

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 April 28, 2026

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: Lu,Hsiao-Hsuan  
Title: Chief Financial Officer  
Tel: 886 (2) 8226-9893  
Email: Sharon.Lu@Cosmo-Inc.Com

2. **Acting Spokeswoman**

Name: Chen,Chiu-Yen  
Title: Section Manager, Finance Department  
Tel: 886 (2) 8226-9893  
Email: Susan.Chen@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: Stock Transfer Department of Concord Securities.

Address: B1, No. 176, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City 110,  
Taiwan (R.O.C.)

TEL:886-2-8787-1118

Website: [www.concords.com.tw](http://www.concords.com.tw)

5. **Auditors**

Agency: HLB Candor Taiwan CPAs

Visa Accountant: LEE TING-YI and CHEN YU-HSUN

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](http://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)

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# I. Letter to Shareholders

Dear Shareholders,

## 1.1 2025 Business Report

### 1.1.1 Results of business plan implementation

In 2025, the Company recorded net revenue of NT\$949,054 thousand, operating costs of NT\$944,320 thousand, and operating expenses of NT\$288,620 thousand. Non-operating net income stood at NT\$372,716 thousand, with income tax expense totaling NT\$46,401 thousand. After offsetting revenues against expenses, net income after tax for the period reached NT\$42,429 thousand, representing an increase of NT\$71,387 thousand compared to a net loss after tax of NT\$28,958 thousand in 2024. This turnaround was primarily driven by the gain on valuation of investment properties.

### 1.1.2 Budget implementation

According to the "Regulations Governing the Publication of Financial Forecasts by Public Companies," the Company is not required to prepare a financial forecast for the year 2025.

### 1.1.3 Analysis of financial income and expenses and profitability

Unit: NT\$ thousands

Item		Actual amount in FY2025	Actual amount in FY2024	
Financial income and expenses	Operating Revenue	949,054	1,107,072	
	Operating Costs	944,320	969,123	
	Operating Expenses	288,620	280,863	
	Net Non-operating Income and Expenses	372,716	129,593	
	Income Before Income Tax	88,830	-13,321	
	Net Income After Tax	42,429	-28,958	
Profitability	Return on assets (%)	2.12	0.92	
	Return on equity (%)	2.13	-1.50	
	Ratio to capital stock (%)	Operating Income	-16.37	-8.33
		Profit Before Tax	5.12	-0.77
	Profit margin (%)	4.47	-2.62	
	Earnings per share (NT\$)	0.25	-0.17	

### 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 2026 Business Plan and Future Development Strategy

### 1.2.1 Business Policy

#### 1.2.1.1 Optoelectronics Department

As a professional manufacturer of optocouplers and relays, our company has established a strong reputation and market share within the optocoupler industry. Currently, we are adjusting our product sales mix to focus on high-margin relays, with a strategic emphasis on marketing to the testing, energy storage, and solar inverter markets, while maintaining our existing presence in the power supply market. Furthermore, the establishment of our Indonesia plant enhances our internationalization and strengthens our marketing layout

in Southeast Asia. On the product side, we are moving toward customized projects to improve gross margins, while on the sales side, we are increasing the proportion of overseas distributors to enhance service quality and efficiency, aiming for stable and sustained growth.

#### 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

#### 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)	47,000
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### 1.2.5 Important production and marketing policies:

#### 1.2.5.1 Marketing strategy:

- (1) By integrating and expanding our network of regional distributors and agents overseas, we aim to increase our market share across Europe, the Americas, Japan, South Korea, and Southeast Asia.
- (2) By participating in international exhibitions, implementing brand and product marketing campaigns, and optimizing our website, we aim to acquire new customers and identify new agents. Concurrently, these mechanisms will enhance the visibility of our new products and enable us to stay well-aligned with market demand dynamics.
- (3) Our Indonesian production base mitigates the impacts of trade wars and secures optimal tariff preferences. Concurrently, it satisfies customer order demands while strengthening localized marketing and services.
- (4) By expanding our customized product offerings and deepening our presence in specialized fields, we aim to increase the sales proportion of high-margin products.

#### 1.2.5.2 Production strategy:

- (1) By effectively executing systematic production management and optimizing our procedural frameworks, we will continuously enhance product quality, improve manufacturing yields, and strengthen product reliability..
- (2) By mastering key product technologies and increasing automation rates, we aim to shorten production cycle times, maximize production line capacity, reduce costs, and ultimately drive corporate profitability.
- (3) By prioritizing talent development and enhancing employees' professional knowledge and capabilities, we deliver an active and highly efficient service attitude. This enables us to satisfy our customers' service and quality requirements, thereby strengthening customer loyalty.
- (4) By integrating the supply chain and implementing nearshoring, we aim to pursue a sustainable development strategy that simultaneously reduces production costs and carbon emissions.
- (5) We will progressively expand the production capacity and economies of scale of our Indonesia plant to reduce costs and enhance profitability.

#### 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) We will enhance our product portfolio mix and leverage existing technologies to develop specifications that address high market demand and satisfy customer requirements.
- (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.
- (5) We are shifting our strategic focus from partial OEM manufacturing toward a market-oriented approach and solution services.

### 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.

Looking across the global landscape, characterized by a sluggish economic recovery, global inflationary pressures, U.S. President Trump's reciprocal tariff policies, and geopolitical tensions, alongside rising raw material costs and supply chain fragmentation—compounded further by major global trends such as climate change, net-zero emission targets, the circular economy, and corporate sustainability—companies must inevitably pursue diversified operations and global expansion. Only through these strategic moves can businesses effectively mitigate industry shocks and the uncertainties of market downturns, preventing them from severely impacting corporate operations.

Over the years, our company has remained dedicated to long-term market expansion while strategically adapting our growth direction in response to economic cycles. We continue to deepen relationships with existing clients and actively cultivate new ones to drive our growth momentum. By building a diversified, cross-industry portfolio, we maintain strong corporate resilience and flexibility. This enables us to develop the agility and execution necessary to navigate future volatility in both technological advancements and economic landscapes. Ultimately, this ensures that under a diversified operations model, we can effectively manage risks and create greater value. Our entire team will continue to strive for sustainable growth, aiming to deliver stronger performance and reward the continuous support of our shareholders and the public.

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, 2026

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, R.O.C.	Digicrown technologies ltd	21	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, R.O.C.	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	None	None	None	None
Representative of institutional shareholder Independent director	Taiwan, R.O.C.	Chen Hsin-Chang	M 51-60	March 9, 2026	3	March 9, 2026	0	0.00%	0	0.00%	0	0	0	0	1. National Lotung Industrial Vocational High School	1. Taiwan Provincial Federation of Kitchenware Commercial Associations 2. Yilan County Kitchenware Commercial Association	None	None	None	None
	Taiwan, R.O.C.	Lu Hsiao-Hsuan	F 41-50	January, 17, 2025	3	January, 17, 2025	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.	20	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, R.O.C.	Huang Tsung- Shan	M 41-50	July 1, 2024	3	July 1, 2024-	0	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. Cosmo Electronic Corporation, President 2. Cosmo Lighting Secretary of State 3. Director of Dongwan Guanzhenxing Energy Trading Co., Ltd.	None	None	None	None

	Taiwan, R.O.C.	Lin Jui Tang	M 51-60	January, 17, 2025	3	January, 17, 2025	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. Chairman, Chia Tai Frozen Foods Industrial Co., Ltd. 2. Director, Bai Xian Agricultural Products Co., Ltd. 3. Chairman, Wovo Trading Co., Ltd.	None	None	None	None
	Taiwan, R.O.C.	Chen Chia-Chan	M 51-60	March 9, 2026	3	March 9, 2026	0	0.00%	0	0.00%	0	0	0	0	1. Department of Business Administration, Tamkang University 2. Deputy General Manager, Yun Cheng Co., Ltd.	1. Deputy General Manager of Optoelectronics Department, Cosmo Electronics Corporation	None	None	None	None
Independent director	Taiwan, R.O.C.	Chuang Yu-Ju	F 41-50	November 8, 2024	3	November 8, 2024	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, R.O.C.	Chu Jung-Chen	M 41-50	November 8 2024	3	November 8 2024	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, R.O.C.	Tsai Wen Lin	F 41-50	November 8 2024	3	November 8 2024	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 2. Independent Director, LOGAH TECHNOLOGY CORPORATION	None	None	None	None

2.1.1.2 Major shareholders of the institutional shareholders

April 28, 2026

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:

Name	Criteria	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)		<ul style="list-style-type: none"> <li>• Operation management</li> </ul>	Conform with note 2:1,3,8,9,11	0
DIGICROWN TECHNOLOGIES LTD. (Representative: Chen,Hsin-Chang)		<ul style="list-style-type: none"> <li>• Production, operation and factory management</li> <li>• Manufacturing industry experience</li> </ul>	Conform with note 2:3,5,8,9,11	0
DIGICROWN TECHNOLOGIES LTD. (Representative: Lu Hsiao-Hsuan)		<ul style="list-style-type: none"> <li>• Accounting and auditing, investment analysis</li> <li>• Finance related industries experiences</li> </ul>	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)		<ul style="list-style-type: none"> <li>• Production, operation and factory management</li> <li>• Electronics related industries experiences</li> </ul>	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: Chen Chia-Chan)		<ul style="list-style-type: none"> <li>• Production, operation and factory management</li> <li>• Electronics related industries experiences</li> </ul>	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)		<ul style="list-style-type: none"> <li>• Production, operation and factory management</li> </ul>	Conform with note 2: 3,4,5,8,9,10,11	0
Chung Yu-Ju		<ul style="list-style-type: none"> <li>• Accounting and auditing</li> <li>• Certified public accountant</li> </ul>	Conform with note2	0
Chu Jung-Chen		<ul style="list-style-type: none"> <li>• Legal</li> <li>• Certificated attorney in practice</li> </ul>	Conform with note2	0
Tsai Wen-Ling		<ul style="list-style-type: none"> <li>• Legal</li> <li>• Certificated attorney in practice</li> </ul>	Conform with note2	0

2.1.1.5 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. 33.3% of the Company's directors are employees while 33.3% 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 55.6%. 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 the 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 Company’s Board of Directors is composed of nine directors, including three independent directors. The selection and appointment of all directors take into account their professional knowledge (such as law, accounting, industry, finance, marketing, or technology), professional skills (such as operational judgment, accounting and financial analysis, management, crisis management, industry knowledge, international market strategy, leadership, and decision-making), and relevant industry experience. The nomination and selection process for director candidates complies with qualification review procedures and relevant regulations. This ensures that suitable new director candidates can be effectively identified and selected when a vacancy arises or when an increase in board seats is planned.

### **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, 2026

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, R.O.C.	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
Chief Financial Officer / Chief Accounting Officer / Corporate Governance Officer	Taiwan, R.O.C.	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
Deputy General Manager	Taiwan, R.O.C.	Lin Shu-Ping	M	September 1, 2025	5,924	0.00%	0	0	0	0	1. Department of Architecture, Feng Chia University(FCU) 2. Deputy General Manager, Business Unit, DIGICROWN TECHNOLOGIES LTD.	1. Tsan Hua Investment Co., Ltd.	None	None	None	None
Deputy General Manager	Taiwan, R.O.C.	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	1. 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

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	Remarks		
		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	Cash	Stock	Cash	Stock	The company	All companies in the consolidated financial statements			The company	All companies in the consolidated financial statements
Chairperson	DIGICROWN TECHNOLOGIES LTD. (Representative: Hsieh Shu-chuan)	0	0	0	0	0	0	0	0	0	0.00%	0	0.00%	0	0	0	0	0	0	0	0	0	0.00%	0	0.00%	0	
Director & President	Bank SinoPac as Custodian for Fine Asia Int'l Ltd. Investment Account (Representative: Huang Tsung-Shan)	0	0	0	0	0	0	0	0	0	0.00%	0	0.00%	2,589	2,589	108	108	0	0	0	0	2,697	6.36%	2,697	6.36%	0	
Director, CFO, & Corporate Governance Officer	DIGICROWN TECHNOLOGIES LTD. (Representative: Lu Hsiao Hsuan)	0	0	0	0	0	0	0	0	0	0.00%	0	0.00%	1,405	1,405	75	75	0	0	0	0	1,480	3.49%	1,480	3.49%	0	
Director & Vice President	DIGICROWN TECHNOLOGIES LTD. (Representative: Ho Wei-chuan)	0	0	0	0	0	0	0	0	0	0.00%	0	0.00%	645	645	28	28	0	0	0	0	673	1.59%	673	1.59%	0	Note 3
Director	DIGICROWN TECHNOLOGIES LTD. (Representative: Liao Bo-Ya)	0	0	0	0	0	0	0	0	0	0.00%	0	0.00%	0	0	0	0	0	0	0	0	0	0.00%	0	0.00%	0	Note 7

