 10% of the total dividends paid in the year, provided that if the amount of cash dividends is less than \$0.10 per share, the entire amount may be paid as stock dividends instead.

3.1.3.2 Dividend distribution at this shareholders' meeting

The Company pays dividends in accordance with the relevant laws and regulations and the Company's Articles of Incorporation. Unappropriated earnings at the beginning of the period NT\$ 698,930; the Company's profit after tax for fiscal 2023 was NT\$ 30,083,398; comprehensive income of NT\$3,562,690; set aside NT\$ 3,434,502 for legal reserve; set aside NT\$ 30,910,516 for special reserve; the unappropriated retained earnings are NT\$0.

3.1.4 The effect of dividend distributions contemplated for the current fiscal year on company operating performance and earnings per share: None

3.1.5 Compensation to employees and compensation to directors

1. the percentage or scope of compensation to employees and remuneration to directors as set forth in the Articles of Incorporation:

The Company shall use the current year's profit before tax to deduct the profit before compensation distribution to employees and directors and supervisors, and reserve the amount to cover accumulated losses in advance. If there is any remaining balance, 5% to 12% shall be set aside as compensation to employees and not more than 3% shall be set aside as compensation to directors and supervisors.

The aforementioned employee compensation may be made in the form of stock or cash, and may be paid to employees of subsidiaries of the Company meeting certain specific requirements.

2. The basis for estimating the amount of compensation to employees and directors,

the basis for calculating the number of shares to be distributed as stock dividends, and the accounting treatment for any difference from the actual amount of distribution:

The compensation to employees and directors is estimated in accordance with the Accounting Research and Development Foundation (ARDF) Interpretation (96)Ji-Mi-Zi No. 052, and is recorded as an appropriate accounting item under operating costs or operating expenses depending on the nature of the compensation to employees and directors. Any subsequent differences between the resolution of the shareholders' meeting and the estimates in the financial statements are accounted for as changes in estimates and recognized as profit or loss for the current period.

3. Information on the proposed compensation to employees approved by the Board of Directors:

(1) Amount of compensation to employees and directors and supervisors:

The Company's profit for fiscal year 2024 is NT\$ 735,730. The Company's board of directors' meeting on March 28, 2025 proposed to provide compensation to employees in the amount of NT\$34,704 and remuneration to directors in the amount of NT\$ 6,941 in cash.

(2) Proposed employee stock bonus and its proportion to the total profit after tax and total employee bonus for the period: No employee stock bonus was distributed.

4. Actual distribution of employee bonus and remuneration to directors in the previous year (includes distributed shares, amount and share price) did not match with the recognized ones please specify the difference, cause and how to address:

Item	The Resolution of the Board of Directors (March 28, 2025)
The distributed amount to the Employee compensation in cash	34,704
The distributed amount to the Board of Directors' remuneration in cash	6,941

Note: The above distributed amounts in 2022 matched with the recognized amounts approved by the Board.

3.1.6 Buyback of the Company's Shares: None

3.2 Corporate Bonds: None

3.3 Preferred Shares: None

3.4 Global Depository Receipts: None

3.5 Employee Stock Options & New Restricted Employee Shares: None

3.6 Status of New Shares Issuance in Connection with Mergers and Acquisitions: None

3.7 Financing Plans and Implementation:

3.7.1 Content

https://mopsov.twse.com.tw/mops/web/bfhtm_q2

3.7.2 Status of Implementation

https://mopsov.twse.com.tw/mops/web/bfhtm_q2

IV. Operational Highlights

4.1 Business Activities

4.1.1 Business scope

4.1.1.1 Principal elements of our business

The Company's principal business operations include the production and sales of the following products and services:

1. Processing, assembly, manufacturing, and trading of optoelectronic components and relay components.
2. Import and export trade of electronic products and related electronic business operations.
3. Manufacturing and trading of decorative lighting.
4. Renewable energy and self-use power generation equipment business.
5. Land development operations.

4.1.1.2 Main products and their share of turnover:

Unit: NT\$'000

Product Name	Turnover in 2024	% of total turnover
Photoelectric	477,106	43.10
LED lighting	581,468	52.52
Energy and materials	48,498	4.38
Trading, channels & others	-	-
Land development business	-	-
Total	1,107,072	100.00

4.1.1.3 New products (services) planned for development

- (1) Enhanced optical couplers
- (2) Development of lighter, thinner, shorter and smaller optical components
- (3) Appearance design and customization of decorative lamps

4.1.2 Industry Overview

4.1.2.1 Current Status and Development of the industry

The Company and its subsidiaries are principally engaged in the photo coupler series, relay series, electronic components, decorative lighting, industrial control and bioenergy production and sale. The main products include optical components, decorative lighting, power control panels, power controllers, switch controllers and clean steam, etc. Therefore, the following is an analysis of the current situation and development trends of the optical components, decorative lighting and electronic manufacturing and bioenergy industries or their applications:

A. Optoelectronics Department

Our products are divided into two major product lines, the photo-coupler series and the relay series. The main raw materials include optical semiconductor chips and reed switches produced by the semiconductor industry, which are widely used in the consumer electronics industry, communications industry computer peripherals products, medical and industrial equipment industries.

Upstream		Midstream (Cosmo Electronics)			Downstream	
Semiconductor		Package Testing Design			Consumer electronics	Communications
Wafer fabrication & dicing	IC design	Product design	Package design	Package, test, production	Computer peripherals	Medical
					Industrial equipment	Automotive (in the works)

The photo coupler excels in the circuit isolation, control and signal amplification and can be applied on home appliances, consumer electronics, car and industrial equipment which makes photo coupler a key component. Looking into the future, the explosive growth in 5G, AI, industrial automation control, automotive electronics, EVs and its relevant peripherals such as charging stations and batteries management systems the which propels the demand of the photo coupler for its quantity and functionality.

The photo coupler will grow from US\$1.49 billion in 2021 to US\$1.79 billion in 2025 with 20% growth rate while the high-end photo coupler will grow from US\$0.87 billion in 2021 to US\$1.07 billion with 23% growth rate.

B. Clean Steam Department

With global climate change, environmental awareness has been on the rise in recent years, and governments have initiated various energy-saving policies to reduce environmental pollution. The pressure on countries to reduce carbon emissions under the Kyoto Protocol has also led them to seek to develop low-carbon energy businesses. The advantages of biomass over renewable energy include mature technology, commercial viability, high economic efficiency, and the dual benefits of waste recycling and energy production as the materials used are waste. Taken together, it is clear that the bioenergy industry has great potential for future development. Taiwan has now passed a third reading of the “Greenhouse Gas Reduction and Management Act” at the Legislative Yuan in June 2015, expressly regulating our long-term greenhouse gas reduction target of less than 50% of the 2005 GHG emissions level by 2050. In addition, in August 2015, President Barack Obama of the United States, the world’s leading industrial power, proposed the “Clean Energy Plan,” which aims to reduce carbon emissions from power plants in the US, and stated in the published brochure that the Clean Energy Plan will cut carbon emissions by 32% from 2005 levels by 2030, and that this would be the largest measure ever taken by the US to combat climate change, and it is clear that the use of new energy sources is a major trend for the future.

C. LED Lighting Department

In the decorative string lighting industry today, the main applications are in

Europe and North America, and mainly for Christmas. Christmas is a traditional and important festival in Europe and the United States. It is as meaningful to the people of Europe and US as Lunar New Year is to the Chinese speaking communities, so there is often a rush to buy Christmas decorations before the festive season. The sales of decorative lighting are mostly in large shopping malls, department stores and retail outlets, and there is often a significant correlation between product sales and economic growth, changes in consumer confidence, changes in unemployment rates and purchasing power in the region. When the purchasing power of consumers increases, it is more likely to boost the sales of these products. As a result, end-use spending in this sector is closely linked to the general economic development and consumer confidence trends across the region. The recent optimistic outlook for the US economy is expected to boost Christmas spending.

In the past, most of the decorative lights were composed of incandescent light bulbs, which had the drawbacks of power consumption, high loss rate and short service life. However, with the rising awareness of environmental protection in recent years, LED decorative lights have gained considerable advantages in the decorative lighting market due to their power saving and long service life, and have gradually expanded their application in toys and decorative light strings, and gradually taken the place of incandescent lamps. In summary, the market for LED decorative lighting is expected to remain strong as the economy in Europe and the US picks up, with the advantages of high reliability, high flexibility and low pollution.

D. Development District

The Chinese market has recently been affected by rising raw material prices, rising wages, labor shortages, the appreciation of the Renminbi and the trade conflict between the United States and China, which has led to the export-oriented manufacturing industry beginning to ponder what the future holds for it. Among them, the furniture industry, toy industry, leather industry, chemical engineering industry and other highly polluting industries are the most hit, and the closure of factories or relocation of manufacturing industries has become a trend and a signpost to the future.

The New Southbound Policy initiated by the Taiwanese government has strengthened ties with the economic markets of Southeast Asia, and many Taiwanese companies have begun to trade and invest in the region. In recent years, a large number of Taiwanese businesses have moved into Vietnam, which seems to have become another big labor market after China, but the swarm has created a new wave of challenges. The total population of Vietnam is only about 80 million, which is only comparable to the population of the province of Guangdong in China. Considering the limited land resources (331,689 square kilometers), the influx of foreign capital and the varying quality of human resources in North and South Vietnam, the supply and cost of labor for Taiwanese companies intended to locate to Vietnam will be a major concern in the future.

Also in Southeast Asia, neighboring Cambodia (with a population of around 15.5 million) and Laos (with a population of around 7.45 million) are also unable to satisfy the huge demand for labor due to their limited population size. Furthermore, the Indonesian government has introduced a number of laws to improve the investment

environment, effectively removing many barriers to foreign investment. For all these reasons, Indonesia is considered to be the best place in the coming years.

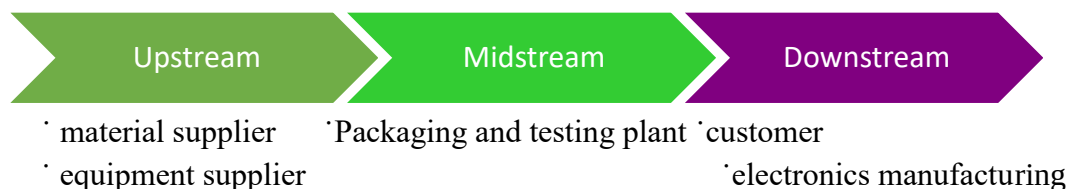
Driven by the international trend, resource environment, labor market and policy backing, the Industrial Development District will show good prospects.

4.1.2.2 Upstream, Midstream and Downstream Industry Linkages

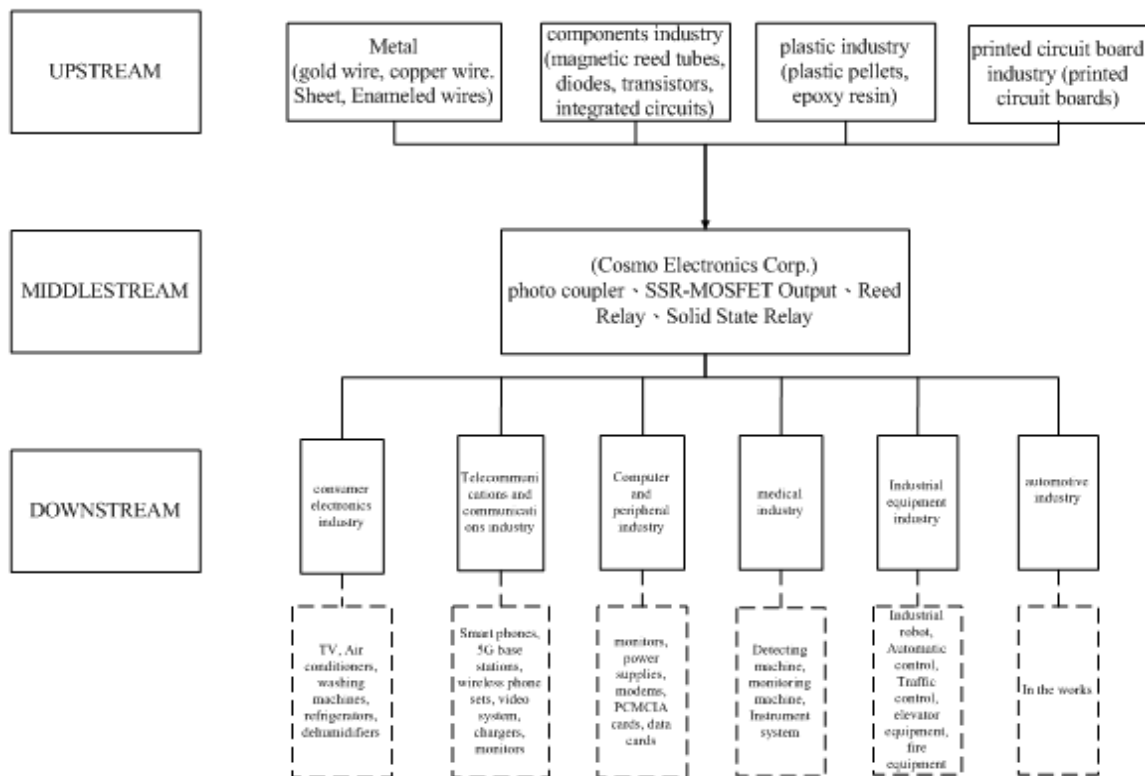
A. Optoelectronics Department:

Optical electronic components include photocoupler, SSR-MOSFET Output, reed relays, solid state relays etc. The upstream industry includes the metal, plastic, electronic components and printed circuit board industries, mainly providing raw materials for the organization of optical electronic components, while the midstream industry assembles the raw materials, packages and tests them into modules for use in downstream products for various electronic industries. The Company and its subsidiaries are primarily engaged in the manufacture and sale of optical electronic components, such as photocouplers and relays, and are in the midstream of the industry, with the capability of in-house upgrading of packaging and testing equipment, and the continued development of lightweight, thin, short and small components.