Director	DIGICROWN TECHNOLOGIES LTD. (Representative: Chen Shin-Chang)	0	0	0	0	0	0	0	0	0	0.00%	0	0.00%	0	0	0	0	0	0	0	0	0	0	0.00%	0	0.00%	0	
Director	DIGICROWN TECHNOLOGIES LTD. (Representative: Chang Chia-Hao)	0	0	0	0	0	0	0	0	0	0.00%	0	0.00%	205	205	3	3	0	0	0	0	208	0.49%	208	0.49%	0		Note 2
Director	Bank SinoPac as Custodian for Fine Asia Int'l Ltd. Investment Account (Representative: Jhou Guang-Yu)	0	0	0	0	0	0	0	0	0	0.00%	0	0.00%	0	0	0	0	0	0	0	0	0	0.00%	0	0.00%	0		Note 6
Director & Vice President	Bank SinoPac as Custodian for Fine Asia Int'l Ltd. Investment Account (Representative: Liu Chin-mu)	0	0	0	0	0	0	0	0	0	0.00%	0	0.00%	0	0	0	0	0	0	0	0	0	0.00%	0	0.00%	0		Note 4
Director & Assistant Vice President	Bank SinoPac as Custodian for Fine Asia Int'l Ltd. Investment Account (Representative: Chen, Jia-Jhan)	0	0	0	0	0	0	0	0	0	0.00%	0	0.00%	0	0	0	0	0	0	0	0	0	0.00%	0	0.00%	0		
Director	Bank SinoPac as Custodian for Fine Asia Int'l Ltd. Investment Account (Representative: Lin Jui-Tang)	36	36	0	0	0	0	0	0	36	0.09%	36	0.09%	0	0	0	0	0	0	0	0	36	0.09%	36	0.09%	0		
Director & Vice President & Corporate Governance Officer	Bank SinoPac as Custodian for Fine Asia Int'l Ltd. Investment Account (Representative: Lee Chih-chin)	0	0	0	0	0	0	0	0	0	0.00%	0	0.00%	987	987	0	0	0	0	0	0	987	2.33%	987	2.33%	0		Note 5
Independent director	Jhong Yu-Ru	432	432	0	0	0	0	0	0	432	1.02%	432	1.02%	0	0	0	0	0	0	0	0	432	1.02%	432	1.02%	0		

Independent director	Jhu Rong-Chen	432	432	0	0	0	0	0	0	0	0	432	1.02%	432	1.02%	0	0	0	0	0	0	0	0	432	1.02%	432	1.02%	0	
Independent director	Tsai Wen-Ling	432	432	0	0	0	0	0	0	0	0	432	1.02%	432	1.02%	0	0	0	0	0	0	0	0	432	1.02%	432	1.02%	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 compensation to directors and supervisors and the compensation to employees for the year 2025 have been approved by the board of directors on March 12, 2026, and the amount of \$1,375,9291 has been.

Note: 2. DIGICROWN TECHNOLOGIES LTD. changed its representative from Chang Chia-Hao to Lu Hsiao Hsuan on January 17,2025.

Note: 3. DIGICROWN TECHNOLOGIES LTD. changed its representative from Ho Wei-chuan to Liao Bo-Ya on May 21,2025.

Note: 4. Bank SinoPac as Custodian for Fine Asia Int'l Ltd. Investment Account changed its representative from Liu Chin-mu to Lin Jui-Tang on January 17,2025.

Note: 5. Bank SinoPac as Custodian for Fine Asia Int'l Ltd. Investment Account changed its representative from Lee Chih-chin to Jhou Guang-Yu on September 9,2025.

Note: 6. Bank SinoPac as Custodian for Fine Asia Int'l Ltd. Investment Account changed its representative from Jhou Guang-Yu to Chen,Jia-Jhan on March 9,2026

Note: 7. DIGICROWN TECHNOLOGIES LTD. changed its representative from Liao Bo-Ya to Chen Shin-Chang on March 9,2026.

### 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, 2025; Unit: NT\$ thousands

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	Huang Tsung-Shan	2,589	2,589	108	108	0	0	0	0	0	0	2,697	6.36%	2,697	6.36%	0
Vice President	Lin Shu-Ping	565	794	34	34	0	0	0	0	0	0	599	1.41%	828	1.95%	0
Vice President	Lee Chih-Chin	987	987	0	0	0	0	0	0	0	0	987	2.33%	987	2.33%	0
Vice President	Ho Wei-Chan	1,325	1,608	73	73	0	0	0	0	0	0	1,398	3.29%	1,681	3.96%	0
Finance and Accounting Supervisor	Lu Hsiao Hsuan	1,405	1,405	75	75	0	0	0	0	0	0	1,480	3.49%	1,480	3.49%	0

Note 1: There is no actual pension payment in 2025, and the amount contributed to the “new pension system” is \$290 thousand.

Note 2: Mr. Lee Chih-Chin resigned from the position of Vice President on 2025/08/31.

Note 3: Mr. Lin Shu-Ping assumed the position of Vice President on 2025/09/01.

Note 4: Ms. Lu Hsiao-Hsuan assumed the position of Accounting Supervisor on 2025/09/25

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

Unit: NT\$ thousands

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	Cash	Stock	Cash	Stock	
President	Huang, Tsung-Shan	2,589	2,589	108	108	0	0	0	0	0	0	2,697	6.36%	2,697	6.36%	0
Vice President	Lin Shu-Ping	565	794	34	34	0	0	0	0	0	0	599	1.41%	828	1.95%	0
Vice President	Lee Chih-Chin	987	987	0	0	0	0	0	0	0	0	987	2.33%	987	2.33%	0
Vice President	Ho Wei-Chan	1,325	1,608	73	73	0	0	0	0	0	0	1,398	3.29%	1,681	3.96%	0
Finance and Accounting Supervisor	Lu Hsiao Hsuan	1,405	1,405	75	75	0	0	0	0	0	0	1,480	3.49%	1,480	3.49%	0

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

Dec.31, 2025; Unit: NT\$ thousands

	Title	Name	Employee Compensation - in Stock	Employee Compensation - in Cash	Total	Ratio of Total Amount to Net Income (%)
Executive Officers	President	Huang Tsung-Shan	0	0	0	0
	Finance Supervisor	Lu Hsiao-Hsuan	0	0	0	0
	Vice President	Ho Wei-chan	0	0	0	0
	Vice President	Lee Chih-chin	0	0	0	0
	Vice President	Lin Shu-Ping	0	0	0	0
	Accounting Supervisor	Chiu Li-Hua	0	0	0	0
	Accounting Supervisor	Liao Kuan-Ting	0	0	0	0
	Accounting Supervisor	Lin Tsung-Ting	0	0	0	0

Note 1: Ms. Chiu Li-Hua resigned from the position of Accounting Supervisor on 2025/03/04.

Note 2: Ms. Lin Tsung-Ting assumed from the position of Accounting Supervisor on 2025/03/06, and resigned from the position of Accounting Supervisor on 2025/07/08.

Note 3: Ms. Liao Kuan-Ting assumed from the position of Accounting Supervisor on 2025/07/08, and resigned from the position of Accounting Supervisor on 2025/09/25.

Note 4: Ms. Lu Hsiao-Hsuan assumed from the position of Accounting Supervisor on 2025/09/25.

Note 5: Mr. Lin Shu-Ping assumed from the position of Vice President on 2025/09/01.

Note 6: Mr. Lee Chih-chin resigned from the position of Vice President on 2025/08/31.

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			
	2025		2024	
	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements
Directors	17.41%	17.41%	-31.87%	-31.87%
President and Vice President	16.88%	18.09%	-26.54%	-26.54%

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. To regularly evaluate managerial bonuses based on the executives' degree of operational involvement and individual performance contributions, reasonable remuneration is awarded in accordance with the Company's 'Annual and Operational Performance Bonus Regulations.' The evaluation metrics therein encompass both financial indicators (such as the achievement rates of company revenue, net profit before tax, and net profit after tax) and non-financial indicators (such as asset preservation and management, production quality control, and any material deficiencies in legal compliance or operational risk within their designated departments). Furthermore, the 'Annual and Operational Performance Bonus Regulations' shall be reviewed in a timely manner based on actual operating conditions and relevant laws and regulations.

## 2.3 Implementation of Corporate Governance

### 2.3.1 Operation of the Board of Directors

A. A total of 16 (A) meetings of the Board of Directors were held in the previous period. The attendance of director and supervisor were as follows: (Jan. 1, 2025 ~ Dec. 31 2025)

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
Chairperson	DIGICROWN TECHNOLOGIES LTD. (Representative: Hsieh Shu-chuan)	14	2	87.50%	Attendance required: 16 times
Director	DIGICROWN TECHNOLOGIES LTD. (Representative: Ho Wei-Chuan) (Note1)	9	0	90.00%	Attendance required: 10 times
Director	DIGICROWN TECHNOLOGIES LTD. (Representative: Chang Jia-Hao) (Note2)	1	0	100.00%	Attendance required: 1 times
Director	DIGICROWN TECHNOLOGIES LTD. (Representative: Lu Hsiao-Hsuan) (Note2)	15	0	100.00%	Attendance required: 15 times
Director	DIGICROWN TECHNOLOGIES LTD. (Representative: Liao Bo-Ya) (Note1)	4	0	66.67%	Attendance required: 6 times
Director	Bank SinoPac as Custodian for Fine Asia Int'l Ltd. Investment Account (Representative: Liu Chin-mu) (Note3)	0	0	0.00%	Attendance required: 1 Times
Director	Bank SinoPac as Custodian for Fine Asia Int'l Ltd. Investment Account (Representative: Lin Jui-Tang) (Note3)	9	0	60.00%	Attendance required: 15 Times
Director	Bank SinoPac as Custodian for Fine Asia Int'l Ltd. Investment Account (Representative: Jhou Guang-Yu) (Note4)	1	0	50.00%	Attendance required: 2 Times
Director	Bank SinoPac as Custodian for Fine Asia Int'l Ltd. Investment Account (Representative: Huang Tsung-Shan)	13	0	81.25%	Attendance required: 16 times
Director	Bank SinoPac as Custodian for Fine Asia Int'l Ltd. Investment Account (Representative: Lee Chih-Chin ) (Note5)	12	0	85.71%	Attendance required: 14 times
Independent director	Chung Yu-Ju	16	0	100.00%	Attendance required: 16 times
Independent director	Chu Jung-Chen	13	0	81.25%	Attendance required: 16 times
Independent director	Tsai Wen-Ling	14	0	87.50%	Attendance required: 16 times

- Note 1. DIGICROWN TECHNOLOGIES LTD. Changed its representative from Mr. Ho Wei-Chuan to Ms. Liao Bo-Ya on May 21, 2025.
- Note 2. DIGICROWN TECHNOLOGIES LTD. Changed its representative from Mr. Chang Jia-Hao to Ms. Lu Hsiao-Hsuan on January 17, 2025.
- Note 3. Bank SinoPac as Custodian for Fine Asia Int'l Ltd. Investment Account Changed its representative from Mr. Liu Chin-mu to Mr. Lin Jui-Tang on January 17, 2025.
- Note 4. Bank SinoPac as Custodian for Fine Asia Int'l Ltd. Investment Account appointed Zhou Guang-Yu as its designated representative on September 9, 2025.
- Note 5. Lee Chih-chin resigned as the representative of the corporate director on August 31, 2025.

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
2025.01.16	1209	•Discussed and reviewed the awarding of year-end bonuses to managerial officers and directors with employee status in 2024.	•With the exception of the Directors who had their own interests involved (Huang Tsung-Shan, Ho Wei-Chuan, Lee Chih-Chin) 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.
2025.03.28	1213	•FY2024 Earnings Distribution Proposal for Directors', Supervisors', Managers', and Employees' Remuneration. •Compensation Adjustment Proposal for Grade 2 Senior Executives.	•With the exception of the Directors who had their own interests involved (Huang Tsung-Shan, Ho Wei-Chuan, Lee Chih-Chin, Lu Hsiao-Hsuan) 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.
2025.08.14	1221	•Proposal for the Compensation Adjustments of the General Manager and CFO, and the Appointment and Remuneration of Grade 2 Senior Executives	•With the exception of the Directors who had their own interests involved (Huang Tsung-Shan, Lu Hsiao-Hsuan) 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.
2025.09.25	1223	•Proposal for the Discussion and Ratification of Directors' Remuneration for Liao Bo-Ya and Zhou Guang-Yu. •Proposal for the Change and Remuneration of the Company's Corporate Governance Officer. •Proposal for the Change and Remuneration of the Company's Chief Accounting Officer (CAO)	•With the exception of the Directors who had their own interests involved (Liao Bo-Ya, Zhou Guang-Yu, Lu Hsiao-Hsuan) 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.

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	2025.1.1 ~2025.12.31	1. Board of Directors 2. Individual directors 3. Functional committees	1. Internal self-evaluation by the Board of Directors 2. Self-assessment by directors, or peer evaluation 3. Internal self-evaluation by the functional committees	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 or peer) performance evaluation 3. The evaluation items of five major aspects for functional committee performance evaluation

- 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 2025 Board performance evaluation was completed in March 2026 and reported to the 12th Board of Directors at its 27th meeting on March 23, 2026.

- 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	44	98%	
B. Enhancement of Board Decision-Making Quality	9 items	45	43	98%	
C. Composition and Structure of the Board	3 items	15	15	100%	
D. Director Selection and Ongoing Education	4 items	20	19	100%	
E. Internal Control	5 items	25	23	100%	
Total	30 items	150	144	99%	

- 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	28.3	94%	
D. Internal Relationship Management and Communication	3 items	15	14.4	96%	
E. Professionalism of Directors	1 item	5	5	100%	
F. Internal Control	3 items	15	14.8	99%	
Total	17 items	85	82.3	97%	

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.) :

- (1) 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.
- (2) 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 14 (A) Audit Committee meetings were held in the previous period. The attendance of the independent directors was as follows: (Jan. 1, 2025 ~ Dec. 31 2025)

Title	Name	Attendance in Person(B)	By Proxy	Attendance Rate (%) (B/A)	Remarks
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Independent director	Chung Yu-Ju	14	0	100%	Attendance required: 14 times. The convener of the Audit Committee.
Independent director	Chu Jung Chen	12	0	85.71%	Attendance required: 14 times.
Independent director	Tsai Wen-Ling	13	0	92.86%	Attendance required: 14 times.