The photo coupler is manufactured by vertically-separated which comprises upstream which includes wafer IC design provider and production equipment manufacturer; the wafer IC design provider will fabricate and dice before packaging and will be testing in the midstream, and lastly to the downstream for producing electronic products.



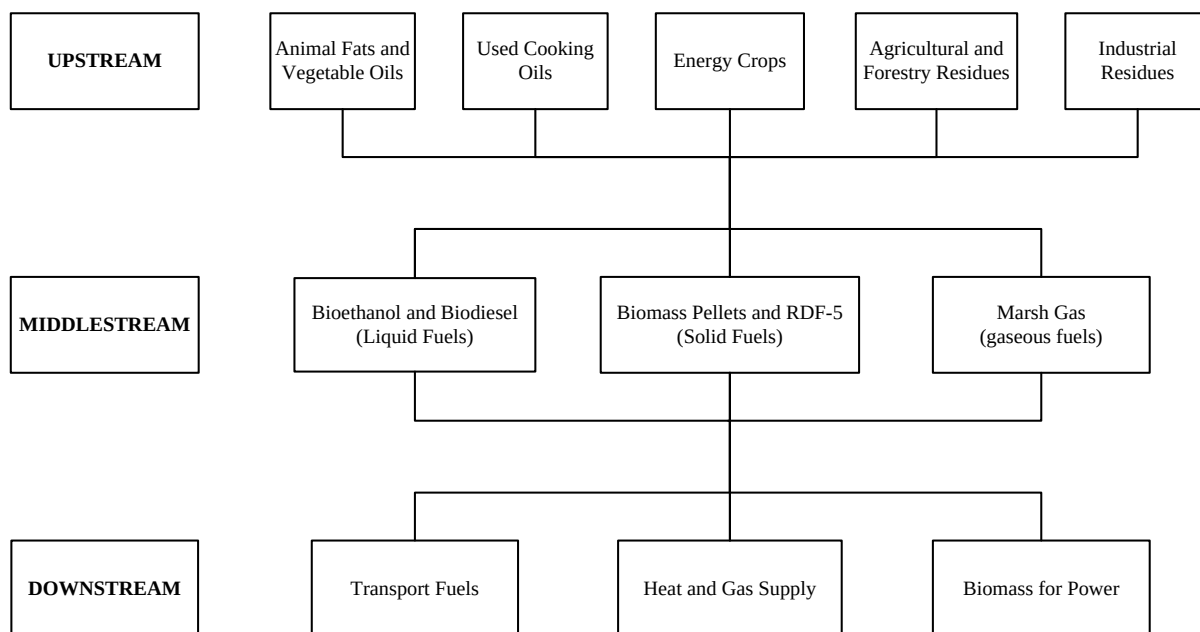
Overall, the optical electronic components industry is a mature sector with a complete upstream, midstream and downstream supply chain. Changes in the upstream, midstream and downstream are not significant and the supply chain linkages are listed below:



B. Clean Steam Department

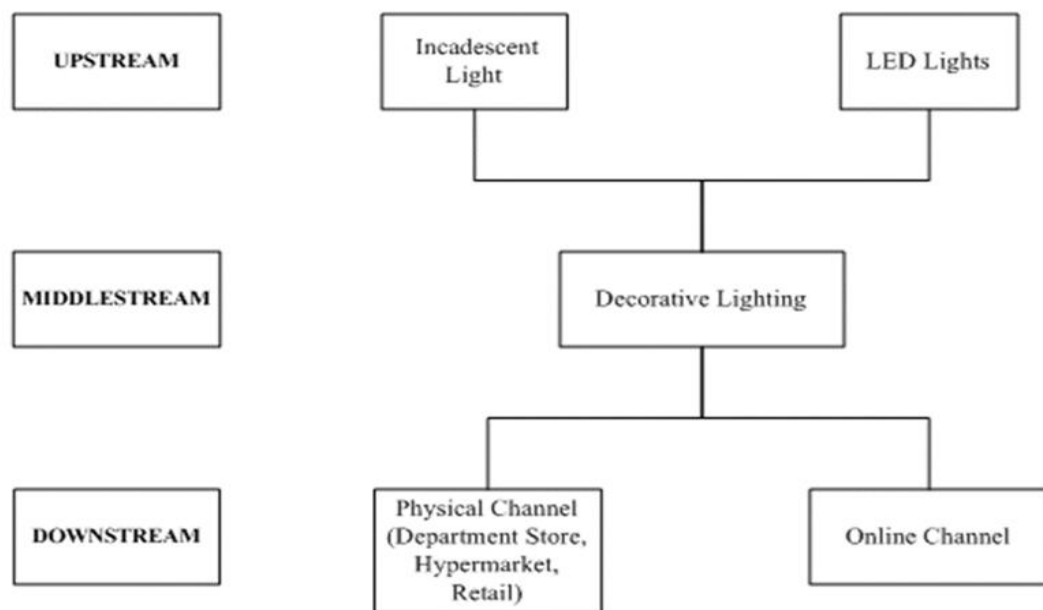
The biofuels industry comprises upstream raw materials, midstream biofuels production, and downstream blending, sales and applications. Upstream raw materials include animal and vegetable oils and fats, waste cooking oil, energy crops, agricultural and forestry waste, industrial waste, etc. Midstream biofuel production can be divided into liquid fuels such as bioethanol and bio-diesel, solid fuels such as biomass pellets and refuse derived fuels (RDF-5) and gaseous fuels such as biogas, while downstream applications can be split into transportation fuels and electricity and gas supply from biomass heat.

At this stage in the upstream, midstream and downstream changes in the industry, bio-diesel is the most mature, while the bio-thermal power industry chain is still under development. The future of the global biofuel market is still dependent on government policies and the development of second-generation biofuel technologies to provide the industry with sufficient low-cost raw materials for full market application in the future. The supply chain linkages of the industry are outlined below:



C. LED Lighting Department

The upstream, midstream and downstream of the decorative lighting industry include the manufacture of incandescent and LED lamps in the upstream, the use of light bulbs to design festive lighting or decorative lighting in the midstream, and the sales at domestic and international hypermarkets and online channels in the downstream. The decorative lighting industry has already developed into a mature sector. As festive lighting is still widely sold in Europe and North America, and is mainly used for Christmas festivities, midstream and upstream shipments are at their peak in the third quarter, while downstream is mostly dominated by hypermarkets, department stores and retail outlets and online channels. Growth momentum is mainly driven by the consumer confidence index, economic growth rate and other macroeconomic indicators, with the industry supply chain linkages listed below:



4.1.2.3 Product Development Trends

A. Opto-electronic components industry

The photo coupler uses “light” as the medium to transmit electrical signals and has strong anti-jamming ability which enables photo coupler an ideal insulation for switch current and is widely applied; the demand for photo coupler has been driven rapidly as a result of the increase of wearable device, communication networks, smart home appliances, consumer electronics, electric car, cloud server and 5G base station while relays are one of the passive elements required in almost all electronic products. With demand for quality home appliances and the integration of various electrical appliances and burglar alarm systems into smart homes, and with the advent of the Internet of Things, demand for a large number of connected devices and major applications has created a smart city that comprises smart commercial complexes, smart homes and other applications, including many IoT devices and hardware devices, thus creating another wave of business opportunities for passive control elements such as relays.

B. Bioenergy industry

In the overall bioenergy market, bio-liquid fuels, mainly bio-alcohol and bio-diesel, will continue to be the focus of industry development in the coming years, primarily in the Americas, such as the United States, Brazil, Argentina and other countries with advantages in raw materials. In terms of biomass and thermal energy, since Europe and the USA have a demand for thermal energy in winter, biomass and thermal energy development are principally in those two regions, which, together with the sparsely populated areas, are more suitable for decentralized, small-scale combined heat and power supply systems. Biomass raw materials such as agricultural and forestry crops and waste materials can be collected, dried and compressed to produce a small, high-density derived fuel. This treated biomass fuel

is easily transportable and has a high calorific value per unit volume, making it suitable for wide use in small-scale boilers, district heat supply, combined heat and power plants and power stations.

C. Decorative lighting industry

With environmental awareness on the rise, the ratio of traditional incandescent to LED Christmas lights is now very different. Due to the excellent light source of LEDs, many traditional Christmas lights have been phased out and the penetration rate of LEDs has soared. The price differential between LED Christmas lights and traditional Christmas lights in the market has leveled off and the price differential is not too wide. In addition, LED lighting has more advantages than traditional incandescent lighting, such as energy saving and longer life span, which has significantly increased consumers' willingness to purchase.

D. Industrial park development

As part of its efforts to attract more foreign investments to promote economic and trade exchanges and local economic development, the Indonesian government has recently been actively improving the investment environment by providing special economic zones, setting up the Indonesian Investment Coordinating Board (BKPM), strengthening infrastructure such as highways, railways, ports and airports to better the environment and removing barriers to investment. In early 2020, the Indonesian authorities launched the "Omnibus Law on Job Creation," widely known as Omnibus Law, which aims to streamline Indonesia's cumbersome business regulations, boost administrative efficiency, expand investment, enhance human resources and create more employment opportunities. Both local and foreign companies can benefit from the flexibility offered by the new Omnibus Law. In addition, the Indonesian government offers investment incentives such as Tax Holiday and Tax Allowance. According to Indonesian government regulations, foreign companies that meet the requirements are entitled to corresponding investment incentives.

Meanwhile, the government is advocating relevant investment policies. Through the promotion of the New Southbound Policy, it can also effectively encourage Taiwanese companies to expand their investment in Southeast Asian and South Asian markets.

In line with the Taiwanese government's new southbound policy and the Indonesian government's investment decree, areas such as industrial zones are being developed and built. In the coming years, it is expected that more Taiwanese SMEs will start to base themselves in Indonesia and work together to expand into overseas markets.

4.1.2.4 Product Competition

The Company and its subsidiaries are principally engaged in the R&D, manufacturing and sales of photoelectric components and relay, decorative lighting and clean steam, with its main product lines being optoelectronics, energy and materials trading, distribution and others. The major products accounted for 39.45%, 53.97% and 4.52% of revenue in 2023 respectively, with optoelectronic components

taking the highest share. Most of the rivals for photocouplers in optoelectronics are Japanese companies, such as TOSHIBA, Renesas, as well as other European and American competitors such as VISHAY, Broadcom 、 On semi. The main competitors in the relay product segment are from Japan, including Panasonic 、 OMRON 、 Toshiba and many other players. As the above-mentioned major international corporations are known for their large economic scale, competition in this sector is relatively fierce. However, in recent years, the Company has achieved considerable success in cost control and will continue to develop lightweight, thin, short and small devices and seek sales opportunities for specialist OEMs with competitive cost control to make our products more competitive in the market.

Fast product renewal: With the ongoing breakthroughs in artificial intelligence, Internet of Things, Internet and other new-generation information technologies, smart hardware has realized the transformation of traditional equipment into smart ones, creating new product forms. As products continue to be updated and market demand varies, the ancillary products industry is undergoing rapid changes and a variety of technologies co-exist. The product mix and technical standards of the relevant equipment manufacturers need to keep pace with the development trends and changes in demand in the sector in order to cope with the increasingly fierce competition in the industry.

In response to the industrial automation control and continuing development needs for power systems, to pursue the various photo coupler products such as High Speed Type 、 SSR MOSFET Output 、 Power Photo Triac 、 IGBT Gate Driver with high efficiency. The packaging size design will be thinner and to meet the safety regulations. The photo coupler market has been replaced by non-photo coupler by 1-2% which has no significant change in the competition, but the tendency will prevail with the development of the CMTI, high speed and high-performance products to strive.

4.1.3 Technology and R&D overview

1. R&D expenditure for the years 2023 and 2024 first quarter up to the date of publication of the annual report:

Unit: NT\$'000

Item \ Year	2024	2025 As of March 31
R&D Expenses	6,096	2,659

4.1.4 Long- and short-term business development plans

The Company will keep devoting itself to R&D in a bid to expand the breadth and depth of its original product line and develop various specifications of application products at any time according to market supply and demand, technology trends and individual customer needs, with the following priorities expected for the future:

(1) Short-term business plan:

- A. Set up agency and distribution bases according to the market potential to facilitate the development of customer sources and expand the market.