**Other mentionable items:**

1. 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	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
2025.01.16 2nd Term 4th Meeting	<ul style="list-style-type: none"> <li>•Evaluation of Attesting CPA's Independence, Appointment, and Remuneration.</li> <li>•Amendments to the "Cybersecurity Internal Control Effectiveness Assessment Items".</li> <li>•Amendments to the Internal Control System and Internal Audit Enforcement Rules for "Investment Cycle - Investment Acquisition - Long-term Equity Investments"</li> <li>•Acquisition of Machinery and Equipment from Affiliates.</li> <li>•Proposal for Cash Capital Increase through Issuance of Common Shares.</li> <li>•Proposal for Private Placement of Common Shares.</li> </ul>	None	All the audit committee members have no objection against the motions.
2025.02.26 2nd Term 5th Meeting	<ul style="list-style-type: none"> <li>•Amendments to the "Articles of Incorporation".</li> <li>•Amendments to the Issuance Terms of the Private Placement of Common Shares Approved by the Board on January 16, 2025.</li> </ul>	None	All the audit committee members have no objection against the motions.
2025.03.05 2nd Term 6th Meeting	<ul style="list-style-type: none"> <li>•Change of the Company's Chief Accounting Officer.</li> </ul>	None	All the audit committee members have no objection against the motions.
2025.03.14 2nd Term 7th Meeting	<ul style="list-style-type: none"> <li>•Proposal for Private Placement of Common Shares, Pricing, and Related Matters.</li> </ul>	None	All the audit committee members have no objection against the motions.
2025.03.28 2nd Term 8th Meeting	<ul style="list-style-type: none"> <li>•2024 Business Report and Financial Statements.</li> <li>•2024 Deficit Compensation.</li> <li>•Amendments to the "Articles of Incorporation".</li> <li>•2024 "Assessment of the Effectiveness of the Internal Control System" and "Internal Control System Statement".</li> <li>•Amendments to the "Procedures for Acquisition or Disposal of Assets".</li> </ul>	None	All the audit committee members have no objection against the motions.
2025.03.21 2nd Term 9th Meeting	<ul style="list-style-type: none"> <li>•Proposal for Loaning of Funds to the Subsidiary, PT. Cosmo Technology.</li> <li>•Proposal for Loaning of Funds to the</li> </ul>	None	All the audit committee members have no

(EGM)	Subsidiary, Cosmo Electronics (HK) Company Limited.		objection against the motions.
2025.04.15 2nd Term 10th Meeting	<ul style="list-style-type: none"> <li>•Improvement Plan for Deficiencies in the Design and Implementation of the Internal Control System.</li> <li>•Proposal for the Second Private Placement of Common Shares, Pricing, and Related Matters.</li> </ul>	None	All the audit committee members have no objection against the motions.
2025.05.08 2nd Term 11th Meeting	<ul style="list-style-type: none"> <li>•Proposal for Loaning of Funds to the Subsidiary, Cosmo Electronics (HK) Company.</li> <li>•Establishment of the Internal Control Systems and Internal Audit Enforcement Rules for Subsidiaries (True Glory Investments Limited, Renown Boom Limited, PT CIJAMBE, Cosmo Lighting, Real Bonus Limited, Guan Zhen Xing).</li> <li>•Report on the Progress of the Improvement Plan and Corrective Measures for Internal Control Audit Deficiencies.</li> <li>•Amendments to the "Procedures for Acquisition or Disposal of Assets".</li> </ul>	None	All the audit committee members have no objection against the motions.
2025.05.14 2nd Term 12th Meeting	<ul style="list-style-type: none"> <li>•Report on the Status of the 2025 Private Placement of Common Shares.</li> <li>•The Company's Consolidated Financial Report for the First Quarter of 2025.</li> <li>•Change of Attesting CPAs for the Company's Financial Reports by HLB Candor Taiwan CPAs.</li> <li>•Proposal for the Disposal of Machinery and Equipment.</li> </ul>	None	All the audit committee members have no objection against the motions.
2025.06.20 2nd Term 13th Meeting	<ul style="list-style-type: none"> <li>•Acquisition and Disposal of Machinery and Equipment among Affiliates.</li> <li>•Adjustment to the Business Model of Cosmo Electronics Technology (Kunshan) Co., Ltd.</li> </ul>	None	All the audit committee members have no objection against the motions.
2025.07.08 2nd Term 14th Meeting	<ul style="list-style-type: none"> <li>•Proposal for Ratification of the Company's Chief Internal Auditor.</li> <li>•Amendments to the Company's Internal Control System for "Investment Cycle - Investment Acquisition - Long-term Equity Investments".</li> <li>•Change of the Company's Chief Accounting Officer.</li> </ul>	None	All the audit committee members have no objection against the motions.
2025.08.14 2nd Term 15th Meeting	<ul style="list-style-type: none"> <li>•The Company's Consolidated Financial Report for the Second Quarter of 2025.</li> <li>•Acquisition of Machinery and Equipment among Affiliates.</li> <li>•Proposal to Classify Accounts Receivable Overdue by More Than Three Months with Balances Exceeding NT\$10 Million in Q2 2025 as Non-Loaning of Funds.</li> </ul>	None	All the audit committee members have no objection against the motions.
2025.09.25 2nd Term 16th Meeting	<ul style="list-style-type: none"> <li>•Proposal for the Definition of the Company's "Non-Managerial Employees".</li> <li>•Amendments to the Company's Internal Control and Internal Audit Systems.</li> <li>•Report on the Change and Remuneration of the Company's Corporate Governance Officer.</li> <li>•Report on the Change and Remuneration of the Company's Chief Accounting Officer.</li> <li>•Provision of Guarantees for the Credit Lines of the Subsidiary, Cosmo Electronics (HK) Company Limited.</li> </ul>	None	All the audit committee members have no objection against the motions.
2025.11.12 2nd Term 17th	<ul style="list-style-type: none"> <li>•2026 Annual Audit Plan.</li> <li>•Acquisition of Machinery and Equipment among Affiliates.</li> </ul>	None	All the audit committee members have no

Meeting	<ul style="list-style-type: none"> <li>•Proposal to Classify Accounts Receivable Overdue by More Than Three Months with Balances Exceeding NT\$10 Million in Q3 2025 as Non-Loaning of Funds.</li> <li>•The Company's Consolidated Financial Report for the Third Quarter of 2025.</li> </ul>		objection against the motions.
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(2) Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all the directors: None

- 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
- 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.

4. COSMO ELECTRONICS established an Audit Committee on July 20, 2021, consisting of all independent directors, with the following main responsibilities:

- Establish or amend the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
- Evaluation of the effectiveness of the internal control system.
- 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.
- Matters involving the directors' own interests.
- Significant asset or derivative transactions.
- Significant loaning funds to others, endorsements and guarantees.
- The raising, issuance or private placement of securities of an equity nature.
- The appointment, termination or compensation of CPAs
- Appointment or removal of financial, accounting or internal audit officers.
- 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.
- 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 2025 Audit Committee Evaluation was completed in March 2026 and was presented to the Board on the 27th meeting of the 12th Board Meeting on March 23, 2026.
- 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%
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### 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. 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. 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 prohibit insiders from trading marketable securities using unpublished information in the market.	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) None
2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	V		3) None
3) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	V		4) None

Evaluation Item	Implementation Status		Abstract Illustration	Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons																											
	Yes	No																													
4) Does the company establish internal rules against insiders trading with undisclosed information?																															
3. Composition and Responsibilities of the Board of Directors 1) Does the Board develop and implement a diversified policy and specific objectives of management for the composition of its members?	V		<p>(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:</p> <p>(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:</p> <p>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. 33.3% of the Company’s directors are employees, 33.3% are independent directors, Currently the female members are 44.4% while male members are 55.5%, we will strive for reaching our goal.</p> <p>The independent director years of service : Three independent directors with a tenure of under 3 years.</p> <p>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:</p> <table border="1"> <thead> <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> </thead> <tbody> <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>Chen Hsin-Chang</td> <td>Male</td> <td>51–60</td> <td>Taiwan</td> <td>2026.03.09</td> <td>Taipei Medical University / School of Medicine</td> <td>Taiwan Provincial Federation of Kitchenware Commercial Associations Yilan County Kitchenware Commercial</td> <td>Production Management, Business Management, Plant Operations</td> </tr> </tbody> </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	Chen Hsin-Chang	Male	51–60	Taiwan	2026.03.09	Taipei Medical University / School of Medicine	Taiwan Provincial Federation of Kitchenware Commercial Associations Yilan County Kitchenware Commercial	Production Management, Business Management, Plant Operations	1) None
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	Chen Hsin-Chang	Male	51–60	Taiwan	2026.03.09	Taipei Medical University / School of Medicine	Taiwan Provincial Federation of Kitchenware Commercial Associations Yilan County Kitchenware Commercial	Production Management, Business Management, Plant Operations																							

Evaluation Item	Implementation Status										Deviations from “the Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons		
	Yes	No	Abstract Illustration										
											Association		
			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-Wo Frozen Foods Co., Ltd.; Director, Pai-Hsien Agriculture Co.; Chairperson, Wo-Wo Trading Co., Ltd.	Production Management, Business Management, Plant Operations		
			Director	Chen Chia-Chan	Male	51-60	Taiwan	2026.03.09	Department of Business Administration, Tamkang University	Deputy General Manager, Yun Cheng Co., Ltd. Deputy General Manager of Optoelectronics Department, Cosmo Electronics	Production Management, Business Management, Plant Operations		

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 voluntarily									Corporation																						
			Independent Director	Chung, Yu-Ju	Female	41-50	Taiwan	2024.11.08	National Cheng Kung University / Dept. of Mathematics, M.S. in Applied Mathematics	Practicing CPA, Chaoyang CPAs	Accounting & Auditing																				
			Independent Director	Chu, Jung-Chen	Male	41-50	Taiwan	2024.11.08	National Chung Cheng University / Graduate Institute of Law	Managing Attorney, Jung-Chen Chu Law Firm	Legal Affairs																				
			Independent Director	Tsai, Wen-Ling	Female	41-50	Taiwan	2024.11.08	Fu Jen Catholic University / Graduate Institute of Financial & Economic Law	Partner, Kuoichi Law Firm	Legal Affairs																				
	V		2) The Company does not have any committees of other functions other than the Compensation Committee and the Audit Committee.																												
	V		<p>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 2026 and will be presented to the Board on the 27th meeting of the 12th Board Meeting on March 23, 2026.</p> <p>The results from the evaluation of the performance of the Board, board members and functional committees for 2025 are as follows.</p> <p>Board performance self-evaluation result: Excellent</p> <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>44</td> <td>98%</td> </tr> <tr> <td>B. Enhancement of Board Decision-Making Quality</td> <td>9 items</td> <td>45</td> <td>43</td> <td>98%</td> </tr> <tr> <td>C. Board Composition and Structure</td> <td>3 items</td> <td>15</td> <td>15</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	44	98%	B. Enhancement of Board Decision-Making Quality	9 items	45	43	98%	C. Board Composition and Structure	3 items	15	15	100%	
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<p>establish other functional committees in addition to the Compensation Committee and the Audit Committee?</p> <p>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?</p>			<table border="1"> <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>144</td> <td>96%</td> </tr> </table> <p>Board member performance self-evaluation result: Excellent</p> <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>2 items</td> <td>10</td> <td>9.8</td> <td>98%</td> </tr> <tr> <td>B. Alignment with Board Responsibilities</td> <td>2 items</td> <td>10</td> <td>10</td> <td>100%</td> </tr> <tr> <td>C. Degree of Participation in Company Operations</td> <td>6 items</td> <td>30</td> <td>28.3</td> <td>94%</td> </tr> <tr> <td>D. Internal Relationship Management and Communication</td> <td>3 items</td> <td>15</td> <td>14.4</td> <td>96%</td> </tr> <tr> <td>E. Professional Expertise and Continuous Education of Directors</td> <td>1 items</td> <td>5</td> <td>5</td> <td>100%</td> </tr> <tr> <td>F. Internal Control</td> <td>3 item</td> <td>15</td> <td>14.8</td> <td>99%</td> </tr> <tr> <td>Total</td> <td>17 items</td> <td>85</td> <td>82.3</td> <td>97%</td> </tr> </tbody> </table> <p>Compensation Committee operational performance self-evaluation result: Excellent</p> <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>14</td> <td>93%</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>79</td> <td>99%</td> </tr> </tbody> </table> <p>Audit Committee performance self-evaluation result: Excellent</p> <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 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</td> <td>3 items</td> <td>15</td> <td>15</td> <td>100%</td> </tr> </tbody> </table>	D. Director Selection and Continuing Education	4 items	20	19	95%	E. Internal Control	5 items	25	23	92%	Total	30 items	150	144	96%	Assessment Category	Total Items	Full Score	Self-Evaluation Score	Score Ratio	A. Participation in Company Operations	2 items	10	9.8	98%	B. Alignment with Board Responsibilities	2 items	10	10	100%	C. Degree of Participation in Company Operations	6 items	30	28.3	94%	D. Internal Relationship Management and Communication	3 items	15	14.4	96%	E. Professional Expertise and Continuous Education of Directors	1 items	5	5	100%	F. Internal Control	3 item	15	14.8	99%	Total	17 items	85	82.3	97%	Assessment Category	Total Items	Full Score	Self-Evaluation Score	Score Ratio	A. Participation in Company Operations	3 items	15	14	93%	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	79	99%	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	3 items	15	15	100%	
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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	3 items	15	15	100%																																																																																																																			