- B. Focus on target industries and actively develop new products.
 - C. Meet our customers' needs for products and services and be a partner in their growth in order to maintain order stability.
 - D. Increase automation and reduce the use of manpower.
 - E. To put focus on 3C 、 industrial automation control and medical product in all aspects.
 - F. Raise product yields and delivery accuracy.
 - G. Reduce costs and improve service quality on a continuous basis to maintain order stability.
 - H. Boost the attractiveness of our product display area and actively pursue collaborative projects.
- (2) Long-term business plan:
- A. Build an international marketing network and strengthen our marketing skills.
 - B. Provide a wide range of products to meet customer needs and services to increase product share.
 - C. Step up efforts to diversify the distribution of high-end products and markets in order to mitigate the impact of fluctuations in a single market.
 - D. Cut the cost of purchased materials on an ongoing basis to enhance the competitiveness of our OEM products.
 - E. Shorten production lead times to increase competitiveness in order taking.
 - F. Keep abreast of international trends and relevant policies continually to adjust our business development direction in a timely manner to enhance our competitiveness.
 - G. To adjust the proportion of sales in Greater China for the sake of dispersing operational risk in addition to exploit and expand tin the European Market simultaneously.
 - H. To aggressively engage in the industrial control automation, AI, automotive electronics, 5G and other relevant marketing.

4.2 Market and Sales Overview

4.2.1 Market analysis

4.2.1.1 Main product sales regions:

The Company's products are mostly optoelectronic components and decorative lamps, with the regions and amounts of sales of major products in the last two years as follows:

Unit: NT\$'000; %

Sales Regions		2023		2024	
		Amount	%	Amount	%
Domestic - Taiwan		58,684	5.57	55,128	4.98
Export	Other Asian regions	426,061	40.45	486,410	43.94
	Americas	568,675	53.98	565,534	51.08
	Sub-total	994,736	94.43	1,051,944	95.02
Total		1,053,420	100.00	1,107,072	100.00

4.2.1.2 Key competitors and market share

The major global rivals of the photocoupler series include SHARP, TOSHIBA, OMROM, FAIRCHILD and other companies, which are known for their large economic scale, and in which competition is relatively intense. In recent years, the Company has achieved considerable success in strengthening cost control, enhancing its competitiveness and quality, as well as developing high value-added product lines such as high-end digital optocouplers to expand its product portfolio to the mainstream of international manufacturers.

The decorative lighting range is mainly used for Christmas festivities, with a large proportion of festive lighting being sold in Europe and North America, as well as in hypermarkets, department stores and retail outlets and online.

4.2.1.3 Market supply, demand and growth in the future

(1) Optoelectronics Department

Photo-coupler series products are essential components for electronic and electrical products and instrumentation, and are used in a wide range of industries including consumer electronics, communication industry, computer peripherals, medical and industrial industries etc. Optocouplers provide excellent isolation and perform simple transmission functions, and will hold market potential with the rapid evolution of the information industry and the maturation of technology.

(2) Clean Energy Department

After careful consideration of the risks of the industry, the management team decided to devote itself to reform and add the bioenergy and eco-friendly fuel business, which is primarily applied to power plants, cement industry, printing and dyeing industry, paper industry, textile industry, food industry, chemical engineering industry and other industries as a heat-generating and eco-friendly fuel. Palm kernel shells (PKS) are a popular eco-fuel for the next century because not only is it a green energy source, but it can also reduce costs. Its combustion conditions can shut out the air from carbonizing a solid fuel similar to charcoal at temperatures above 400°C, and its unique chemical properties reduce GHG emissions, and it has superior properties to biomass pellet fuels. It is small in size, light in quality, unbreakable, easy to transport, and will not spontaneously combust when exposed to the open air. It also has a high heat of combustion of 4,200-4,600 calories/KG, with a moisture content of less than 15%, and can be fully combusted, making it ideal for burning in large boilers, and its thermal efficiency is much higher than that of traditional coal, which will create new revenue opportunities and profitability.

(3) LED Lighting Department

The market for Christmas lights is still dominated by the European and American markets, and is already very stable and mature, with demand maintaining a stable and slight growth, except for very large fluctuations in the market due to special conditions.

Despite the low variability in total market demand, the ratio of traditional

incandescent to LED Christmas lighting is very different in terms of environmental awareness and cost changes. The proportion of LED Christmas lights is increasing year on year, and LED products are the Company's most competitive mainstay, so with this trend and years of hard work, the future should be even more favorable.

(4) Industrial Park Development

Indonesia is a virgin land rich in natural resources, with 74.5% of the country's total land area available for agriculture, and has the largest number of islands in the world, with over 4,000 nautical miles of coastline to the east and west. With a population of over 270 million according to the October 2020 census, Indonesia is a hardworking, kind and optimistic nation. The country is the biggest economy in the ASEAN region, with a large territory and labor market.

According to the Central Bureau of Statistics, the manufacturing sector accounts for the highest share of Indonesia's GDP in the industrial structure, at around 21%. The Indonesia Investment Coordinating Board (BKPM) has also identified a number of investment priorities based on economic strengths, growth factors and productivity, with export-oriented industries such as electronics and machinery manufacturing among them. Industrial parks, special economic zones and tourist attractions also create good investment opportunities. The Indonesian government has set out priority sectors for investment that will help underpin sustainable economic growth on the one hand, and create more jobs on the other.

In order to attract more foreign investment to promote economic and trade exchanges and local economic growth, the Indonesian government has recently shown a friendly attitude towards foreign investors by actively improving the investment environment and publishing relevant legislation to ensure fair treatment between foreign and local manufacturers as far as possible. In particular, the democratically elected President Joko Widodo has made great efforts in recent years to develop Indonesia's economy and build up the country's infrastructure, and is gradually shaking off the negative perception of its anti-Chinese past. In early 2020, the Indonesian government introduced the "Omnibus Law on Job Creation," which aims to remove a number of barriers to foreign investment and make it more attractive.

The internal corporate environment is also driving investment in the Indonesian market. In recent years, the market demand has grown. In order to meet the demand, enhance production capacity and increase profitability, overseas investment has become the direction of development for Taiwanese enterprises. Since 2007, Cosmo Electronics Corp. has set up a subsidiary in Indonesia and has been in contact with the Indonesian market for many years. Cosmo is familiar with its local market conditions and has its own advantages that make it easier for Taiwanese SMEs to gain a foothold in the market.

4.2.1.4 Competitive niche

(1) Product quality advantage

The Company has gradually boosted the popularity of its products with excellent quality, and with its meticulous production process and competitive price

conditions, it has been well received by famous domestic and foreign companies. It has been awarded numerous international safety certifications such as UL, CUL, VDE, FIMKO, SEMKO, NEMKO, etc., and has also obtained ISO9001 and ISO14001 quality certifications, and its stable and reliable products have been recognized and adopted by renowned domestic and international corporations.

(2) Manufacturing strengths

Since its incorporation, the Company has been engaged in the production and sale of related products. On top of its many years of experience in manufacturing processes, the Company has devoted itself to the refinement of production technology, the upgrading of production equipment and the strengthening of cost control, and has attained considerable success. Our technical team has many years of experience and expertise in the product trend and production technology. We have not only boosted our competitiveness in the industry, but also expanded our services to specialized OEMs and developed high value-added product lines such as high-end digital optocouplers to broaden our product portfolio to the international mainstream manufacturers. To expand the production base in Indonesia by making the most of the stabilized labor and salary advantage to cut the cost.

(3) R&D strengths

Since 1991, we have been dedicated to the research of optoelectronic elements and have been working on photorelays and optocouplers for many years. With the accumulation of professional production experience and the cultivation of R&D manpower, we understand the importance of mastering the key technologies of our products, including software and hardware technology integration, IC packaging technology, mechanism development technology and material science technology. In recent years, the LED Lighting Dept. has successfully developed the direct coating of LEDs with enameled wires and applied for patents with its unique technology. The flexibility of this technology has significantly increased the breadth and depth of applications, and its excellent R&D capabilities have made the Company's products more competitive in the market.

(4) Green alternative effect

The global bioenergy industry has been growing rapidly in recent years, driven by energy security and autonomy as well as CO₂ reduction. In terms of environmental factors, people are beginning to realize that the global environment has been deteriorating as a result of the development of the industrial economy, which in turn has started to jeopardize the survival of humans and animals, thus leading people to switch to low-carbon biomass energy. In economic terms, global fossil energy reserves are diminishing and the cost of extraction is rising, resulting in an increase in production costs, while biomass energy is becoming cost competitive. Moreover, the advantages of biomass energy include mature technology, the ability to operate commercially, high economic efficiency, and the fact that the material used is waste, so it has the dual benefits of waste recycling and energy generation. In summary, it is apparent that the biomass energy industry has great potential for future development.

4.2.1.5 Factors favorable and unfavorable to development prospects and response measures

(1) Prospects for the Optoelectronics Department

With many years of efforts in the field of optocouplers and photo relay series, we have acquired extensive experience and expertise, ranging from product development to process technology, and have the leading R&D and production technology capability. Through years of R&D and continued refinement of product quality and product yield, the product lineup has become complete and has received international safety certifications such as UL, CUL, VDE, FIMKO, SEMKO, CQC and ISO 9001 and ISO 14001 certifications. To put effort into applying for the IATF 16949 certification recently, this will make us grow steadily among international competitors and become a major manufacturer of optocoupler series products in the market.

(2) Prospects for the Clean Steam Department

Green energy is characterized by its inexhaustible and renewable nature, with significantly lower environmental impact compared to traditional energy sources. It also plays a vital role in mitigating the greenhouse effect. The Company's Clean Energy Division utilizes palm kernel shells as fuel. Since 2007, Indonesia has risen to become the world's leading producer of palm oil, with a plantation area of 8.2 million hectares and an annual output of approximately 7 million metric tons of palm kernel shells.

Over the past decade, atmospheric carbon dioxide (CO₂) levels have increased by about 30%. According to a recent study published in the UK journal Scientific Reports, the concentration of CO₂ in the Earth's atmosphere has reached unprecedented levels, the highest in 15 million years—since the existence of early hominids. As humans have relied heavily on petroleum, global crude oil prices have continued to rise, and fossil fuel reserves are being depleted. In response, many countries are actively seeking alternative energy sources beyond petroleum to reduce greenhouse gas emissions and alleviate the worsening global warming crisis.

Driven by global developments in bioenergy, concerns over energy security and autonomy, and the imperative to reduce CO₂ emissions, the Company's Clean Steam Division is poised to contribute to efficient energy development. This positions the Division to take advantage of favorable growth prospects and industry trends, presenting strong potential for future development.

(3) Prospects for the LED Lighting Department

With the general awareness of the importance of patent rights in the European and American markets, increasing our own patent protection measures will not only consolidate our customers, but will also be of great benefit to our business development, and the actual benefits are gradually taking shape. From the very beginning of our entry into the market, it was part of our strategy to build on our quality and differentiate the market. After several years of hard work, this reputation has been affirmed by customers in the sector and based on the above, the Company has set its sights on expanding its market share.

(4) Prospects for the Development District

Over the years, the market demand has seen an increase. To satisfy the demand, boost production capacity and raise profitability, overseas investment has become the way forward for Taiwanese enterprises. Cosmo Electronics Corp has had a presence in Indonesia since 2007 and has been in touch with the Indonesian market for many years now. The Company is familiar with the local market conditions, which gives it added advantages. Indonesia's abundant local labor force, international investment environment and the enforcement of relevant policies can also help facilitate the development progress. The Phase I industrial park was sold out in the first half of 2018 and delivered to Taiwan Paiho Limited for use. Going forward, land preparation, construction of industrial parks, residential complexes, commercial districts and infrastructures will proceed, with a view to attracting companies to move in and boosting profitability for the Group and its shareholders.

(5) Favorable factors

(A) Leading R&D and production technology capabilities

With more than 10 years of specialized and rich experience in the field of relays, our Company is able to stand on its own from product development to process technology. As each product line is developed in-house and transferred to the production line for mass production, the Company has amassed a wealth of process and production technologies.

(B) Stable and excellent products

The Company and its subsidiaries have been awarded a number of international safety and quality certifications. Owing to the excellent quality, its products have been accepted by renowned domestic and international corporations and have broken the monopoly of Japanese products.

(C) Cost competitive products

In view of the trend towards lower prices for downstream products, the Company is committed to improving machine availability/uptime and product yields, capitalizing on flexible manufacturing and adopting a production method of small quantities and multiple products to meet customers' needs, with the aim of reducing product costs.

(D) International competitive advantage

After years of efforts, we have developed a complete product lineup of optical couplers and optical relays, except for the ultra-small and high speed photocouplers products development. In addition to enriching our product portfolio, we have particularly invested in the development of IC-based optocouplers with high-density circuit design in recent years, thereby polishing up our brand image and keeping our technology in line with international trends.