Evaluation Item	Implementation Status						Deviations from “the Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons																			
	Yes	No	Abstract Illustration																							
4) Does the company regularly evaluate the independence of CPAs?	V	<table border="1"> <tr> <td>Committee</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>E. Internal Control</td> <td>3 items</td> <td>15</td> <td>15</td> <td></td> <td>100%</td> </tr> <tr> <td>Total</td> <td>19 items</td> <td>95</td> <td>95</td> <td></td> <td>100%</td> </tr> </table>						Committee						E. Internal Control	3 items	15	15		100%	Total	19 items	95	95		100%	4) None
		Committee																								
E. Internal Control	3 items	15	15		100%																					
Total	19 items	95	95		100%																					
<p>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 March 12,2026 which was presented and approved by the Board on March 12, 2026. The Company’s Finance Dept has assessed that PwC Taiwan CPAs Lee Ting-Yi and Chen Yu-Hsun have met the Company’s independence assessment criteria (Note 1).</p>																										
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 (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	V	<p>The Company established the position of Corporate Governance Officer on March 29, 2022. Following the retirement of the predecessor, Chief Financial Officer (CFO) Lu Hsiao-Hsuan was appointed to the role on September 25, 2025, a decision approved by the 23rd meeting of the 12th Board of Directors. CFO Lu Hsiao-Hsuan has over three years of managerial experience in financial institutions, satisfying the qualification requirements for a Corporate Governance Officer.</p> <p>The Liability :</p> <p>1.Assistance to the duty execution of independent directors and general directors, providing necessary information and arrange continuing education for the directors :</p> <p>(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.</p> <p>(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.</p> <p>(3) To assist independent directors and general directors to map out annual continuing education plans based on the industry features along with board of directors’ education and experiences.</p> <p>2.Assistance of procedures and resolutions of board of directors and shareholder’s meeting in compliance with the laws :</p> <p>(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</p>						It will be implemented in accordance with the policy considering the operating conditions, size and system of the company.																		

Evaluation Item	Implementation Status		Abstract Illustration	Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons																				
	Yes	No																						
minutes of board meetings and shareholders’ meetings)?			<p>regulations.</p> <p>(2) To assist and advise the board of directors’ responsibilities and the resolutions made in the meeting should comply with the laws and regulations.</p> <p>(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.</p> <p>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.</p> <p>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.</p> <p>Continuing education :</p> <table border="1"> <thead> <tr> <th>Job Commencement Date</th> <th>Class Date</th> <th>Organized by</th> <th>Course Title</th> <th>Hr</th> </tr> </thead> <tbody> <tr> <td>2025.09.25</td> <td>2025.10.31</td> <td>Securities and Futures Institute (SFI), Republic of China (Taiwan)</td> <td>2025 Insider Trading Prevention Seminar</td> <td>3</td> </tr> <tr> <td>2025.09.25</td> <td>2025.11.07</td> <td>Securities and Futures Institute (SFI), Republic of China (Taiwan)</td> <td>Roles and Responsibilities of the Corporate Governance Officer</td> <td>3</td> </tr> <tr> <td>2025.09.25</td> <td>2025.11.25-2025.11.26</td> <td>Securities and Futures Institute (SFI), Republic of China (Taiwan)</td> <td>Newly Appointed Directors, Supervisors (including Independent), and Corporate Governance Officer</td> <td>12</td> </tr> </tbody> </table>	Job Commencement Date	Class Date	Organized by	Course Title	Hr	2025.09.25	2025.10.31	Securities and Futures Institute (SFI), Republic of China (Taiwan)	2025 Insider Trading Prevention Seminar	3	2025.09.25	2025.11.07	Securities and Futures Institute (SFI), Republic of China (Taiwan)	Roles and Responsibilities of the Corporate Governance Officer	3	2025.09.25	2025.11.25-2025.11.26	Securities and Futures Institute (SFI), Republic of China (Taiwan)	Newly Appointed Directors, Supervisors (including Independent), and Corporate Governance Officer	12	
Job Commencement Date	Class Date	Organized by	Course Title	Hr																				
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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, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	V		The Company has set up a stakeholder’s section as required on its website at <a href="https://www.cosmo-inc.com/tw/about/index.aspx?root=6">https://www.cosmo-inc.com/tw/about/index.aspx?root=6</a>	None																				
6. Does the company appoint a	V		Our company has retained the Stock Agency Department of Concord Securities Co., Ltd. to handle affairs related to the shareholders'	None																				

Evaluation Item	Implementation Status		Abstract Illustration	Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No		
professional shareholder service agency to deal with shareholder affairs?			meeting.	
<p>7. Information Disclosure</p> <p>1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?</p> <p>2) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?</p> <p>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</p>	V	V	<p>1)The Company has disclosed the implementation of relevant financial operations and corporate governance information on its website at: <a href="https://www.cosmo-inc.com/tw/about/index.aspx?kind=120">https://www.cosmo-inc.com/tw/about/index.aspx?kind=120</a></p> <p>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.</p> <p>2. Implementing the spokesperson system: The spokesperson for the Company is President Huang Tsung-Shan and the acting spokesperson is CFO Lee Chih-Chin.</p> <p>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.</p> <p>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.</p>	<p>1) None</p> <p>2) None</p> <p>3) It will be implemented in accordance with the policy considering the operating conditions, size and system of</p>

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
statements, as well as monthly operation results, before the prescribed time limit?				the company.
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 supervisors)?	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.	1) None
	V		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.	
	V		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.	
	V		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.	
	V		5) Liability insurance for the Board of Directors : The Board of Directors is insured with liability insurance from April 15, 2026 ~ April 15, 2027.	

V

## 6) Continuing education for directors:

Name	Title	Date of Appointment	Date of Training	Organizer	Course Title	Hours
Chuang Yu-Ju	Independent Director	2024.11.08	2025.04.01	National Federation of CPAs Associations of the R.O.C.	International Trends in Carbon Credit Trading (Taipei, 2025/04/01)	3
Chuang Yu-Ju	Independent Director	2024.11.08	2025.10.03	Securities and Futures Institute	2025 Prevention of Insider Trading Seminar	3
Tsai Wen-Ling	Independent Director	2024.11.08	2025.07.09	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit Forum	6
Tsai Wen-Ling	Independent Director	2024.11.08	2025.10.03	Securities and Futures Institute	2025 Prevention of Insider Trading Seminar	3
Chu Jung-Chen	Independent Director	2024.11.08	2025.07.09	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit Forum	6
Chu Jung-Chen	Independent Director	2024.11.08	2025.10.03	Securities and Futures Institute	2025 Prevention of Insider Trading Seminar	3
Lee Chih-chin	Director	2024.06.26	2025.04.14	Securities and Futures Institute	Workshop on Stock Affairs Regulations and Shareholders' Meeting Practices	6
Lee Chih-chin	Director	2024.06.26	2025.07.16	The Institute of Internal Auditors, R.O.C.	Regulations and Practical Analysis of Loaning of Funds, Endorsements/Guarantees, and Acquisition or Disposal of Assets	6
Lee Chih-chin	Director	2024.06.26	2025.07.25	The Institute of Internal Auditors, R.O.C.	Regulatory Analysis and Audit Key Points for the Board and Functional Committees (Audit and Remuneration)	6
Hsieh Shu-chuan	Chairperson	2024.06.26	2025.07.09	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit Forum	6
Liao Bo-Ya	Director	2024.05.21	2025.10.31	Securities and Futures Institute	2025 Compliance Seminar on Insider Equity Trading	3
Liao Bo-Ya	Director	2024.05.21	2025.12.03	Taiwan Institute of Directors	Corporate Governance and Securities Exchange Regulatory Practices	3
Jhou Guang-Yu	Director	2025.09.09	2025.10.31	Securities and Futures Institute	2025 Compliance Seminar on Insider Equity Trading	3
Huang Tsung-Shan	Director	2024.07.01	2025.07.09	Cathay Financial Holding Co., Ltd.	2025 Cathay Sustainable Finance and Climate Change Summit Forum	6
Huang Tsung-Shan	Director	2024.07.01	2025.10.31	Securities and Futures Institute	2025 Compliance Seminar on Insider Equity Trading	3
Lu Hsiao-Hsuan	Director	2025.01.17	2025.07.09	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit Forum	6
Lu Hsiao-	Director	2025.01.17	2025.10.03	Securities and Futures	2025 Prevention of Insider Trading Seminar	3

Hsuan				Institute		
Lin Jui Tang	Director	2025.01.17	2025.07.09	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit Forum	6
Lin Jui Tang	Director	2025.01.17	2025.10.31	Securities and Futures Institute	2025 Compliance Seminar on Insider Equity Trading	3

V

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. Regarding the Environment and Sustainability dimension, the parent company completed its 2025 Greenhouse Gas (GHG) Inventory Report, integrating climate change into the corporate risk assessment framework, and strengthening its capability to identify environmental risks through data-driven tracking.

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.

V

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.

V

9) Liability insurance for directors: The Company has taken out liability insurance for directors for the period from April 15, 2026 ~ April 15, 2027.

Evaluation Item	Implementation Status		Abstract Illustration	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)	(1)Improved																			
			<table border="1"> <thead> <tr> <th>Item</th> <th>Evaluation Indicator</th> <th>Improved?</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>1.15</td> <td>Whether the Company has established and disclosed on its website internal regulations prohibiting insiders, such as directors or employees, from trading securities using undisclosed market information. These regulations should include (but are not limited to) restricting directors from trading their shares during the closed periods of 30 days prior to the publication of the annual financial report and 15 days prior to the publication of each quarterly financial report, along with an explanation of its implementation status.</td> <td>Yes</td> <td>The Secretariat notifies all directors (including independent directors) and insiders 30 days prior to the publication of the annual financial report, and 15 days prior to the publication of each quarterly financial report, regarding the stock trading ban during closed periods.</td> </tr> <tr> <td>2.5</td> <td>Whether the number of directors who also hold concurrent employee positions within the Company, its parent company, subsidiaries, or affiliates is less than or equal to one-third of the total board seats.</td> <td>Yes</td> <td>The number of current directors who concurrently hold employee positions within the Company, its subsidiaries, or affiliates does not exceed one-third of the board seats.</td> </tr> <tr> <td>4.1</td> <td>Whether the Company has established a dedicated or concurrent unit responsible for promoting sustainable development to conduct risk assessments on environmental, social, or corporate governance (ESG) issues relevant to company operations based on the principle of materiality, formulate related risk management policies or strategies, ensure that the Board of Directors supervises the implementation of sustainable development, and disclose these matters on the company website and in the annual</td> <td>Yes</td> <td>The Company has established a "Dedicated ESG Unit" to execute sustainability-related business. The implementation status of sustainable development was reported to the Board of Directors on November 12, 2025, and the results have been disclosed on the company website. <a href="https://www.cosmo-inc.com/tw/about/index.aspx?kind=124">https://www.cosmo-inc.com/tw/about/index.aspx?kind=124</a></td> </tr> </tbody> </table>	Item	Evaluation Indicator	Improved?	Description	1.15	Whether the Company has established and disclosed on its website internal regulations prohibiting insiders, such as directors or employees, from trading securities using undisclosed market information. These regulations should include (but are not limited to) restricting directors from trading their shares during the closed periods of 30 days prior to the publication of the annual financial report and 15 days prior to the publication of each quarterly financial report, along with an explanation of its implementation status.	Yes	The Secretariat notifies all directors (including independent directors) and insiders 30 days prior to the publication of the annual financial report, and 15 days prior to the publication of each quarterly financial report, regarding the stock trading ban during closed periods.	2.5	Whether the number of directors who also hold concurrent employee positions within the Company, its parent company, subsidiaries, or affiliates is less than or equal to one-third of the total board seats.	Yes	The number of current directors who concurrently hold employee positions within the Company, its subsidiaries, or affiliates does not exceed one-third of the board seats.	4.1	Whether the Company has established a dedicated or concurrent unit responsible for promoting sustainable development to conduct risk assessments on environmental, social, or corporate governance (ESG) issues relevant to company operations based on the principle of materiality, formulate related risk management policies or strategies, ensure that the Board of Directors supervises the implementation of sustainable development, and disclose these matters on the company website and in the annual	Yes	The Company has established a "Dedicated ESG Unit" to execute sustainability-related business. The implementation status of sustainable development was reported to the Board of Directors on November 12, 2025, and the results have been disclosed on the company website. <a href="https://www.cosmo-inc.com/tw/about/index.aspx?kind=124">https://www.cosmo-inc.com/tw/about/index.aspx?kind=124</a>	
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Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons		
	Yes	No	Abstract Illustration			
			report.			
			4.4 Whether the Company’s Sustainability Report discloses relevant ESG information with reference to SASB Standards.	Yes The Sustainability Report discloses ESG information with reference to SASB Standards.		
			4.17 Whether the Company discloses its supplier management policies on the company website, in the annual report, or in the sustainability report, requiring suppliers to comply with relevant regulations regarding environmental protection, occupational safety and health, or labor and human rights, along with an explanation of the implementation status.	Yes The Company enters into a "Supplier Commitment Agreement" with each supplier, which prohibits bribery, accepting bribes, or receiving any items of value, and requires suppliers to comply with relevant regulations regarding environmental protection, occupational safety and health, or labor and human rights. A total of 38 agreements were signed across the Group in 2025.		
			4.20 Whether the Sustainability Report prepared by the Company has been submitted to and approved by the Board of Directors.	Yes The 2024 Sustainability Report was approved by the Board of Directors on August 14, 2025.		
			(2)Not Improved			
			Item	Evaluation Indicator	Improved?	Description
			1.2	Whether the Company has established written regulations governing financial and business operations between the Company and its related parties. These regulations must include management procedures for transactions such as purchasing and sales, acquisition or disposal of assets, and require that relevant material transactions be submitted to the Board of Directors for approval, as well as to the Shareholders' Meeting for approval or reporting.	No	Plan to report the status of related party transactions at the 2026 Shareholders' Meeting (AGM).
			1.6	Whether the Company holds its Annual General Meeting (AGM) before the end of May.	No	In coordination with CPA operations, plan to hold the meeting earlier, by the end of May in the future.
			1.17	Whether no single government agency, corporate entity, or their subsidiaries hold one-third or more of the total board	No	In accordance with company policy.

Evaluation Item	Implementation Status		Abstract Illustration	Deviations from “the Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No		
			seats.	
			2.14 Whether the Company has established a Nomination Committee consisting of no less than three members, where more than half of the members are independent directors, with an independent director serving as the convener and meeting chair, and has disclosed its composition, duties, and operational status.	No In accordance with company policy.
			2.22 Whether the Company's risk management is supervised by the Audit Committee or a board-level functional committee (e.g., Risk Management Committee), with risk management policies and procedures established and approved by the Board of Directors; whether the risk management organizational structure, processes, and operational status are disclosed; and whether a report is submitted to the Board of Directors at least once a year.	No In accordance with company policy.
			2.23 Whether the board performance evaluation regulations established by the Company have been approved by the Board of Directors and explicitly mandate an external evaluation at least once every three years; and whether such evaluation has been conducted in the current evaluation year or within the past two years, with the implementation status and evaluation results disclosed on the company website or in the annual report.	No In accordance with company policy.
			3.20 Whether the Company has been invited to (or voluntarily held) at least two investor conferences, disclosed the full video/audio recordings (or links) for at least two conferences, and maintained an interval of three months or more between the first and the last investor conferences of the evaluation year. 【An additional one point will be awarded to the total score	No Plan to increase the number of investor conferences in the future.

Evaluation Item	Implementation Status		Abstract Illustration	Deviations from “the Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No		
			if the Company holds an investor conference at least quarterly or holds investor conferences addressing operational results for each quarter.】	
			4.5 Whether the Sustainability Report prepared by the Company has obtained third-party assurance.	No Plan to obtain third-party assurance in the future.
			4.7 Whether the Company has uploaded the English version of its Sustainability Report to the Market Observation Post System (MOPS) and the company website.	No In accordance with company policy.
			4.19 Whether the Company invests in eco-friendly and sustainable machinery or equipment related to energy-saving or green energy, invests in the domestic green energy industry (e.g., renewable energy power plants), or issues/invests in sustainable development bonds, and discloses the investment status and concrete benefits.	No In accordance with company policy.
			4.21 Whether the Company evaluates risks or opportunities regarding local communities, adopts corresponding measures, and discloses the specific measures taken and their implementation effectiveness on the company website, in the annual report, or in the sustainability report.	No In accordance with company policy.
			4.22 Whether the Company invests resources to support domestic cultural development, and discloses the methods of support and the related achievements on the company website, in the annual report, or in the sustainability report.	No In accordance with company policy.
			4.23 Whether the Company discloses policies linking executive compensation to ESG-related performance evaluations.	No In 2026, the Company established the "Regulations Governing Performance Evaluation and Remuneration of Directors and Senior Management" to link executive compensation with ESG performance policies.

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

1. 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.
  - (1) 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.
  - (2) To periodically evaluate and set the salary and compensation for directors, president, chief financial officer and second-level executives.
2. On June 26, 2024, the Board of Directors approved the appointment of the members of the 6th Remuneration Committee: Wu Yong-fu (resigned on September 30, 2024), Xu Bo-yu (resigned on September 30, 2024), and Li Dan (resigned on August 31, 2024). Subsequently, on November 8, 2024, Chuang Yu-Ju, Chu Jung-Chen, and Tsai Wen Lin were elected to fill the vacancies, with their terms corresponding to that of the current Board of Directors. Chuang Yu-Ju was then elected by the committee members to serve as the convener and meeting chair.

#### 2.3.4.1 Information of the Members in the Compensation Committee

Date: Dec 31, 2025

Title (Note 1)	Criteria Name	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
Independent director (convener)	Chung Yu-Ju	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. Article 14-6 “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.	None
Independent director	Chu, Jung-Chen			None.
Independent director	Tsai, Wen-Ling			None

Note 1: For relevant information regarding directors, independent directors may refer to Appendix 1 on pages 5-6.

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 June 25, 2027.
3. Attendance: The Compensation Committee of the Company held 6 meetings from January 1, 2025 to December 31, 2025, and all members attended in person.
4. The Compensation Committee held 6 meetings in 2025, with an average attendance rate of 94.44%, and the attendance of members was as follows:

Title	Name	Attendance in	By proxy	Attendance Read (%)	Remarks
Convener	Chung Yu-Ju	6	0	100%	Attendance required: 6 time(s)
Member	Chu, Jung-Chen	6	0	100%	Attendance required: 6 time(s)
Member	Tsai, Wen-Ling	6	0	83.33%	Attendance required: 6 time(s) (1 absence)

#### 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
2025.01.16	•Discussion of distribution of the Board of Directors' remuneration and the managers' and employees' bonus of 2024.	Approved by all committee members	Submitted to the 9th meeting of the 12th Board of Directors on February 16, 2025 for review and approved by all directors present.
2025.03.05	•Change of the Company's Chief Accounting Officer, and submission of their compensation for discussion.	Approved by all committee members.	Submitted to the 11th meeting of the 12th Board of Directors on March 05, 2025 for review and approved by all directors present.
2025.03.28	•Proposal for the distribution of 2024 directors' and supervisors' remuneration, as well as employee compensation for managers, submitted for discussion. •Proposal for the salary adjustment of Grade 2 senior executives, submitted for discussion.	Approved by all committee members.	Submitted to the 13th meeting of the 12th Board of Directors on March 28, 2025 for review and approved by all directors present.
2025.07.08	•Change of the Company's Chief Accounting Officer, and submission of their	Approved by all committee members.	Submitted to the 20th meeting of the 12th Board of Directors on July 08, 2025 for review and approved by all directors present.

	compensation for discussion.		
2025.08.14	<ul style="list-style-type: none"> <li>•Proposal for the salary adjustments of the General Manager and Chief Financial Officer, and the discussion on the appointment and compensation of Grade 2 senior executives.</li> </ul>	Approved by all committee members.	Submitted to the 21th meeting of the 12th Board of Directors on August 14, 2025 for review and approved by all directors present.
2025.09.25	<ul style="list-style-type: none"> <li>•Proposal for the discussion and ratification of the directors' remuneration for Liao Bo-Ya and Jhou Guang-Yu.</li> <li>•Report on the change of the Company's Corporate Governance Officer and their compensation.</li> <li>•Report on the change of the Company's Chief Accounting Officer and their compensation.</li> </ul>	Approved by all committee members.	Submitted to the 23th meeting of the 12th Board of Directors on September 25, 2025 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 2025 Compensation Committee operational performance self-evaluation result: Excellent. The Compensation Committee has been evaluated in March 2026 and presented to the Board on the 26th meeting of the 12th Board Meeting held on March 12, 2026.

Item	Item	Score
1. Level of involvement in company's operations	16	98.75%
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 Practices of Leading Companies” and Reasons

Evaluation Item	Implementation Status (Note 1)		
	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		<p>To integrate corporate sustainability into our business strategies, the Company established the "Dedicated Sustainability Promotion Unit" in 2021 to fulfill our corporate social responsibility in a systematic, and organized approach over the long term. Serving as the Company's core making center for sustainable development, the unit is led by the General Manager (with the Chairman as the convener), who collaborates with senior executives from various departments to leverage the Company's core operational capabilities and formulate medium- to long-term strategies. The unit's primary responsibilities include the following:</p> <ol style="list-style-type: none"> <li>(1) Integrate corporate resources to help embed integrity and ethical values into business strategies, and establish relevant anti-corruption measures in accordance with laws and regulations to ensure ethical management.</li> <li>(2) Identify sustainability issues material to company operations and stakeholders, and formulate corresponding strategies and action plans.</li> <li>(3) Allocate sustainability-related budgets across organizations, plan and execute, and track implementation effectiveness to ensure that sustainability strategies are effectively implemented in business operations.</li> <li>(4) Promote and coordinate training and awareness programs for ethical management.</li> <li>(5) Design and implement a whistleblowing system and ensure its operational effectiveness.</li> <li>(6) Assist the Board of Directors and management in auditing and evaluating the implementation of measures established for implementing ethical management are operating effectively, and ensure compliance within relevant business processes, and prepare reports.</li> <li>(7) The "Dedicated Sustainability Promotion Unit" reported the 2025 sustainability work plans to the Board of Directors on November 12, 2025.</li> </ol>
2. Does the company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or	V		<ol style="list-style-type: none"> <li>1. In Nov 2021, the board of directors approved the establishment of the "Principles and Procedures" as the Company's overarching guiding principle for risk management. The Company would evaluate risks on an annual basis and formulate and</li> </ol>

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													
strategies? (Note 2)			<p>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 2025 Risk Identification and Mitigation Measures report has been submitted to the Board of Directors on November 12,2025.</p> <p>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 operations, to define the priority and level of risk, and to adopt corresponding risk management strategies according to the level of risk.</p> <p>The Company’s risk identification and mitigation measures for 2025 are as follows:</p> <table border="1"> <thead> <tr> <th>Pressing issue</th> <th>Risk</th> <th>Identification</th> <th>Risk Mitigation Measures</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Environment</td> <td rowspan="3">Hazardous</td> <td>climate change</td> <td> <ul style="list-style-type: none"> <li>Continue monitoring the international climate change warnings and suggestions on risk mitigation and adjustment.</li> <li>Energy conservation measures through internal accounting.</li> </ul> </td> </tr> <tr> <td>energy crisis</td> <td> <ul style="list-style-type: none"> <li>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.</li> <li>To provide emergency power supply at sites for temporary power interruptions.</li> </ul> </td> </tr> <tr> <td>waste</td> <td> <ul style="list-style-type: none"> <li>To improve yield rate to reduce the waste.</li> <li>To improve the recycling and recycled by the certificated operator with a waste clearance and disposal permit.</li> </ul> </td> </tr> </tbody> </table>	Pressing issue	Risk	Identification	Risk Mitigation Measures	Environment	Hazardous	climate change	<ul style="list-style-type: none"> <li>Continue monitoring the international climate change warnings and suggestions on risk mitigation and adjustment.</li> <li>Energy conservation measures through internal accounting.</li> </ul>	energy crisis	<ul style="list-style-type: none"> <li>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.</li> <li>To provide emergency power supply at sites for temporary power interruptions.</li> </ul>	waste	<ul style="list-style-type: none"> <li>To improve yield rate to reduce the waste.</li> <li>To improve the recycling and recycled by the certificated operator with a waste clearance and disposal permit.</li> </ul>	
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			<ul style="list-style-type: none"> <li>capital allocation.</li> <li>• Keeping abreast of tax changes in different countries and proposing timely responses.</li> </ul>	
<p>3. Environmental issues</p> <p>1) Does the company establish proper environmental management systems based on the characteristics of its industry?</p> <p>2) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?</p> <p>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?</p> <p>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?</p>	<p>V</p> <p>V</p> <p>V</p> <p>V</p>		<p>1) 1. The Company’s waste is collected and recycled by an operator with a waste clearance and disposal permit.</p> <p>2. The Company has established an environmental management system, and continued to execute environmental management operations based on relevant mechanisms throughout 2025. Furthermore, the greenhouse gas (GHG) inventory has been completed, strengthening the data foundation for environmental management. In line with the adjustment of the Group's operational focus, the Company also continuously reviews and optimizes its environmental management measures.</p> <p>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.</p> <p>3) The measures taken to address the potential risks of climate change assessed to the Company now and in the future are as follows:</p> <p>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.</p> <p>2. Providing diesel power supply units at sites prone to power shortages to cater for temporary power interruptions.</p> <p>3. Keeping abreast of international climate change risk warning information, as well as climate change risk mitigation and adaptation recommendations.</p> <p>4)1. The Company’s GHG (CO2) emissions for the last two years, the water consumption and total waste are as follows:</p> <p>1.1 In 2025, the Company’s direct emissions (Scope 1) accounted for 9.05% of total emissions, primarily originating from mobile emission sources (gasoline for company vehicles) and fugitive emission sources (refrigerants, septic tanks, and fire extinguishers).</p> <p>1.2 The indirect emissions (scope 2): 90.95% of total emissions.; mainly from purchased electricity.</p> <p>1.3 In 2025, the Company's voluntary inventory for Scope 3 recorded emissions of 333.471 metric tons of CO2e.</p> <p>1.4 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</p>	<p>1) No material difference.</p> <p>2) No material difference.</p> <p>3) No material difference.</p> <p>4) No material difference.</p>