(E) Decorative lighting appearance design capabilities

We keep an eye on the trendy elements in the decorative lighting market and consider the sales of our best-selling products in the past, in order to attract the attention of consumers and provide them with customized designs. Further, with the widespread awareness of the importance of patent rights in the European and American markets, the Company's continued focus on patent enforcement not only consolidates its existing customers, but also provides a significant benefit to its business development and strengthens its quality and market differentiation.

(F) Response to the government's New Southbound Policy

We operate in tandem with the Taiwanese government's New Southbound Policy and the Indonesian government's investment decree to develop and build industrial parks and other areas to help Taiwanese SMEs quickly gain a foothold in the Indonesian market and avoid fighting alone, while working together to improve the image of Taiwan's industries and create visibility on an international scale.

(6) Unfavorable factors and responses

(A) At present, the main raw materials for our products are imported from overseas and are susceptible to fluctuations in exchange rates.

Responses

The Company and its subsidiaries have long maintained good cooperative relationships with overseas suppliers of raw materials and have adopted a policy of diversifying the sources of supply to avoid material shortages. We will continue to look for new sources for contingency purposes and adjust for natural hedging by importing and selling goods. In addition to strengthening our hedging measures, we are expanding our foreign operations to avert greater exchange rate impacts.

(B) Wage costs have been escalating in recent years, while overseas counterparts have been relocating their production bases to low-wage regions, resulting in falling prices.

Responses

The Company and its subsidiaries have increased automated equipment to improve capacity utilization, and are using a flexible manufacturing method with small quantities and multiple products and making continual improvements in production methods to keep costs down, minimize impact and provide a cost competitive advantage. In line with the Company's future development plan, products with low added value and low technology will be relocated to production sites with low labor cost, with the aim of achieving international division of labor and staying close to the market to serve customers.

4.2.2 Key product applications and production processes

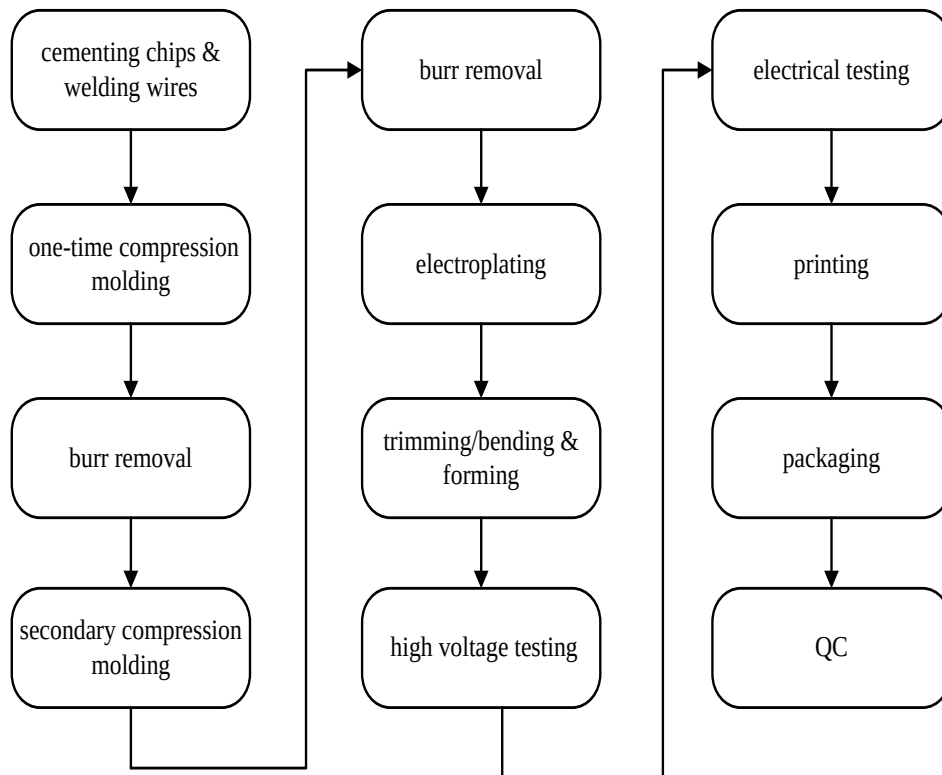
4.2.2.1 Key product applications

Product	Uses/Functions	Applications
Photocoupler Series	Feedback isolation, high voltage isolation, protection and switching of electronic circuits	consumer electronics, automatic detection equipment, telecommunications equipment, measuring instrument, medical equipment, communication equipment, computer peripherals, security monitor, O/A equipment, PLC, I/O control hub, etc.
Relay Series	Control, protection and switching of circuits with high voltage and current	communication equipment, security monitor, measuring instrument, O/A equipment, machinery equipment, industrial control, etc.
Decorative Lighting	Festive decoration	Christmas lighting products
Clean Steam	For heating, humidifying, power or equipment driving, cooling of high temperature metal materials, cleaning of	Products to be dried or sterilized, facilities to be steamed or heated/warmed, conversion to power generation or cogeneration systems, high temperature water sources for cleaning operators,

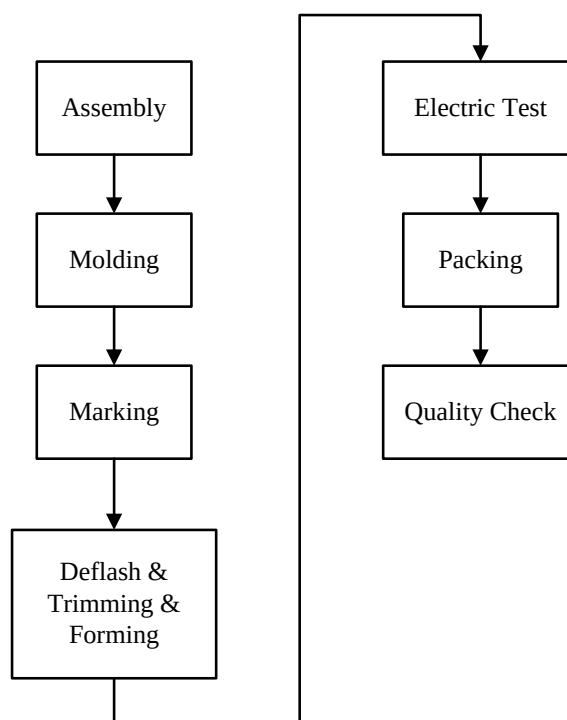
Product	Uses/Functions	Applications
	oil contamination, etc.	heat sources for cooling systems, steam ovens, etc.

4.2.2.2 Production/manufacturing process

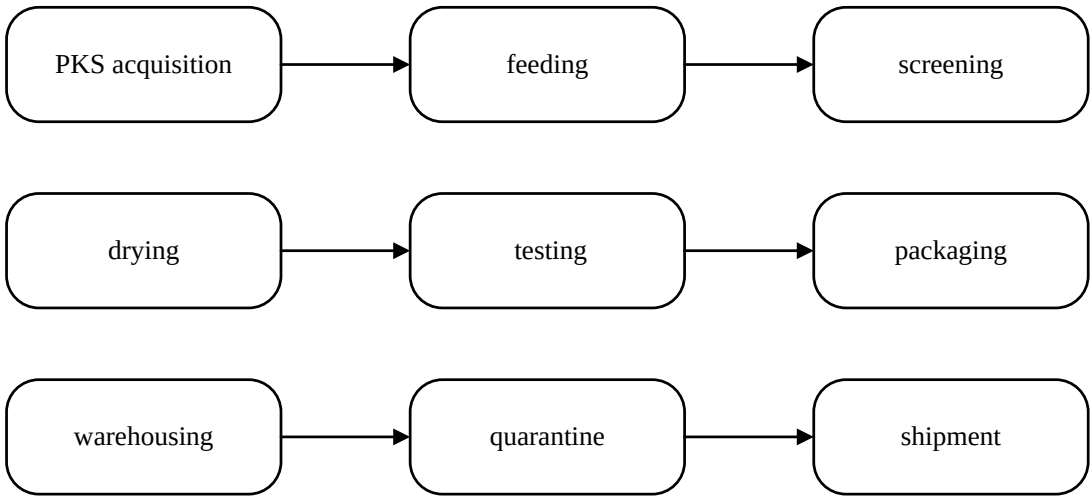
A. Optocoupler series product manufacturing process:



B. Relay series product manufacturing process:

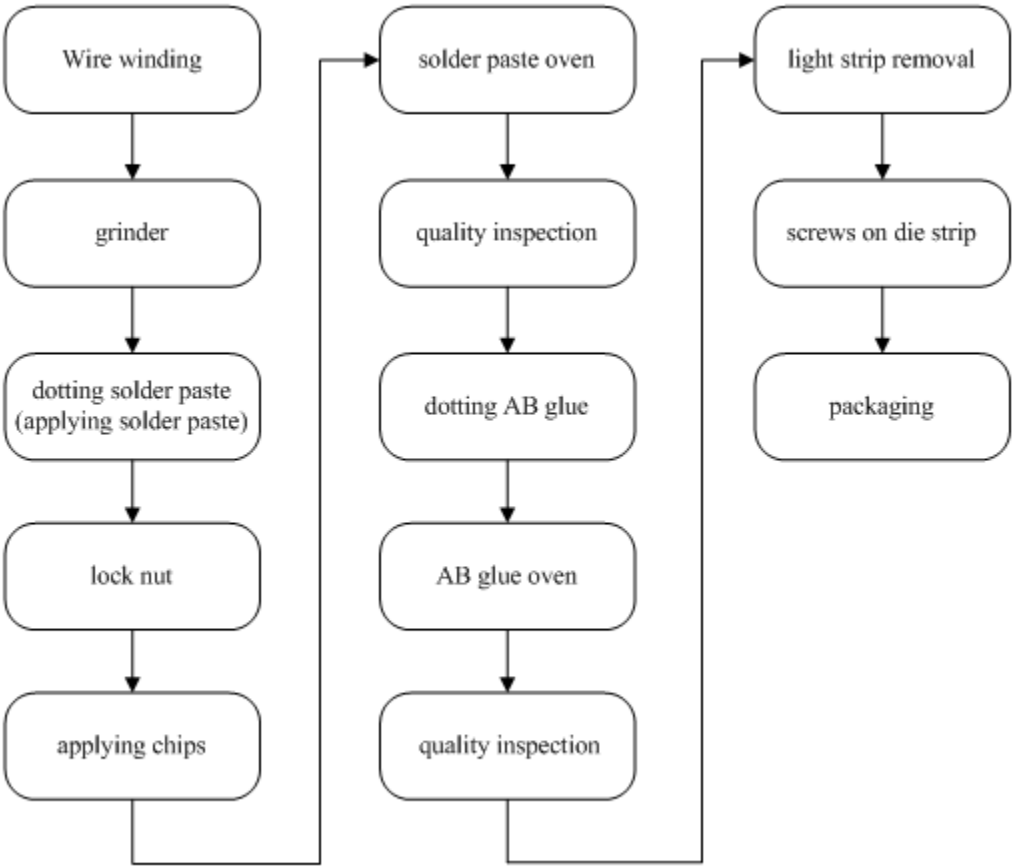


C. Palm kernel shell product manufacturing process:

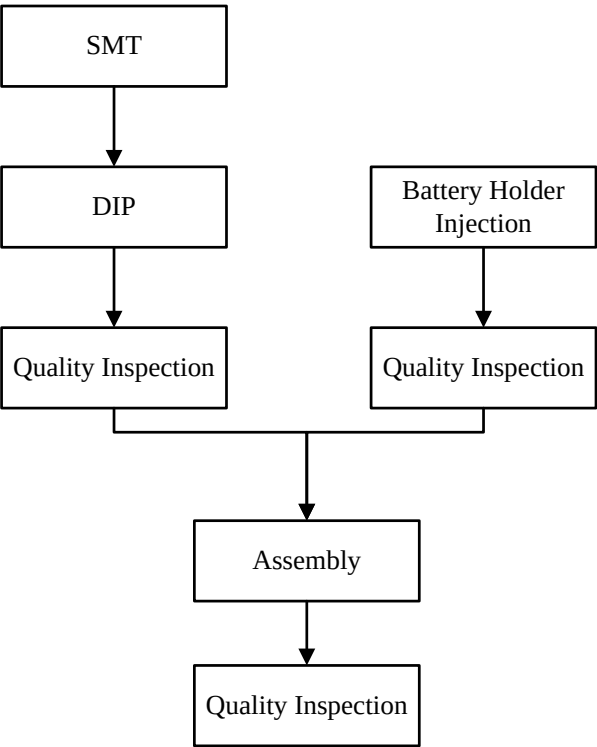


D. Decorative lighting manufacturing process:

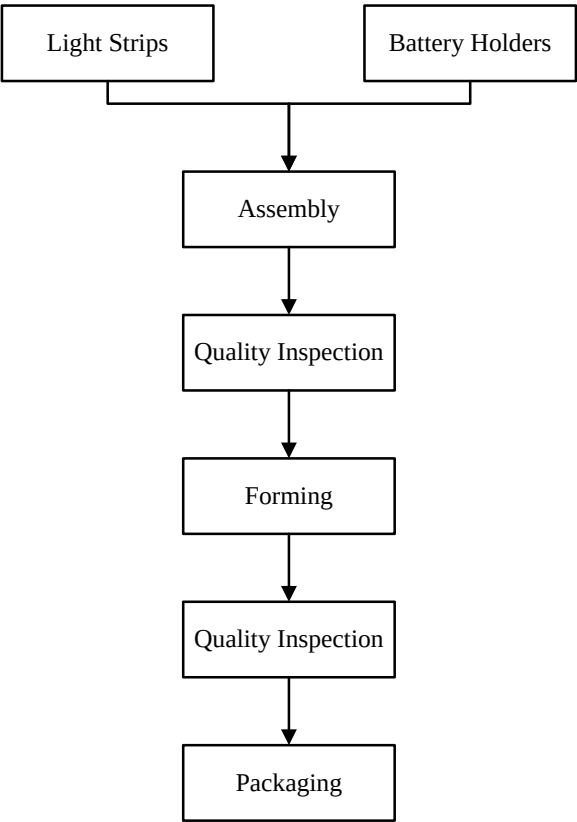
1. Light strip manufacturing process:



4.2.2.3 Battery holder manufacturing process:



4.2.2.4 Finished lighting assembly



4.2.3 Supply status of major raw materials

4.2.3.1 The main raw materials used in Optoelectronics' production of optical coupler series and relay series are shown in the table below.