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			<p>disposed in comply with the requirements by the local governments.</p> <p>1.5 Scope of information: Only Cosmo Electronics Corp.</p> <p>1.6 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.</p> <p>1.7 Accounting period: January 1 to December 31, 2025</p> <table border="1"> <thead> <tr> <th>Category</th> <th>2025</th> <th>%</th> <th>2024</th> <th>%</th> <th>2023</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Direct Emissions (Scope 1) (GHG emissions Unit: tonnes CO2e/year)</td> <td>59.0768</td> <td>9.05</td> <td>63.7689</td> <td>2.81</td> <td>56.4340</td> <td>2.80</td> </tr> <tr> <td>Indirect Emissions (Scope 2) (GHG emissions Unit: tonnes CO2e/year)</td> <td>593.7466</td> <td>90.95</td> <td>2,209.03</td> <td>97.19</td> <td>1,958.14</td> <td>97.20</td> </tr> <tr> <td>Water Consumption</td> <td>5,958 m3</td> <td></td> <td>10,602 m3</td> <td></td> <td>9,960 m3</td> <td></td> </tr> <tr> <td>Total weight of waste – non-hazardous</td> <td>8,140KG</td> <td></td> <td>42,530KG</td> <td></td> <td>35,420 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> </tbody> </table> <p>2. In alignment with international emission reduction trends, the Company has established annual reduction targets effective from 2024 as follows:</p> <p>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%</p> <p>Water Usage:            Annual reduction of water use intensity by 3% compared to the previous year</p> <p>Waste Generation:            Annual reduction of waste intensity by 3% compared to the previous year</p> <p>The achievement rates of these reduction targets are explained as follows:</p> <table border="1"> <thead> <tr> <th>Item</th> <th>2025 Amount / Intensity</th> <th>2024 Amount / Intensity</th> <th>Two-Year Difference (%)</th> <th>Explanation</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Category	2025	%	2024	%	2023	%	Direct Emissions (Scope 1) (GHG emissions Unit: tonnes CO2e/year)	59.0768	9.05	63.7689	2.81	56.4340	2.80	Indirect Emissions (Scope 2) (GHG emissions Unit: tonnes CO2e/year)	593.7466	90.95	2,209.03	97.19	1,958.14	97.20	Water Consumption	5,958 m3		10,602 m3		9,960 m3		Total weight of waste – non-hazardous	8,140KG		42,530KG		35,420 KG		Total weight of waste - hazardous	0		0		0		Item	2025 Amount / Intensity	2024 Amount / Intensity	Two-Year Difference (%)	Explanation						
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			<p>3.The Company’s ongoing policy initiatives to push for GHG reduction and water conservation management are as follows:</p> <p>(1) The Company has fully implemented electronic invoicing to reduce carbon emissions in 2021.</p> <p>(2) Company has introduced an electronic document system for a paperless office, making it easy to operate, saving time and significantly reducing paper consumption.</p> <p>(3) Switching to electronic signatures for regular processes saves time and cuts paper consumption.</p> <p>(4) Lights are turned off when leaving and checked again at the end of the day to ensure that the power is off.</p> <p>(5) The room air conditioning temperature is set at 26 °C.</p> <p>(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.</p> <p>(7) To optimize energy efficiency, the company adjusted the central A/C chilled water schedule. Following a trial period that confirmed no impact on employee comfort, the system now runs 30 minutes less at both the start and end of the workday.</p>																	
<p>4. Social issues</p> <p>1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?</p>	V		<p>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</p>		1) No material difference.															

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			<p>protection and labor policies. Please refer the following human right policies and the management :</p> <table border="1"> <thead> <tr> <th>Human Rights Issue</th> <th>Management</th> </tr> </thead> <tbody> <tr> <td>Diversity and inclusion (D&amp;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 comply with the discrimination rules, prior to an interview, the interviewer is well informed that any non-job-related personal information shall be avoided.         </td> </tr> <tr> <td>Against child labor</td> <td>           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         </td> </tr> <tr> <td>Meet the minimum wage</td> <td>To provide more than required minimum wage and employee welfare in accordance with the local government requirements.</td> </tr> <tr> <td>Reasonable working hours</td> <td>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.</td> </tr> <tr> <td>Safety in the work place</td> <td>           1.A well-implemented safety and hygiene measures to create a healthy, 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         </td> </tr> </tbody> </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 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 healthy, 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	
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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		<p>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.</p> <p>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 company to report to the competent authority for fire equipment inspection.</p> <p>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.</p> <p>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.</p>	2) No material difference.
			<p>Labor-management Consultation</p> <p>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.</p> <p>2.The Employees' Welfare Committee is established to hold regular/irregular activities which aims to enhance the interaction and a healthy body &amp; mind between employees.</p>	
			<p>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.</p> <p>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:</p> <p>(1) Industry salary levels: Salaries are adjusted annually by reference to industry salary surveys and in line with industry salary levels and economic trends.</p> <p>(2) Performance criteria: Salaries are adjusted according to the operational performance of the Company</p>	

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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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		<p>and the performance of individuals, and operational results are duly reflected in the compensation of employees.</p> <p>(3) Promotion criteria: When a staff member is recognized for promotion, the salary will be increased immediately to encourage excellence.</p> <p>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.</p> <p>(2) All new recruits are trained in labor safety courses on arrival.</p> <p>(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.</p> <p>(4) As stipulated in the labor safety and health regulations, a labor safety committee and a labor safety 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.</p> <p>(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.</p> <p>(6) Specialist tests on the workplace are regularly undertaken by qualified agents and any abnormalities are promptly rectified.</p> <p>(7) Through systematic execution and regular audits, the Company ensures that environmental and safety protection aspects are properly carried out.</p> <p>The implementation is as follows:</p> <table border="1"> <thead> <tr> <th>Item</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Labor safety and health training</td> <td rowspan="2">Total 525 hrs / 526 persons</td> <td rowspan="2">Total 747 hrs / 492 persons</td> </tr> <tr> <td>Fire safety</td> </tr> </tbody> </table> <p>(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:</p>	Item	2024	2025	Labor safety and health training	Total 525 hrs / 526 persons	Total 747 hrs / 492 persons	Fire safety	3) No material difference.
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4) Does the company provide its employees with career development and training sessions?	V		None.	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		<p>4) We organize regular and occasional employee training to enhance their career development capabilities and help the Company grow with its staff.</p> <p>5) We have dedicated staff and an email address on our website to handle this.</p> <p>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</p>	5) No material difference.							

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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		management policy that requires suppliers to follow relevant guidelines on environmental, occupational safety and health or labor human rights issues.	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 obtain assurance from a third party verification unit?		V	Prepared in accordance with the GRI Standards, the 2025 Sustainability Report is scheduled for release in August. While currently unverified by a third party, future external assurance may be considered to enhance the report’s reliability.	It will be implemented in accordance with the policy considering the operating conditions, size and system of the 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:				
<p><b>(1) Succession Planning for Board Members and Key Management</b></p> <p><b>Board Succession Planning</b></p> <p>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”.</p> <p>The Company’s Board of Directors is composed of nine directors, including three independent directors. The selection and appointment of all directors take into account their professional knowledge (such as law, accounting, industry, finance, marketing, or technology), professional skills (such as operational judgment, accounting and financial analysis, management, crisis management, industry knowledge, international market strategy, leadership, and decision-making), and relevant industry experience. The nomination and selection process for director candidates complies with qualification review procedures and relevant regulations. This ensures that suitable new director candidates can be effectively identified and selected when a vacancy arises or when an increase in board seats is planned.</p> <p><b>The preparation for successor of the managerial level</b></p> <p>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.</p>				

Note: 1. If "Yes" is checked under "Implementation Status," please provide a specific description of the key policies, strategies, measures, and actual implementation status adopted. If "No" is checked, please explain the

differences and the underlying reasons in the column titled "Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Therefor," and outline future plans for adopting relevant policies, strategies, and measures. However, regarding implementation items 1 and 2, TWSE/TPEX listed companies shall clarify their governance and supervisory framework for sustainable development, including but not limited to management approaches, formulation of strategies and targets, and review measures. Furthermore, the company shall disclose its risk management policies or strategies regarding environmental, social, and corporate governance (ESG) issues relevant to its operations, as well as the assessment thereof.

Note: 2. The principle of materiality refers to environmental, social, and corporate governance (ESG) issues that have a significant impact on the company's investors and other stakeholders.

Note: 3. For the method of disclosure, please refer to the Best Practice Examples on the website of the Corporate Governance Center of the Taiwan Stock Exchange (TWSE).

## 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.	To address climate change, the Board of Directors approved the establishment of the "Sustainability Development Committee" on May 13, 2026. Chaired by the President, the Committee serves as the highest-level oversight body for climate-related issues and reports its implementation progress to the Board regularly each year to ensure that climate strategies align with the Company's long-term development policies.							
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	midium	high			
			Carbon tax and energy tax	midium	moderate			
			Carbon emission regulations and trades	midium	low			
	Technology	The regulations and standards of product efficiency	midium	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	midium	low	'Rising consumer climate change awareness leading to a decrease in sales due to changing procurement demands.	'Impleting 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.	

	Physical Risk	Acute Risk	Typhoon or heavy rain	short	low	<ul style="list-style-type: none"> <li>Impacts on workforce planning and management. °</li> <li>Equipment damage or retirement.</li> <li>Reduced production capacity or decreased sales volume.</li> </ul>	Enhancing resilience to abnormal weather conditions.	<ul style="list-style-type: none"> <li>Establishing emergency response procedures to reduce personnel and property losses.</li> <li>Reducing the probability of losses from natural disasters through business insurance.</li> </ul>
			Drought	short	low			
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.		Chronic Risk	Prolonged heatwave	long	low	<ul style="list-style-type: none"> <li>Increased electricity usage leading to increased costs.</li> </ul>	Implementing energy-saving and carbon-reduction production.	<ul style="list-style-type: none"> <li>Conserving electricity to reduce costs.</li> <li>Evaluating the investment in energy-efficient equipment.</li> </ul>
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios,	<p><b>The process of identifying and assessing climate-related risks.</b></p> <ol style="list-style-type: none"> <li>Collecting future climate-related development trends, including climate change trends, potential changes in future regulations, and market conditions.</li> <li>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.</li> <li>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.</li> <li>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.</li> <li>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.</li> <li>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.</li> <li>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.</li> </ol> <p><b>Management process</b></p> <ol style="list-style-type: none"> <li>Establishing a Risk Management Committee: Identifying responsible individuals and timetables for risk mitigation.</li> <li>Evaluating the likelihood and impact of various risk events: Determining the priority of risks, categorizing them into high, medium, and low priority levels.</li> <li>Developing risk management strategies: Designing response strategies for risks at three different levels, including mitigating the impact of risks and enhancing business resilience.</li> <li>Execution and monitoring: Implementing the devised risk management strategies and continuously monitoring changes in risk and the effectiveness of response measures.</li> <li>Review and improve: Continuously improve risk management strategies based on actual results, and adjust risk management strategies and objectives as needed.</li> </ol> <p><b>Annual risk management system</b></p> <ol style="list-style-type: none"> <li>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.</li> <li>Resource allocation: Allocating necessary resources, including budget, personnel, and technology, to support the implementation of risk management measures.</li> <li>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.</li> <li>Transparency report: Disclosing climate-related risk assessments and management measures in the company's sustainability reports, and transparently communicating with stakeholders. °</li> </ol>							
	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.	<p>The indicators that might be considered.</p> <p>1. Greenhouse gas emissions: Examining carbon footprint, measured in carbon dioxide (CO<sub>2</sub>) 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.</p> <p>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.</p> <p>3.Renewable energy proportion: Measuring the percentage of renewable energy used in the energy consumption to evaluate the progress in energy transformation.</p>
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 ).	Please refer to the explanations below.

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

## 2. Greenhouse Gas Inventory and Assurance Status in the Past Two Years

### A. Greenhouse Gas Inventory Information

Item	Total emissions (Metric tons CO <sub>2</sub> e)		Intensity (Metric tons CO <sub>2</sub> e/NT\$ 1 million) (Note 2)		Assurance body	Description of assurance status (Note 3)
	2025	2024	2025	2024		
Year	2025	2024	2025	2024	Without confirmation from a trustworthy agency	N/A
Scope 1	59.0768	63.7689	0.2147	4.4048		
Scope 2	593.75	2,209.0381	2.1578	4.4048		
Scope 3	333.471	N/A	1.2119	N/A		

Note 1: Scope 1 (Direct Emissions): Greenhouse gas (GHG) emissions from sources owned or controlled by the Company. Scope 2 (Energy Indirect Emissions): Indirect GHG emissions resulting from the generation of purchased or acquired electricity, heating, or steam consumed by the Company. Scope 3 (Other Indirect Emissions): Emissions that are a consequence of the Company's activities, excluding energy indirect emissions, but occur from sources owned or controlled by another entity.

Note 2: GHG Inventory Standards: The Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).

Note 3: GHG emissions intensity may be calculated per unit of product/service or revenue; however, data calculated based on revenue (in millions of NTD) must be disclosed at a minimum. (Metric tons of CO<sub>2</sub>e / million NTD) (Note 2).

### B. GHG Inventory and Assurance Status: Unassured.

### C. GHG Reduction Goals, Strategies, and Concrete Action Plans:

#### 1. GHG Reduction Targets

Starting from 2024, the Company has established annual reduction targets for greenhouse gas emissions, water consumption, and other waste as follows:

##### (1) Greenhouse Gas (GHG) Reduction: (Scope 1 and Scope 2, compared against the 2023 baseline year)

2024: Achieve a 10% reduction in carbon emissions intensity.

Short-term (2025–2027): Achieve a cumulative 10% reduction in carbon emissions intensity.

Medium-term (2028): Reduce carbon emissions intensity by 5% annually.

Long-term (2029): Reduce carbon emissions intensity by 3% annually.

##### (2) Water Consumption: Reduce annual water consumption by 3% compared to the previous year.

##### (3) Waste: Reduce annual waste generation by 3% compared to the previous year.

## 2. Strategies and Concrete Action Plans

### (1) Enhancing Energy Efficiency and Concrete Actions for Emergency Response:

- 1) Replace obsolete equipment and plan the procurement of highly energy-efficient machinery.
- 2) Equip the facilities with emergency generators to serve as a power source during periods of power restrictions.

### (2) Low-Carbon and Green Energy Transition:

- 1) Promote the importance of energy conservation to enhance carbon reduction awareness among employees.
- 2) Execute self-inventory and related verification plans in accordance with ISO 14064-1:2018.
- 3) The Clean Steam Business Division continues to conduct R&D in the field of renewable energy, seeking energy sources characterized by high efficiency, low carbon emissions, low cost, and a long lifecycle.

### (3) Green Supply Chain:

- 1) Increase the proportion of local procurement spending to reduce energy consumption.
- 2) Plan and implement supplier quality evaluations.
- 3) Conduct water consumption statistics and pollution prevention to maximize water efficiency.

### 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	V		2) The Company has formulated the “Ethical Corporate Management Best Practice Principles” and the “Procedures for Ethical Management and	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	
<p>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?</p> <p>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?</p>	V		<p>Guidelines for Conduct,” which contain safeguards against unethical conduct and specify procedures, sanctions and grievance systems for non-compliance.</p> <p>3) The Company has prepared the “Ethical Corporate Management Best 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.</p>	3) No material difference.
<p>2. Fulfill operations integrity policy</p> <p>1) Does the company evaluate business partners’ ethical records and include ethics-related clauses in business contracts?</p> <p>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?</p>	V	V	<p>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.</p> <p>2)  (1) The Administration Division serves as the dedicated unit for the ‘Corporate Integrity Promotion Working Group,’ led by the General Manager as the convener. Based on departmental duties, the unit assists the Board and management in formulating and supervising integrity policies and prevention programs to ensure compliance. The annual progress was reported to the Board on November 12, 2025.  (2) The Company’s ethical management policy was enforced, the 2025 implementation is as follows:  1. Legal compliance promotion:  The administration division promoted the awareness education among all</p>	<p>1) No material difference.</p> <p>2) No material difference.</p>

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		<p>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.</p> <p>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 2025.</p> <p>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 2025.</p> <p>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</p>	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	
<p>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?</p> <p>5) Does the company regularly hold internal and external educational trainings on operational integrity?</p>	V		<p>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 related personnel to report any improper practice.</p> <p>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.</p> <p>5) Internal and external training on ethical management: In fiscal 2025, 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 56 persons totaling 56 hours.</p>	<p>4) No material difference.</p> <p>5) No material difference.</p>
<p>3. Operation of the integrity channel</p> <p>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?</p> <p>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?</p> <p>3) Does the company provide proper whistleblower protection?</p>	V		<p>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.</p> <p>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.</p>	<p>1) 2) No material difference.</p> <p>3) No material difference.</p>
<p>4. Strengthening information disclosure</p> <p>Does the company disclose its ethical corporate management policies and the results of its implementation on the company’s website and</p>	V		<p>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</p>	<p>No material difference.</p>

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
MOPS?			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 2025, 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 56 persons totaling 56 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:				
1. The Company abides by the Company Act, the Securities and Exchange Act, regulations of the listing authorities, and other laws governing commercial practices as the bedrock of our business integrity.				
2. If a director or the juristic person they represent has a personal interest in any matter on the meeting agenda, the director shall explain the material details of such interest at the current Board meeting. Where there is a risk of prejudice to the interests of the Company, the director shall not participate in the discussion or voting, shall recuse themselves during such discussion and voting, and shall not act as a proxy for other directors to exercise their voting rights.				
3. The "Management Regulations for Handling Material Inside Information and Preventing Insider Trading" explicitly prohibit insiders and related employees from disclosing non-public corporate information. Furthermore, strict confidentiality firewalls have been established to mitigate moral hazard and prevent violations of the Securities and Exchange Act.				

**2.3.7 Other Important Information Regarding Corporate Governance:**

Upon the assumption of office by insiders, including directors and managers, the Company provides them with the "Guidelines for Declaration of Equity Changes by Company Insiders" for compliance to prevent violations or insider trading. In addition, upon the assumption of office by directors, the Company provides them with the "Directors' Handbook" as well as reference materials compiled by the Taiwan Stock Exchange (TWSE), including the Compliance Manual for Directors and Supervisors of TWSE/TPEX Listed Companies, Securities Market Regulations to be Noted by Listed Companies and Their Directors, Supervisors, and Major Shareholders, and the Compliance Manual for Independent Directors. These materials are provided to assist directors in understanding the regulations governing reporting requirements and the legal liabilities stipulated under relevant securities laws and listing rules.

**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 2025 and the Implementation Status of Them:**

Date	Major Resolutions	Implementation Status
2025.03.14 1 <sup>st</sup> extraordinary shareholder's meeting	1. Proposal for the private placement of common shares. 2. Proposal for amendments to the "Articles of Incorporation."	1. Approved by the shareholders' meeting and fully implemented accordingly. 2. Approved by the shareholders' meeting, the amended regulations have been uploaded to the Market Observation Post System (MOPS) in accordance with regulatory requirements.
2025.06.26	1. Adoption of the 2024 Business Report and Financial Statements. 2. Adoption of the 2024 deficit compensation proposal. 3. Proposal for amendments to the "Articles of Incorporation." 4. Proposal for amendments to the "Procedures for Acquisition or Disposal of Assets."	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 fully implemented accordingly. 4. Approved by the shareholders' meeting and fully implemented accordingly.

**2.3.9.2 Major Resolutions of Board Meetings in Fiscal Year 2025 and During the Current Fiscal Year Up to the Publication Date of the Annual Report:**

Date	Resolution Summary
2025.01.16	1. Evaluation of the independence, appointment, and remuneration of the certifying CPA. 2. Review and approval of the 2024 year-end bonus distribution for managers and directors with employee status. 3. Proposal for amendments to the Information Security "Evaluation Items for the Effectiveness of the Internal Control System." 4. Proposal for amendments to the "Investment Cycle - Investment Acquisition - Internal Control System for Long-term Equity Investments" and its Internal Audit Implementation Rules. 5. Proposal for the acquisition of machinery and equipment among affiliated enterprises. 6. Proposal for the issuance of common shares through a cash capital increase. 7. Proposal for the private placement of common shares. 8. Proposal for matters relating to convening the company's first Extraordinary Shareholders' Meeting of 2025.

2025.02.26	<ol style="list-style-type: none"> <li>1. Proposal for amendments to the "Articles of Incorporation."</li> <li>2. Proposal to amend the terms and conditions for the private placement of common shares approved by the Board of Directors on January 16, 2025.</li> <li>3. Proposal to add items to the meeting agenda for the company's first Extraordinary Shareholders' Meeting of 2025.</li> </ol>
2025.03.05	<ol style="list-style-type: none"> <li>1. Proposal for the change of the company's Chief Accounting Officer.</li> <li>2. Proposal for the remuneration of the company's Chief Accounting Officer.</li> </ol>
2025.03.14	<ol style="list-style-type: none"> <li>1. Proposal for applications for credit facilities and trading limits with financial institutions.</li> <li>2. Approval of the 2024 unaudited (management-prepared) financial statements.</li> <li>3. Proposal for the private placement of common shares, pricing determination, and related matters.</li> </ol>
2025.03.21	<ol style="list-style-type: none"> <li>1. Proposal for the loaning of funds to the subsidiary, PT Cosmo Technology.</li> <li>2. Proposal for the loaning of funds to the subsidiary, Cosmo Electronics (HK) Company Limited.</li> </ol>
2025.03.28	<ol style="list-style-type: none"> <li>1. Proposal for the 2024 distribution of remuneration for directors, supervisors, and employees (including managers).</li> <li>2. Proposal for the salary adjustment of the company's Grade 2 senior executives.</li> <li>3. Adoption of the 2024 Business Report and Financial Statements.</li> <li>4. Adoption of the 2024 deficit compensation proposal.</li> <li>5. Proposal for the 2024 "Assessment of the Effectiveness of the Internal Control System" and the "Internal Control System Statement."</li> <li>6. Proposal for amendments to the "Articles of Incorporation."</li> <li>7. Proposal for amendments to the "Procedures for Acquisition or Disposal of Assets."</li> <li>8. Proposal for matters relating to convening the company's 2025 Annual Shareholders' Meeting.</li> <li>9. Proposal for the submission period and venue for accepting shareholders' proposals for the Annual Shareholders' Meeting.</li> </ol>
2025.04.15	<ol style="list-style-type: none"> <li>1. Proposal for the second private placement of common shares, pricing determination, and related matters.</li> </ol>
2025.05.02	<ol style="list-style-type: none"> <li>1. Proposal for the transfer of production capacity from the Yilan Dongshan Factory and Longde Factory 2 to the Indonesian subsidiary.</li> </ol>
2025.05.08	<ol style="list-style-type: none"> <li>1. Proposal for the loaning of funds to the subsidiary, Cosmo Electronics (HK) Company Limited.</li> <li>2. Proposal for amendments to the "Procedures for Acquisition or Disposal of Assets."</li> </ol>
2025.05.14	<ol style="list-style-type: none"> <li>1. Proposal for the change of the company's attesting CPAs by HLB Candor Taiwan CPAs.</li> <li>2. Adoption of the company's consolidated financial reports for the first quarter of 2025.</li> <li>3. Proposal for the disposal of the company's machinery and equipment.</li> <li>4. Proposal to add items to the meeting agenda for the company's 2025 Annual Shareholders' Meeting.</li> </ol>
2025.06.20	<ol style="list-style-type: none"> <li>1. Proposal for applications for credit facilities and trading limits with financial institutions.</li> <li>2. Proposal for the acquisition of machinery and equipment among affiliated enterprises.</li> <li>3. Proposal to adjust the business model of Cosmo Electronics Technology (Kunshan) Co., Ltd.</li> </ol>
2025.07.08	<ol style="list-style-type: none"> <li>1. Proposal for the ratification of the company's Chief Internal Auditor.</li> <li>2. Proposal for amendments to the company's Internal Control System for the "Investment Cycle - Investment Acquisition - Long-term Equity Investments."</li> <li>3. Proposal for the change of the company's Chief Accounting Officer.</li> <li>4. Proposal for the remuneration of the company's Chief Accounting Officer.</li> <li>5. Proposal for applications for credit facilities and trading limits with financial institutions.</li> <li>6. Proposal for the company to launch AI-related business initiatives.</li> </ol>
2025.08.14	<ol style="list-style-type: none"> <li>1. Adoption of the company's consolidated financial reports for the second quarter of 2025.</li> <li>2. Proposal for the acquisition of machinery and equipment among affiliated enterprises.</li> <li>3. Proposal to classify accounts receivable balances in Q2 2025 that exceed normal credit terms by over three months and amount to over NT\$10 million as non-loaning of funds in nature.</li> <li>4. Proposal for amendments to parts of the company's "Corporate Governance Best Practice Principles."</li> <li>5. Submission of the company's 2024 Sustainability Report.</li> </ol>

	6. Submission and discussion of the salary adjustments for the General Manager and Chief Financial Officer, and the appointment remuneration for Grade 2 senior executives.
2025.08.28	1. Proposal for the change of the shareholder services agent.
2025.09.25	1. Proposal for the definition of the company's "non-managerial employees." 2. Proposal for amendments to the company's Internal Audit and Internal Control Systems. 3. Proposal for applications for credit facilities and trading limits with financial institutions. 4. Proposal for the ratification of remuneration for directors Liao Bo-Ya and Jhou Guang-Yu. 5. Submission of the change of the company's Corporate Governance Officer and their remuneration. 6. Submission of the change of the company's Chief Accounting Officer and their remuneration.
2025.11.12	1. Proposal for amendments to parts of the company's "Corporate Governance Best Practice Principles." 2. Proposal for the company's 2026 Annual Audit Plan. 3. Proposal for applications for credit facilities and trading limits with financial institutions. 4. Proposal for the acquisition of machinery and equipment among affiliated enterprises. 5. Proposal to classify accounts receivable balances in Q3 2025 that exceed normal credit terms by over three months and amount to over NT\$10 million as non-loaning of funds in nature. 6. Adoption of the company's consolidated financial reports for the third quarter of 2025.
2026.02.09	1. Proposal for amendments to the Internal Audit and Internal Control Systems for the "Financing Cycle" and "Payroll Cycle." 2. Proposal for the definition of the company's "non-managerial employees." 3. Proposal for the enactment of the company's "Regulations for Performance Evaluation and Remuneration of Directors and Managers." 4. Proposal for applications for credit facilities and trading limits with financial institutions. 5. Review and approval of the 2025 year-end bonus distribution for managers and directors with employee status.
2026.03.12	1. Proposal for amendments to the Internal Audit and Internal Control Systems for the "Research and Development Cycle." 2. Proposal for the 2025 "Assessment of the Effectiveness of the Internal Control System" and the "Internal Control System Statement." 3. Proposal for applications for credit facilities and trading limits with financial institutions. 4. Proposal for the 2025 distribution of remuneration for directors, supervisors, and employees (including managers). 5. Evaluation of the remuneration of directors and managers. 6. Adoption of the 2025 Business Report and Financial Statements. 7. Evaluation of the independence, appointment, and remuneration of the certifying CPA. 8. Proposal for the pre-approval of non-assurance services provided to the company and its subsidiaries by the certifying CPA, their firm, and its affiliates. 9. Evaluation of performance appraisal items for directors and managers for 2025. 10. Proposal for the acquisition of machinery and equipment among affiliated enterprises. 11. Proposal to classify accounts receivable and other receivables balances in Q4 2025 that exceed normal credit terms by over three months and amount to over NT\$10 million as non-loaning of funds in nature.
2026.03.23	1. Proposal for applications for credit facilities and trading limits with financial institutions. 2. Proposal for amendments to parts of the "Articles of Incorporation." 3. Proposal for amendments to parts of the "Rules of Procedure for Shareholders' Meetings." 4. Proposal for the ratification of remuneration for directors Chen Hsin-Chang and Chen Chia-Chan. 5. Proposal for the 2025 earnings distribution. 6. Proposal for matters relating to convening the company's 2026 Annual Shareholders' Meeting. 7. Proposal for the submission period and venue for accepting shareholders' proposals for the Annual Shareholders' Meeting.