Main raw materials	Main use / Supply status
Transistor	photo coupler material/ sufficient supply
Reed switch	Raw materials for relay series / sufficient supply
Lead frame	Raw materials for optical coupler series and relay series / sufficient supply

4.2.3.2 Supply of main raw materials for decorative lights

Main raw materials	Main use / Supply status
Wafer	Raw materials for light strips / sufficient supply
Enameled wire	Raw materials for light strips / sufficient supply
HIPS	Raw material for battery box / sufficient supply

4.2.3.3 Supply of main raw materials for steamer

Main raw materials	Main use / Supply status
PKS	Raw materials for steamers / sufficient supply

4.2.4 The name of the company that has accounted for more than 10% of the sales and purchases in the last two years

4.2.4.1 Information on major suppliers in the last two years:

Unit: NT\$ thousands

Item	2023				2024				As of the first quarter of fiscal 2025			
	Name	Amount	Percentage of net purchases for the year (%)	Relationship with the issuer	Name	Amount	Percentage of net purchases for the year (%)	Relationship with the issuer	Name	Amount	Percentage of net purchases as of the first quarter of the current year (%)	Relationship with the issuer
1					Subsidiary	80,481	12.73	Substantial related party	Company	14,908	11.49	none
2												
3												
4												
5	Other	538,983	100.00		Other	551,576	87.27		Other	114,894	88.51	
	Net Purchases	538,983	100.00		Net Purchases	632,057	100.00		Net Purchases	129,802	100.00	

4.2.4.2 Information on major buyers in the last two years:

Unit: NT\$ thousands

Item	2022				2023				As of the first quarter of fiscal 2024			
	Name	Amount	Percentage of net sales for the year (%)	Relationship with the issuer	Name	Amount	Percentage of net sales for the year (%)	Relationship with the issuer	Name	Amount	Percentage of net sales as of the first quarter of the current year (%)	Relationship with the issuer
1	Client W	424,039	40.25	None	Client W	415,423	37.52	Substantial Related Party	Client W	54,826	26.93	Substantial related party
2												none
3												
4	Other	629,381	59.75	None	Other	691,649	62.48	None	Other	120,525	59.21	None
	Net Sales	1,053,420	100.00		Net Sales	1,107,072	100.00		Net Sales	203,560	100.00	

4.3 Human Resources

Year		2023	2024	As of March 31, 2025
Total number of persons		640	881	1,402
Average age		37.22	34.88	34.77
Average job tenure (year)		7.78	6.10	4.98
Education distribution ratio	PhD	0.00%	0.00%	0.00%
	Master	1.72%	0.91%	0.64%
	College	29.53%	25.77%	17.26%
	High School	37.50%	49.49%	54.64%
	Below High School	31.25%	23.84%	27.46%

4.4 Environmental Protection Expenditure

4.4.1 Total losses (including compensation) and penalties for environmental pollution in the most recent year and up to the date of publication of the annual report: None

4.4.2 Future corresponding measures (including improvement measures) and possible expenditures: Not applicable.

4.5 Labor Relations

4.5.1 The Company's various employee benefits, education, training and retirement systems and their implementation, as well as agreements on labor issues and measures to protect the rights and interests of employees:

4.5.1.1 Employee benefits

Insurance

- Labor insurance, health insurance, group insurance.

Leave system

- Special leave (annual leave). (After six months of employment, employees are entitled to

three days of special leave; after one year, the seven days of special leave will be granted)

- Maternity/Paternity leave.
- Marriage leave, funeral leave, menstrual leave, family care leave.

Bonuses/Gifts

- Holiday bonuses
- Birthday bonuses and discounts
- Hospitalization subsidies
- Major emergency subsidies
- Funeral subsidies
- Subsidies
- Marriage bonuses
- Childbirth subsidies
- Travel subsidies
- Regular health checkups for employees
- Year-end party activities
- Provide parking space for cars and motorcycles
- Departmental activities from time to time
- Senior employee awards
- Discount for contracted stores

The status of implementation is as follows:

For the year 2024, the holiday bonuses, wedding and funeral subsidy, childbirth subsidy, birthday bonuses and discounts, hospitalization subsidies, major emergency subsidies, and funeral subsidies have all been paid according to schedule or application received.

4.5.1.2 Employee education and training

(1) In order to enhance the professional skills of the employees and improve the work flow to strengthen the competitiveness of the Company. Each year the HR department will formulate an educational training plan to meet the educational needs of each department and arrange the employees to participate in internal training or external training courses.

(2) Employee training for the year 2024

Training type	Implementation method		Training method		Total training hours	Total training cost (NT\$)	Total participants
	Self-organized training	External training	Pre-employment training	in-service training			
New employee training	v		v		474	6,013	3,972
Senior management training		v		v	68	26,642	9
Internal audit course		v		v	138	17,163	4
Management course	v	v		v	149	1,500	50
Safety and health training	v	v	v	v	525	74,450	526

Note: The acquisition of relevant licenses specified by the competent authorities for personnel related to the transparency of financial information:

1. The Enterprise Internal Control Basic Ability examination held by the Securities and Futures Institute: 1 person from the auditing department.
2. The Junior Professional and Technical Certified Public Bookkeeper Examination held by the Examination Yuan: 1 person from the finance

department.

3. The Certified Financial Specialist for Small and Medium Enterprises held by the Small and Medium Enterprise Administration, MOEA:4 persons from the finance department.

4.5.1.3 Employee retirement system

In order to have a secure retirement life of employees, the Labor Pension Act provides that employees who were employed before June 30, 2005 and were in service on July 1, 2005 may choose to continue to be subject to the pension provisions of the Labor Standards Act or to be subject to the pension system of the Labor Pension Act and retain the years of service prior to the application of the Labor Pension Act. New employees hired after July 1, 2005 will be subject to the pension system under the Labor Pension Act.

For those who are subject to the old pension system under the Labor Standards Act, a monthly pension reserve of 2% shall be allocated in accordance with the Labor Standards Act and shall be supervised by the Supervisory Committee of Labor Retirement Reserve of the Company and deposited in the name of the Committee in the Bank of Taiwan, which is responsible for the receipt, custody and utilization of the pension fund. For those who are subject to the new pension system under the Labor Pension Act, the Company shall pay a monthly contribution rate of not less than 6% to the labor pension fund in accordance with the Labor Pension Act and shall pay the monthly contribution in accordance with the monthly wage scale approved by the Executive Yuan and deposit it in the individual labor pension account set up by the Bureau of Labor Insurance for the employee.

The Retirement based on The Labor Pension Act:

1. Voluntary retirement : An employee who under any of the following conditions should be retired: (for those who are eligible for the Labor Pension Act)
 1. the worker attains the age of fifty-five and has worked for fifteen years.
 2. the worker has worked for more than twenty-five years.
 3. the worker attains the age of sixty and has worked for ten years.
2. Forced retirement : An employer who under any of the following conditions should be forced to retired:
 - 2.1 the worker attains the age of sixty-five.
 - 2.2 the worker is unable to perform the duties due to medical insanity and disability.

A business entity may request the central competent authority to adjust the age prescribed in Subparagraph 1 of the preceding paragraph if the specific job entails risk, requires substantial physical strength or otherwise of a special nature; provided, However, that the age shall not be reduced below fifty-five.
3. The Labor Pension payment and criteria:
 - 3.1 The employee can go for either the Labor Pension Act or the Labor Standards Act for the seniority accumulation option; moreover employee can keep the seniority before the Labor Pension Act enacted, the pension will be paid in

accordance with the Article 84-2 and Article 55 of the Labor Standards Act.

3.2 The employee who is forced to retire due to disability incurred from the execution of their duties which in line with the subparagraph 2 of Article 35-1 should be given an additional 20% on top of the amount calculated according to the subparagraph 2 of Article 55-1 of the Labor Standards Act.

3.3 The Company should allocate 6% of monthly salary to employees who conform with the Labor Pension Act to their Individual Labor Pension Accounts.

4. Pension Payment:

The eligible employees conform with the Labor Standards Act will be paid in accordance with the Article 55 while employees conform with the Labor Pension Act should apply to the Bureau of Labor Insurance for the payment from their Individual Labor Pension Accounts; the pension payment from the Company will be made within 30 days from the day of the retirement.

Operation of the Supervisory Committee of Labor Retirement Reserve:

The Supervisory Committee is composed of representatives selected by the employees and employers respectively, and each term of office is four years, and is re-elected in accordance with the law upon expiration. When an employee is eligible for retirement, he or she shall submit an application in accordance with the regulations. The HR unit shall first examine the relevant information and then submit it to the Supervisory Committee of Labor Retirement Reserve for a resolution at a meeting, and then send the application to the relevant unit after the resolution is passed.

The implementation is as follows:

No retirement applied in 2024.

4.5.1.4 Agreement between labor and management and various measures to protect employees' rights and interests.

The Company has stable labor relations and holds labor-management coordination meetings from time to time to reduce the number of labor disputes.

4.5.1.5 Work environment and employee safety protection measures:

- (1) The Company holds safety training and lectures on the use of equipment and fire drills for all employees and the fire equipment maintenance and check every year.
- (2) All new employees are trained in labor safety courses upon their arrival.
- (3) Every year, we commission professional organizations to conduct organic solvents, exhaust, drainage, and heavy metal testing, and to take control or protective measures immediately when regulations are violated.
- (4) In accordance with Occupational Safety and Health Act, a labor safety committee and labor safety and health personnel have been established to regularly monitor and conduct safety inspections and improve the work environment. In addition, we regularly send our employees to vocational training institutions to receive training in

accordance with the regulations.

- (5) Annual health check-ups are conducted for employees, and special health check-ups are conducted for those who work in special environments so that employees can keep track of their health status.
- (6) The relevant professional inspection of the working environment is regularly commissioned to a qualified agency for inspection and immediate improvement if there is any abnormality.
- (7) Through systematic implementation and regular audits, the Company ensures that the environmental and safety protection aspects are properly implemented.

The implementation is as follows:

Item	2023	2024
Labor safety and health training	59 hours / 2,463 persons	525hours / 526 persons
Fire safety		

4.5.2 Losses incurred due to labor disputes in the most recent year and up to the date of publication of the annual report: None

4.5.3 Current and future estimated amounts and contingency measures: Not applicable.

4.5.4 Employee conduct and code of ethics:

4.5.4.1 The Company has formulated a “Service Rules” in the employee handbook to regulate employee behavior; the following are some of the excerpts:

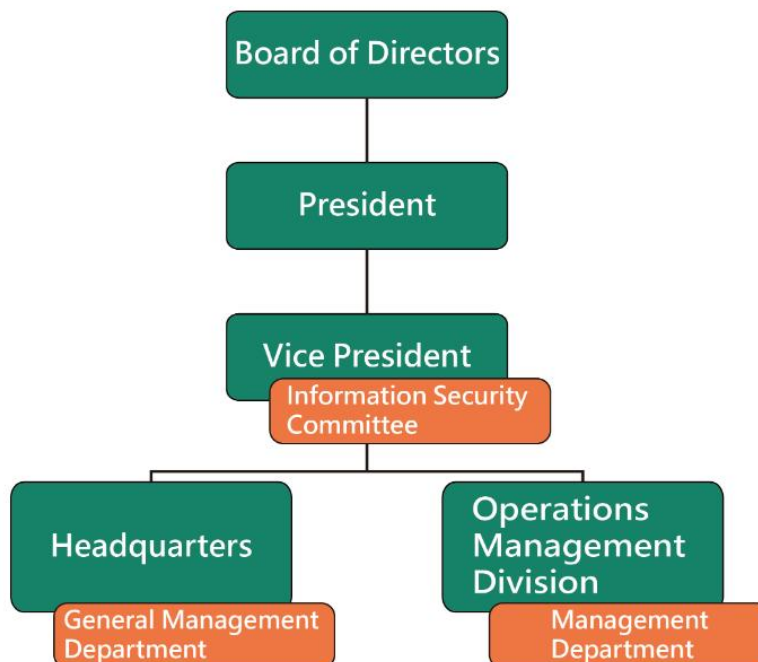
- (1) All employees of the Company shall recognize the purpose of the Company’s management, and shall work together to serve sincerely and faithfully for the development of the Company.
- (2) All employees of the Company shall comply with all reasonable regulations and matters announced or notified by the Company.
- (3) Employees shall not disclose the business secrets of the Company, whether they are in charge of the business or not.
- (4) Employees shall be responsible for the protection and care of the Company’s machinery, equipment, tools, raw materials, items, plant and documents, etc., and shall not arbitrarily place, dispose of or occupy them for personal use; those who intentionally damage them shall be fined in accordance with the law.
- (5) Employees must work together cooperatively and understand each other, and in case of disputes, they should immediately report to the supervisor for determination and mediation, and should not cause trouble by tilting.
- (6) Employees of the Company shall work conscientiously internally, take care of public property, reduce losses, improve quality and increase production, and keep business or duty secrets.
- (7) Employees shall not hold any other positions related to the Company’s business or competing companies.

- (8) Employees shall not accept hospitality or gifts, kickbacks, or other unlawful benefits for or against the performance of their duties.
- (9) Employees shall not make any remarks that are derogatory to the Company or that may damage the reputation of the Company through misconduct.
- (10) Employees shall not participate in illegal organizations, gatherings, or post notices or distribute flyers without the consent of the Company.

4.5.4.2 In order to establish a guarantee system for new employees, the Company has established the “Employee Guarantee Policy”, which requires employees to comply with the rules and regulations established by the Company during their employment with the Company. If the Company suffers financial losses due to violations of the rules and regulations, or misappropriation of financial resources, payments, dereliction of duty, negligence, or other unlawful acts during their employment, the joint guarantors are willing to fully indemnify the Company.

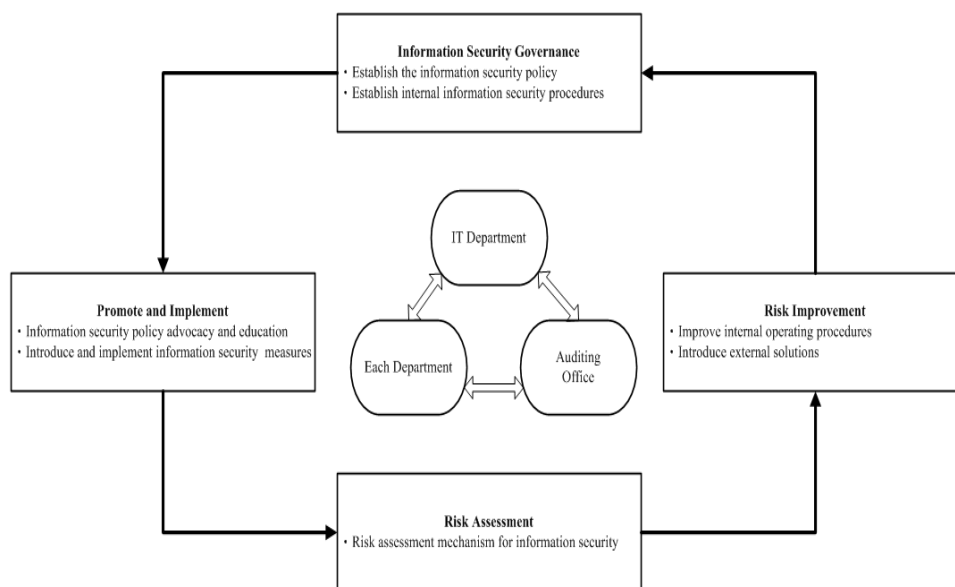
4.5.4.3 Confidential information of the Company shall not be delivered, shared, transferred or leaked in any way to a third party or released to the public without the written consent of the Company, nor shall it be used or utilized for oneself or for a third party, as provided in the employment agreement signed by the employee at the time of employment.

4.6 Information Security Risk Management



4.6.1 Information Security Risk Management Framework

1. The Company's information security authority is the Information Technology Department, which has a chief information officer and professional information personnel who are responsible for formulating internal information security policies, planning and implementing information security operations and promoting and implementing information security policies, and reporting annually to the top manager on the Company's information security governance.
2. The Company's Auditing Office is the supervisory unit for information security monitoring. The Office has an auditing supervisor and full-time auditors who are responsible for supervising the implementation of internal information security, and if audits reveal deficiencies, they will immediately request the inspected unit to propose relevant improvement plans and specific actions, and regularly track the effectiveness of improvements to reduce internal information security risks.
3. Operational Mode of Organization—PDCA (Plan-Do-Check-Act) cycle management is adopted to ensure the achievement of reliability targets and continuous improvement.



4.6.2 Information Security Policies and Specific Management Plans

To ensure the effective operation and execution of the Company's information management system, strengthen information security management, ensure the availability, integrity, and confidentiality of information, and protect it from internal and external threats, whether intentional or accidental, to ensure the safe maintenance of information systems and equipment networks, and to achieve the goal of sustainable management.

Management measures are described below:

A. Computer equipment security management

1. The Company's computer hosts, servers, and other equipment are located in a dedicated server room, and the door to the server room must be accessed by access control cards, and

access records are kept.

2. The server room is equipped with independent air conditioning to maintain the computer equipment in a proper temperature environment and fire extinguishers for general or electrical fires are provided.
3. The host computer of the server room is equipped with uninterruptible power system and voltage stabilization equipment to prevent the system from crashing due to an accidental power failure or to ensure that the operation of the computer application system will not be interrupted during a temporary power failure.

B. Network security management

1. To configure an enterprise-grade firewall to ward off illegal intrusion, sabotage and stealing information to avoid from illegal use.
2. To monitor network traffic to prevent malicious internet behavior, reinforce internet security and bandwidth resources being occupied improperly.
3. To establish information security incident monitoring, reporting and responding mechanism to prevent the incidents from happening and to response swiftly in an effort to reduce the damage.

C. Virus protection and management

1. Endpoint protection software is installed on the server and employee terminal equipment. Virus codes are automatically updated to ensure that the latest viruses are blocked and to detect and prevent the installation of potentially threatening system executable files.
2. The email server is equipped with email anti-virus and spam filtering mechanisms to prevent viruses or spam from entering the user's computer equipment.

D. System access control

1. The use of each application system shall be authorized by the system administrator according to the requested functional authority after the internal system authority application procedure is approved by the responsible supervisor and the system account is established by the information office.
2. When an employee applies for leave (disciplinary suspension) procedures, he/she must contact the information office to delete the system accounts.

E. Ensure the sustainable operation of the system.

1. System backup: A backup management system is set up and a daily backup mechanism is adopted. There are two copies of backup media, one is kept in the server room and the other is stored in a different location.
2. Disaster recovery drill: An annual drill is conducted for each system to ensure the correctness and validity of the backup media by selecting a restoration date and then storing the backup media on the system host to confirm the correctness of the restored data.

F. Information security promotion and education training

1. All newly joined employees are required to attend the information security and protection classes.
2. Employees are required to change system password quarterly to maintain account security.
3. Lectures: Provide information security related education and training courses to internal employees from time to time.
4. Joined TWCERT/CC to access the information security consulting, to gather and provide the information to the employees.

The information security management measures implemented by the Company are as follows:

information security management measures

Type	Description	Related Operations
Authority Management	Management measures for personnel accounts, authority management and system operation behavior	-Personnel account authority management and audit -Regular inventory of personnel account authority
Access Control	Control measures for personnel access to internal and external systems and data transmission channels	-Internal/external access control measures
External Threats	Potential internal vulnerabilities, virus and protective measures	-Host/computer vulnerability detection and update measures -Virus protection and malware detection
System Availability	System availability and handling measures in case of service interruption	-System/network availability monitoring and notification mechanism -Contingency measures for service interruptions -Information backup measures, local/offsite backup mechanism -Regular disaster recovery drills

4.6.3 Investments on the Cyber Security Management

The implementation of the 6 categories of the Cyber Security Management are as follows:

1. Networking hardware
 - 1.) Next-Generation Firewall: possess the internet user behavior analysis
 - 2.) Layer 2 network switch
2. Software system
 - 1.) Server endpoint detection and response
 - 2.) User endpoint detection and response
 - 3.) Backup management software
 - 4.) Email antivirus
 - 5.) Spam filtering
 - 6.) VPN certification
3. Service provided from Telecom Operator
 - 1.) HiNet information Security Services from CHT
 - 2.) Intrusion Prevention System
 - 3.) DDOS Prevention System
4. Manpower investment
 - 1.) Each system been checked daily.
 - 2.) Practicing backup and off-site media backup weekly
 - 3.) Conducting irregular information security educational classes yearly.
 - 4.) Disaster recovery drill yearly
 - 5.) Information recycle be audited internally and by CPA.

List the losses, possible impacts and response measures suffered by major information and communication security incidents as of the end of 2024. If it is impossible to reasonably estimate, the fact that it is impossible to reasonably estimate should be explained: No major information and

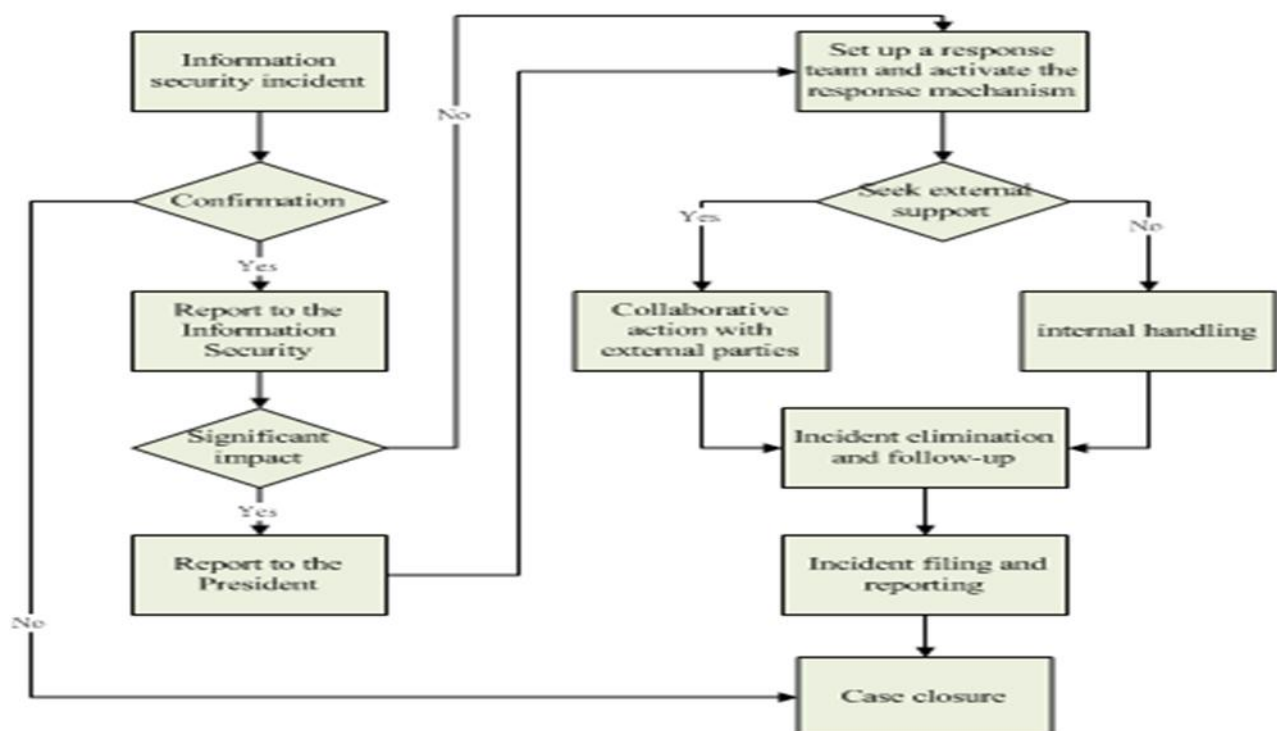
communication security incidents occurred in the company in 2014, but we still adhere to the mentality of preventing it and continue to allocate appropriate budgets to strengthen information technology security to reduce the risk of the company being attacked by malicious software.

2014 Enterprise Information Security Measures Promotion and Implementation Results

- A. 2 information and communication security personnel were appointed.
- B. A total of NT\$350,000 was invested in authorized expenditures and equipment.
- C. The Information Security and Personal Data Management Committee held 1 meeting.
- D. All new employees completed the basic education course on information security awareness.
- E. Added and revised information and communication management procedures and forms: 10 items.
- F. Revised the information and communication incident reporting mechanism and response drills.
- G. Conducted an internal audit of information and communication: 1 time.
- H. Conducted an external audit of information and communication: 1 time.
- I. Promoted important regulations and precautions for information protection and information security: 2 times.
- J. Carry out annual education and training: 1 time.

4.6.4 Information Security Incident Notification Procedures

The company's information security reporting procedures are as follows. The reporting and handling of information security incidents shall comply with the regulations of this procedure.



4.7 Important Contracts: None

V. Review of Financial Conditions, Financial Performance, and Risk Management

5.1 Analysis of Financial Status

Unit: NT\$ thousands

Item \ Year	2023	2024	Difference	
			Amount	%
Current assets	1,408,784	1,029,341	-379,443	-26.93%
Property, plant and equipment	719,938	776,284	56,346	7.83%
Investment property	1,871,983	2,168,692	296,709	15.85%
Intangible assets	11,659	10,575	-1,084	-9.29%
Other assets	325,677	339,458	13,781	4.23%
Total assets	4,338,041	4,324,350	-13,691	-0.32%
Current liabilities	965,573	1,769,632	804,059	83.27%
Non-current liabilities	1,490,296	581,531	-908,765	-60.97%
Total liabilities	2,455,869	2,351,163	-104,706	-4.26%
Share capital	1,714,587	1,714,587	-	-
Capital reserve	143,838	143,838	-	-
Retained earnings	193,967	169,673	-24,294	-12.52%
Other interests	-170,220	-54,911	115,309	67.74%
Non-controlling interests	-	-	-	-
Total stockholders' equity	1,882,172	1,973,187	91,015	4.84%

Analysis of changes in ratios:

1. Decrease in current assets: Mainly due to the significant decrease in accounts receivable.
2. Increase in investment properties: Mainly attributable to land valuation benefits.
3. Decrease in capital surplus: Mainly attributable to premium on stock issuance.

5.2 Analysis of Financial Performance

5.2.1 Analysis of Financial Performance

Unit: NT\$ thousands

Item \ Year	2023	2024	Increase (Decrease)	
			Amount	Percentage of Change (%)
Net sales revenue	1,053,420	1,107,072	53,652	5.09%
Net operating revenue	1,053,420	1,107,072	53,652	5.09%
Operating costs	897,585	969,123	71,538	7.97%
Gross profit	155,835	137,949	-17,886	-11.48%
Operating expenses	268,559	280,863	12,304	4.58%
Operating income (losses)	-112,724	-142,914	-30,190	-26.78%

Non-operating income and expenses	168,923	129,593	-39,330	-23.28%
Income before tax	56,199	-13,321	-69,520	-123.70%
Income tax expense	-26,116	-15,637	10,479	40.12%
Net profit for the period	30,083	-28,958	-59,041	-196.26%

I. Analysis of the changes in the percentage of increase and decrease:

1. Decrease of the net operating revenues and gross profit: mainly due to the decreased revenue and the improved gross profit of the photoelectric components.
2. Increase of the operating revenue: mainly attributable to the gain on fair value adjustment of investment properties.
3. Decrease of the operating profit, income before tax and net profit for the period: mainly due to the decreased profit of the photoelectric components, and the recognition of the fair value adjustment of the invested property.

II. The expected sales volume in the coming year and its basis and the main factors affecting the Company's expected sales volume to continue to grow or decline: Please refer to pages 1-4 of the "Report to Shareholders".

5.2.2 Analysis of the change in gross profit: The rise of the gross profit from 15% in 2023 to 11% in 2024, mainly due to the improved gross profit of the photoelectric components.

5.3 Analysis of Cash Flow

5.3.1 Cash Flow Analysis for the Current Year

Unit: NT\$ thousands

Cash and Cash Equivalents, Beginning of Year	Net Cash Flow from Operating Activities	Net Cash Flow in Investment and Financing Activities	Exchange rate changes	Cash Surplus	Remedy for Cash Deficit	
					Investment Plans	Financing Plans
604,711	27,764	(586,144)	58,770	105,101	-	-

Cash inflow from operating activities of \$ 27,764 thousand: mainly attributable to profit for the year.

Cash outflow from investing activities of \$ 157,600 thousand: mainly due to equipment purchase.

Cash outflow from financing activities of \$ 428,544 thousand: mainly due to repayment of corporate bonds

5.3.2 Remedy for Cash Deficit: None

5.3.3 Cash Flow Liquidity Analysis for the Coming Year

Unit: NT\$ thousands

Cash and Cash Equivalents, Beginning of Year (1)	Estimated Net Cash Flow from Operating Activities (2)	Estimated Cash Inflow (Outflow) (3)	Cash Surplus (Deficit) (1)+(2)-(3)	Remedy for Cash Deficit	
				Investment Plans	Financing Plans
105,101	146,578	97,074	202,175	-	-

5.3.3.1 Analysis of changes in cash flows in the coming year:

- (1) Operating activities: expected net cash inflow is \$146,578 thousand, mainly from

operating income.

(2) Investing activities: expected net cash outflow is \$ 109,261 thousand, mainly from capital increase to the subsidiaries and the purchase of fixed assets.

(3) Financing activities: expected to repayment of loans of \$ 158,765 thousand to banks.

5.3.3.2 Remedial measures for cash shortage: Not applicable.

5.4 Impact of the Major Capital Expenditure Items on Financial Operations: None

5.5 Investment Policy in the Last Year, Main Causes for Profits or Losses, Improvement Plans and Investment Plans for the Coming Year

5.5.1 Reinvestment policy for the most recent year: Capital increase in subsidiaries.

5.5.2 Analysis of gain on reinvestment: To recognize the benefit of fair value adjustment of invested properties by the subsidiaries in the current year.

5.5.3 Investment plans for the coming year: Capital increase in Subsidiaries.

5.6 Risks and Assessments for the Latest Year and Up to the Date of Publication of the Annual Report

5.6.1 Organizational structure of risk management:

The main risk management organizations and responsible units for risk management execution are as follows:

5.6.1.1 President's Office: To coordinate and direct the promotion and operation of decision making under risk, and to evaluate the effectiveness of medium and long-term investments in order to reduce strategic risks.

5.6.1.2 Finance: Responsible for the financial planning and utilization, under the risk control and supervision mechanism, emphasizing safety, liquidity and profitability, so as to establish a hedging mechanism to reduce financial risks.

5.6.1.3 Accounting: Responsible for the revision and promotion of the internal control system to strengthen the internal control function and ensure its continuous effectiveness to achieve the purpose of reliability of financial statementing, effectiveness and efficiency of operation and compliance with relevant laws and regulations.

5.6.1.4 Legal Affairs: Responsible for legal affairs management, review contracts and internal legal consultation, and follow government supervision policies and handle contract and litigation disputes to reduce legal risks.

5.6.1.5 Labor Safety and Health: Responsible for safety and health supervision and management, and follow labor safety regulations to reduce the risk of accidents.

5.6.1.6 Human Resources: Responsible for the selection, employment, training, and retention of human resources, establishing a performance-based salary system, and strengthening the organizational team of division of labor and cooperation to reduce the risk of human resources management.

5.6.1.7 Information: Responsible for network planning, construction and maintenance, continuously measuring network quality to reduce network operation risks, reducing

- and avoiding risks arising from the company's system and various information projects, and providing management with fast and effective operation management information to reduce information security risks.
- 5.6.1.8 Audit: To evaluate and consider the potential risks of the company's operations and internal control system, and to prepare an annual audit plan based on the risk orientation to assist the board of directors and managers to check and review the deficiencies of the internal control system and to measure the effectiveness and efficiency of operations and compliance with relevant laws and regulations to ensure that the internal control system is continuously and effectively implemented.
- 5.6.1.9 Business Department: Responsible for marketing strategy, product promotion, market information collection and establishment, customer relationship establishment and handling, and receivables tracking to reduce business operation risk.
- 5.6.1.10 Financial Accounting Department: To develop strategies based on financial risk, liquidity risk, and credit risk, and to take various countermeasures based on laws, policies, and analysis of market changes to reduce financial risk.
- 5.6.1.11 R&D Department: Responsible for risk assessment of new product development and control of R&D progress.
- 5.6.1.12 Manufacturing Department: Responsible for the management of production, manufacturing, equipment maintenance, and labor safety and health to reduce production risks.
- 5.6.2 The impact of changes in interest rates, exchange rates and inflation on the Company's profit and loss and future corresponding measures:
- 5.6.2.1 Changes in interest rates
The Company's bank loans are all at floating interest rates that fluctuate based on the market changes.
- 5.6.2.2 Changes in exchange rates
The net foreign exchange gain in the most recent year was recognized when accounts receivable and payable in U.S. dollars were received or paid, mainly due to the fluctuation of the appreciation of the U.S. dollar. In order to reduce the risk of exchange rate fluctuations on the Company's profit and loss, the Company collects exchange rate information to keep abreast of exchange rate trends, regularly evaluates foreign currency positions and expects future foreign currency positions to hedge the net position of foreign currency assets and liabilities.
- 5.6.2.3 Inflation
The impact of inflation on the Company's profit or loss: Since there is a significant global inflation, the rising raw material costs and the product prices adjustments, all of these have no significant impact on the Company's operating results in fiscal 2023.
- 5.6.3 The policy of engaging in high-risk, highly leveraged investments, lending of funds to others, endorsement and guarantee, and derivative transactions, the main reasons for profit or loss, and future corresponding measures:
- 5.6.3.1 Engaging in high-risk, highly leveraged investments: None
- 5.6.3.2 Lending of funds to others and endorsement and guarantee: In accordance with the "Procedures for Loaning of Funds" and "Regulations Governing Making of

Endorsements and Guarantees” established by the Company, which are subject to regular internal audits.

5.6.3.3 The Company’s policy on derivative transactions, the main reasons for profit and loss, and future corresponding measures:

(1) Derivatives trading policy: The policy is for hedging rather than trading purposes. The selection of trading commodities is based on hedging the risks arising from the Company’s business operations, and the currencies held must be consistent with the Company’s actual foreign currency requirements for import and export transactions, and the Company’s overall internal position (foreign currency income and expenses) is squared off on its own in order to reduce the Company’s overall foreign exchange risk and save foreign exchange operation costs.

(2) Main reasons for gain or loss on derivative transactions: None

The Company has not engaged in derivative transactions for fiscal 2024 and the year ending March 31, 2025.

(3) Future corresponding measures:

The Company uses derivatives with strong negative correlation with changes in fair value of the hedged item and lower risk as hedging instruments, which are evaluated periodically.

5.6.4 Research and development plan and expected investment in research and development

We have various IC packages in DIP, SOP, and SSOP forms, as well as design and production process technologies related to opto-electronic semiconductor communication. In recent years, we have invested in the research and development of IC-based optocoupler products led by high-intensity circuit design and optoelectronic relay products with high-voltage, high-current, and low-conductance specifications, in order to enhance the brand image and synchronize our technology with the international technological trend. In addition, we also focus on the development of products for customers' individual needs and application specifications, in order to fully satisfy customers' needs and provide more complete services.

In fiscal 2025, the estimated R&D expenses will be NT\$ 7,977 thousand.

5.6.5 Impact of significant changes in domestic and foreign policies and laws on the Company’s financial operations and corresponding measures:

The Company follows national policies and laws, and pays attention to changes in foreign policies and laws at all times. When there are important changes in policies and laws, the relevant units will adjust the Company’s internal systems and business operations to ensure the Company’s smooth operation.

5.6.6 Impact of technological changes and industry changes on the Company’s financial operations and corresponding measures: None

5.6.7 The impact of corporate image change on corporate crisis management and corresponding measures: None.

5.6.8 Expected benefits and possible risks of mergers and acquisitions and corresponding measures: None.

5.6.9 Expected benefits and possible risks of plant expansion and corresponding measures: None.

5.6.10 Risks of concentration of imports or sales and corresponding measures: None.

5.6.11 The impact, risks and contingency measures of a substantial shift or change in ownership of directors, supervisors or major shareholders holding more than 10% of the shares: None.

5.6.12 Effect and risk of change in management rights: None.

5.6.13 Significant impact on shareholders' equity or securities prices due to litigation: None.

5.6.14 Other significant risks and corresponding measures:

Information security risk assessment and analysis and corresponding measures: The Company has established "Information Security Checking Operations" and performs relevant operations to ensure the security of the Company's information in accordance with the regulations. The Company also regularly conducts the assessment of the effectiveness of the internal control system and information operation audit every year to ensure its effectiveness. As of the evaluation result, there is no significant information security risk.

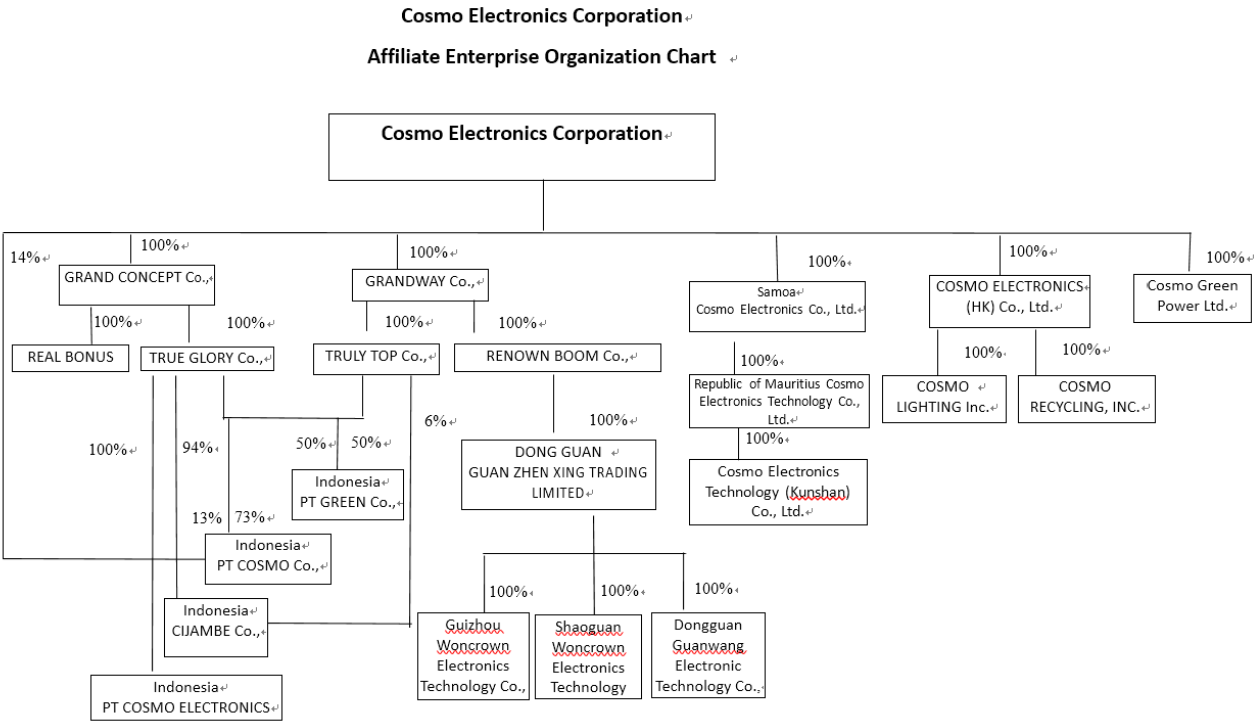
5.7 Other Important Matters: None

VI. Special Disclosure

6.1 Information of the Affiliated Companies

6.1.1 Summary of the Affiliated Companies

6.1.1.1 Organizational Chart of the Affiliated Companies



6.1.1.2 Basic Information of the Affiliated Companies

December. 31, 2024

Unit: NT\$ thousands

Company Name	Date of Establishment	Address	Paid-in Capital	Business Item
Cosmo Electronics Co., Ltd.	93.03.10	Offshore Chambers, P.O. Box 217, Apia, Samoa	NT193,912	Investment
Cosmo Electronics Technology Co., Ltd.	93.04.29	2 nd Floor, Felix House, 24 Dr. Joseph Riviere Street, Port Louis, Republic of Mauritius	NT193,912	Investment
Cosmo Electronics Technology (Kunshan) Co., Ltd.	93.06.02	No.339, Qingyang North Road, Zhou Shi Town, Kunshan City No.339, Qing Yang Highway, Zhoushi Town, Kunshan, Jiansu, China	NT193,912	New electronic device processing and manufacturing
COSMOELECTRONICS (HK) COMPANY LIMITED	94.12.15	Unit B,22/F.,Chung Pont Commercial Building,300 Hennessy Road,Wanchai,Hong Kong	USD8,100	Import and export of electronic products
Grand Concept Group Limited	95.12.18	Offshore Chambers, P.O. Box 217, Apia, Samoa	USD10,750	Investment
Grandway International Limited	95.12.18	Offshore Chambers, P.O. Box 217, Apia, Samoa	USD30,080	Investment
True Glory Investments Limited	95.12.18	Offshore Chambers, P.O. Box 217, Apia, Samoa	USD10,750	Investment and printed circuit board processing and trading
Truly Top Investments Limited	95.12.18	Offshore Chambers, P.O. Box 217, Apia, Samoa	USD16,850	Investment
PT Cosmo Technology	96.02.20	Jl.Raya Segog No.14 Desa Batununggal Kecamatan Cibadak Kabupaten Sukabumi	USD21,100	Decorative lights manufacturing and sales
PT Cosmo Green Technology	102.04.11	JL. HM. SALIM NO. 27,KEL. WAY LUNIK KEC. PANJANG BANDAR LAMPUNG 35244 INDONESIA	USD3,000	Self-usage power generation equipment utilizing renewable energy industry
Renown Boom Limited	96.01.08	Offshore Chambers, P.O. Box 217, Apia, Samoa	USD13,230	Investment
Real Bonus Limited	96.01.03	Offshore Chambers, P.O. Box 217, Apia, Samoa	-	Decorative lights sales
Cosmo Lighting Inc.	96.07.03	385 South Lemon Ave., E277, Walnut, CA 91789	USD1,620	Decorative lights sales
DONG GUAN GUAN ZHEN XING TRADING LIMITED	103.03.25	Room 202, Building 2, No.6, Yu Yuan 2nd Road, Huang Jiang Town, Dongguan City, Guangdong Province	USD6,000	Self-usage power generation equipment utilizing renewable energy industry
Cosmo Green Power Ltd.	104.01.26	436A/24 Đường 3/2, Phường 12, Quận 10, Thành phố Hồ Chí Minh	USD1,000	Self-usage power generation equipment utilizing renewable energy industry; import and sale of plastic materials
PT CIJAMBE INDAH	100.05.25	Jl.Perintis Kemerdekaan No.6 Desa Sukamulya Kecamatan Cikembar Kabupaten Sukabumi	IDR140,123,450	Land development
Dongguan Guanwang Electronic Technology Co., Ltd.	108.06.21	Room 102, Building 1, No.6, Yu Yuan 2nd Road, Huang Jiang Town, Dongguan City, Guangdong Province	CNY 24,200	Research, development, production and sales of electronic products
PT. COSMO ELECTRONICS INDONESIA	111.7.25	Jl.Perintis Kemerdekaan No.6 Desa Sukamulya Kecamatan Cikembar Kabupaten Sukabumi	USD 10	Electrical control and power distribution equipment

Note: Cosmo Green Power Ltd. is currently in dissolution and liquidation.

6.1.1.3 Information on the same shareholders as those presumed to be in a controlling or subordinate relationship: Not applicable.

6.1.1.4 The following industries are covered by the overall affiliates' operations:

- (1) Processing, assembling, manufacturing and trading of optoelectronic components and relay components.
- (2) Import and export of electronic products and other electronics business.

(3) Manufacture, sale and purchase of decorative lights.

(4) Self-usage power generation equipment utilizing renewable energy industry.

6.1.1.5 Information on directors, supervisors and presidents of affiliates:

December 31, 2024

Name of enterprise	Title	Name or representative	Shares held	
			Shares	Shareholding ratio (%)
Cosmo Electronics Co., Ltd.	Director	Cosmo Electronics Corporation Representative: Hsieh, Shu-Chuan	5,500,038	100%
Cosmo Electronics Technology Co., Ltd.	Director	Cosmo Electronics Co., Ltd. Representative: TSAI, NAI-CHENG	5,500,038	100%
Cosmo Electronics Technology (Kunshan) Co., Ltd.	Director	Shieh, Shu-Chuan; Liu, Chin-Mu; Lin, Hung-Mao	-	100%
	Supervisor	Ho, Wei-Chuan		
COSMO ELECTRONICS (HK) COMPANY LIMITED	Director	Cosmo Electronics Corporation Representative: Shieh, Shu-Chuan	63,180,000	100%
Grand Concept Group Limited	Director	Cosmo Electronics Corporation Representative: Shieh, Shu-Chuan G	10,750,000	100%
Grandway International Limited	Director	Cosmo Electronics Corporation Representative: Shieh, Shu-Chuan	30,080,000	100%
True Glory Investments Limited	Director	Grand Concept Group Limited Representative: TSAI, NAI-CHENG	10,750,000	100%
Truly Top Investments Limited	Director	Grandway International Limited Representative: Shieh, Shu-Chuan	16,850,000	100%
PT Cosmo Technology	Director	Hsieh, Shu-Chuan; Lee, Wen-Hao; Ho, Wei-Chuan; Chang, Che-Wei	211,000	100%
	Supervisor	Chang, Chia-Hao		
PT Cosmo Green Technology	Director	Tsai, Nai-Cheng; Wang, Chih-Tsung; Hsieh, Yung-Tsai; Lee, Chin-Kuei	30,000	100%
	Supervisor	Chang, Chia-Hao		
Renown Boom Limited	Director	Grandway International Limited Representative: Hsieh, Shu-Chuan	13,230,000	100%
Real Bonus Limited	Director	Grand Concept Group Limited Representative: TSAI, NAI-CHENG	-	100%
Cosmo Lighting Inc.	Director	Cosmo Electronics Technology Ltd. Representative: Hsieh, Shu-Chuan	1,620,000	100%
DONG GUAN GUAN ZHEN XING TRADING LIMITED	Director	Tsai, Nai-Cheng; Huang, Tsung-Shan; Sung, Min-Kuei	-	100%
	Supervisor	Chang, Chia-Hao		
Cosmo Green Power Ltd.	Chairperson	TSAI, NAI-CHENG	-	100%
PT CIJAMBE INDAH	Chairperson	Wang, Chih-Tsung	205,343	100%
Dongguan Guanwang Electronic Technology Co., Ltd.	Chairperson	Tsai, Nai-Ying	-	100%
PT COSMO ELECTRONICS INDONESIA	Director	Tsai, Nai-Cheng; Ho, Wei-Chuan; Lee, Wen-Hao; Lai, Jung-Sheng; Chou, Li-Chu	1,000,000	100%
	Supervisor	Yen, Tzu-Chun		

6.1.1.6 Operation of Affiliates

December. 31, 2024

Unit: NT\$ thousands

Name of enterprise	Capital	Total assets	Total liabilities	Net worth	Operating income	Operating profit (loss)	Profit (loss) for the period	Loss per share (NT\$)
Cosmo Electronics Co., Ltd.	193,912	160,680	0	160,680	0	0	-39,419	-
Cosmo Electronics Technology Co., Ltd.	193,912	160,680	0	160,680	0	0	-39,419	-
Cosmo Electronics Technology (Kunshan) Co., Ltd.	193,912	228,693	68,016	160,677	124,167	-39,442	-39,419	-
COSMO ELECTRONICS (HK) COMPANY LIMITED	269,412	210,911	56,463	154,448	399,928	-1,081	-497	-
Grand Concept Group Limited	327,229	1,817,905	0	1,817,905	0	0	210,893	-
Grandway International Limited	941,212	808,994	0	808,994	0	0	-52,970	-
True Glory Investments Limited	327,229	1,610,097	197	1,609,900	0	-6	191,365	-
Truly Top Investments Limited	538,516	538,521	0	538,521	0	0	-47,793	-
PT Cosmo Technology	668,240	1,327,757	659,539	668,219	586,018	-34,102	-70,481	-
Renown Boom Limited	402,696	263,863	0	263,863	0	0	-5,177	-
Real Bonus Limited	0	132,936	56,383	76,554	175,085	18,109	19,528	-
Cosmo Lighting Inc.	49,046	42,084	10,931	31,153	23,292	-4,430	-2,634	-
PT Cosmo Green Technology	89,468	107,037	2,237	104,800	48,498	8,992	6,962	-
DONG GUAN GUAN ZHEN XING TRADING LIMITED	187,563	253,189	88,388	164,801	372,594	4,446	-15,752	-
Cosmo Green Power Ltd.	31,760	9,820	189	9,631	0	0	0	-
PT CJAMBE INDAH	1,086,648	1,696,030	159,447	1,536,583	0	-13,778	208,258	-
Dongguan Guanwang Electronic Technology Co., Ltd.	106,409	79,918	113,972	-34,053	85,484	-20,625	-18,564	-
PT COSMO ELECTRONICS INDONESIA	317	196	0	196	0	-20	-23	-

6.1.2 Consolidated Financial Statements of Affiliated Companies

6.2 Private Placement of Securities for the Most Recent Year and up to the date of Publication of the Annual Report: None

6.3 Other Necessary Supplements: None

VII. Events with Material Impact on Shareholders' Equity or on Prices of Securities as Specified in Subparagraph 2, Paragraph 2 of Article 36 of the Securities and Exchange Act in the Most Recent Year and up to the date of Publication of the Annual Report: None

VIII. Index of websites designated by the Financial Supervisory Commission for information reporting:

https://mops.twse.com.tw/mops/#/web/t57sb01_q5