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

## 2.4 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
Candor Taiwan CPAs	Lee Ting-Yi	Jan 31. 2025 – Dec 31. 2025	4,550	200	4,750	Tax attestation services.
	Chen Yu-Hsun					

- (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.		

Date of Change	Approved by the Board of Directors on May 14, 2025
Reason for Replacement	Due to internal business adjustments within the accounting firm

Initiator of Termination or Non-Acceptance (Company or CPA)	Condition \ Party	CPA	Company
		Voluntary Termination	N/A
	Declined Continued Engagement		
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 first quarter of 2025, 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)	Lee Ting-Yi and Chen Yu-Hsun
Date of Appointment	Approved by the Board of Directors on May 14, 2025.
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	2025		By April 28, 2026		Remarks
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	
Chairperson	DIGICROWN TECHNOLOGIES LTD. Representative: Hsieh Shu-Chuan	0	0	0	(934,000)	
Director	DIGICROWN TECHNOLOGIES LTD. Representative: Chang Chia-Hao	0	0	N/A	N/A	(Effective Date of Dismissal: January 17, 2025)
Director	DIGICROWN TECHNOLOGIES LTD. Representative: Ho Wei-chuan	0	0	N/A	N/A	(Effective Date of Dismissal: May 21, 2025)
Director	DIGICROWN TECHNOLOGIES LTD. Representative: Lu Hsiao-Hsuan	0	0	0	0	(Effective Date of Appointment: January 17, 2025)
Director	DIGICROWN TECHNOLOGIES LTD. Representative: Liao Bo-Ya	0	0	N/A	N/A	(Effective Date of Appointment: May 21, 2025) (Effective Date of Dismissal: March 9, 2026)
Director	DIGICROWN TECHNOLOGIES LTD. Representative: Chen Hsin-Chang	N/A	N/A	0	0	(Effective Date of Appointment: March 9, 2026)
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	(Effective Date of Appointment: January 17, 2025)
Director	Bank SinoPac as Custodian for Fine Asia Int'l Ltd. Investment Account Representative: Chen Chia-Chan	N/A	N/A	0	0	(Effective Date of Appointment: March 9, 2026)
Director	Bank SinoPac as Custodian for Fine Asia Int'l Ltd. Investment Account Representative: Liu, Chin-Mu	0	0	N/A	N/A	(Effective Date of Dismissal: January 17, 2025)
Director	Bank SinoPac as Custodian for Fine Asia Int'l Ltd. Investment Account Representative: Zhou Guang-Yu	10,000	0	N/A	N/A	(Effective Date of Appointment: September 9, 2025) (Effective Date of Dismissal: March 9, 2026)

Title	Name	2025		By April 28, 2026		Remarks
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	
Director	Bank SinoPac as Custodian for Fine Asia Int'l Ltd. Investment Account Representative: Li, Chih-Chin	0	0	N/A	N/A	(Effective Date of Dismissal: September 9, 2025)
Independent Director	Jhong Yu-Ru	0	0	0	0	
Independent Director	Jhu Rong-Chen	0	0	0	0	
Independent Director	Tsai Wen-Ling	0	0	0	0	
President	Huang Tsung-Shan	0	0	0	0	
Deputy General Manager	Lin Shu-Ping	0	0	0	0	(Effective Date of Appointment: September 1, 2025)
Deputy General Manager	Ho Wei-chuan	0	0	0	0	
Deputy General Manager	Liu Chin-Mu	0	0	N/A	N/A	(Effective Date of Dismissal: January 20, 2025)
Deputy General Manager and Corporate Governance Officer	Li, Chih-Chin	0	0	N/A	N/A	(Effective Date of Dismissal: August 31, 2025)
Chief Financial Officer, Chief Accounting Officer, and Corporate Governance Officer	Lu Hsiao-Hsuan	0	0	0	0	(Effective Date of Appointment as CAO and Corporate Governance Officer: September 25, 2025)
Head of Accounting Department	Chiu Li-Hua	0	0	N/A	N/A	(Effective Date of Appointment: May 9, 2024) (Effective Date of Dismissal: March 5, 2025)
Head of Accounting Department	Lin Tsung-Ting	0	0	N/A	N/A	(Effective Date of Appointment: March 5, 2025) (Effective Date of Dismissal: July 8, 2025)
Head of Accounting Department	Liao, Kuan-Ting	0	0	N/A	N/A	(Effective Date of Appointment: July 8, 2025) (Effective Date of Dismissal: September 25, 2025)

2.7.2 Shareholding Transfer Information: Market Observation Post System (MOPS) > Profile > Equity Changes/Securities Issuance > Query Shareholding Transfer > Report on Post-Facto Declarations of Insider Shareholding Changes

URL: [https://mops.twse.com.tw/mops/#/web/query6\\_1](https://mops.twse.com.tw/mops/#/web/query6_1)

2.7.3 Shareholding Pledge Information: Market Observation Post System (MOPS) > Profile > Equity Changes/Securities Issuance > Insider Pledge/Release of Pledge > Announcement of Insider Pledge/Release of Pledge

URL: [https://mopsov.twse.com.tw/mops/web/STAMAK03\\_1](https://mopsov.twse.com.tw/mops/web/STAMAK03_1)

**2.8 Relationship among the Top Ten Shareholders**

April 28, 2026 ;Unit: Shares

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 TECHNOLOGI ES LTD.	15,914,684	9.17%					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	478,299	0.28%	0	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	—
Wei Jia Investment Co., Ltd.	14,103,608	8.13%					None	None	—
Representative: Liao, Chen- Hsiang	0	0	0	0	0	0	None	None	—
Da Liang Investment Ltd.	13,908,000	8.02%					1.Kuan Chia Investment Ltd. 2. DIGICROWN TECHNOLOGIE S 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	1.86%	0	0	0	0	1.DIGICROWN TECHNOLOGIE S 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	—
Hung Yi Investment Ltd.	13,751,000	7.93%					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	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	7.65%						None	None	—
Representative: Lin, Shu-Ping	5,924	0.00%	0	0	0	0	0	None	None	—
Kuan Chia Investment Ltd.	12,285,000	7.08%						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	478,299	0.28%	0	0	0	0	0	1. DIGICROWN TECHNOLOGIE SLTD. 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	—
Kuan Che Investment Ltd.	12,027,558	6.93%						None	None	—
Representative: Johnson Tsao	1,105,684	0.64%	0	0	0	0	0	None	None	—
Cathay United Bank as Custodian for Fei Da Co., Ltd. Investment Account	11,223,833	6.47%						None	None	—
Tai Sung Investment Co., Ltd.	9,028,000	5.20%						None	None	—
Representative: Ernest Song	21,000	0.00%	0	0	0	0	0	None	None	—
Ming Sheng Investment Co., Ltd.	4,540,000	2.62%						None	None	—
Representative: Collin HY Wang	0	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, 2026 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	10,750,000	100%	0	0	10,750,000	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
June 2025	10	250,000,000	2,500,000,000	173,458,697	1,734,586,970	Private cash capital increase: \$20,000,000	—	Jing-Shou-Shang-Zi No 114.06.13 11430086960

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	173,458,697	76,541,303	250,000,000	None

Information on shelf registration system: None

### 3.1.2 Status of Shareholders

April 28, 2026

Shareholding	Shares held	Shareholding percentage
Name of Major Shareholder		
DIGICROWN TECHNOLOGIES LTD.	15,914,684	9.17%
Wei Jia Investment Co., Ltd.	14,103,608	8.13%
Da Liang Investment Ltd.	13,908,000	8.02%
Hung Yi Investment Ltd.	13,751,000	7.93%
Tsan Hua Investment Co., Ltd.	13,266,627	7.65%
Kuan Chia Investment Ltd.	12,285,000	7.08%
Kuan Che Investment Ltd.	12,027,558	6.93%
Cathay United Bank as Custodian for Fei Da Co., Ltd. Investment Account	11,223,833	6.47%
Tai Sung Investment Co., Ltd.	9,028,000	5.20%
Ming Sheng Investment Co., Ltd.	4,540,000	2.62%

### 3.1.3 Dividend Policy and Implementation Status

#### 3.1.3.1 Dividend policy

If the Company's annual final accounts show a net profit, such profit shall first be used to pay all taxes and offset accumulated losses of previous years. Thereafter, 10% of the remaining profit shall be allocated as the legal reserve; however, this shall not apply if the legal reserve has reached the total amount of the Company's paid-in capital. When necessary, a special reserve shall be appropriated or reversed in accordance with relevant laws and regulations. Any remaining balance, combined with the undistributed earnings from previous years, shall be formulated into an earnings distribution proposal by the Board of Directors and submitted to the shareholders' meeting for resolution and distribution.

The Company's dividend policy shall take into consideration the company's current environment, growth stage, future capital requirements, and long-term financial planning. The Board of Directors shall draft an earnings distribution proposal and submit it to the shareholders' meeting for resolution prior to implementation.

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 distribution of dividends of the Company shall be handled in accordance with the relevant laws and regulations and the Articles of Incorporation. The beginning accumulated deficit was NT\$ -24,294,079. The Company's net profit after tax for the fiscal year 2025 was NT\$ 42,429,348, plus other comprehensive income of NT\$ 1,594,856. After allocating NT\$ 1,973,013 to the legal reserve and NT\$ 17,757,112 to the special reserve, the current unappropriated retained earnings available for distribution is 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 2025 is NT\$70,461,129. The Company's board of directors' meeting on March 12, 2026 proposed to provide compensation to employees in the amount of NT\$3,523,056 and remuneration to directors in the amount of NT\$ 704,611 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:

The actual distribution of compensation to employees and directors for the fiscal year 2024 is as follows: the cash compensation distributed to employees was NT\$ 34,704, and the cash compensation distributed to directors was NT\$ 6,941.

There is no difference between the aforementioned actual distribution of compensation to employees and directors and the recognized amounts in the 2024 financial statements.

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 Project Content: Market Observation Post System (MOPS) > Individual Company > Changes in Shareholding/Securities Issuance > Fundraising > Execution of Fundraising Plans

[https://mopsov.twse.com.tw/mops/web/bfhtm\\_q2](https://mopsov.twse.com.tw/mops/web/bfhtm_q2)

3.7.2 Execution Status: Market Observation Post System (MOPS) > Individual Company > Changes in Shareholding/Securities Issuance > Fundraising > Execution of Fundraising Plans

[https://mopsov.twse.com.tw/mops/web/bfhtm\\_q2](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\$ in Thousands

Product Name	Turnover in 2025	% of total turnover
Photoelectric	346,744	36.54
LED lighting	553,149	58.28
Energy and materials	49,161	5.18
Trading, channels & others	-	-
Land development business	-	-
Total	949,054	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.

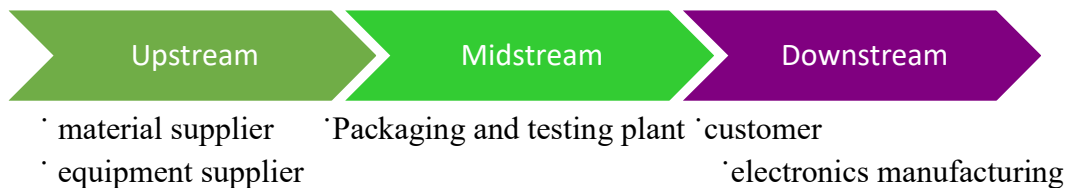
Driven by the international trend, resource environment, labor market and policy backing, the Industrial Development District will show good prospects.

#### 4.1.2.2 Upstream, Midstream and Downstream Industry Linkages

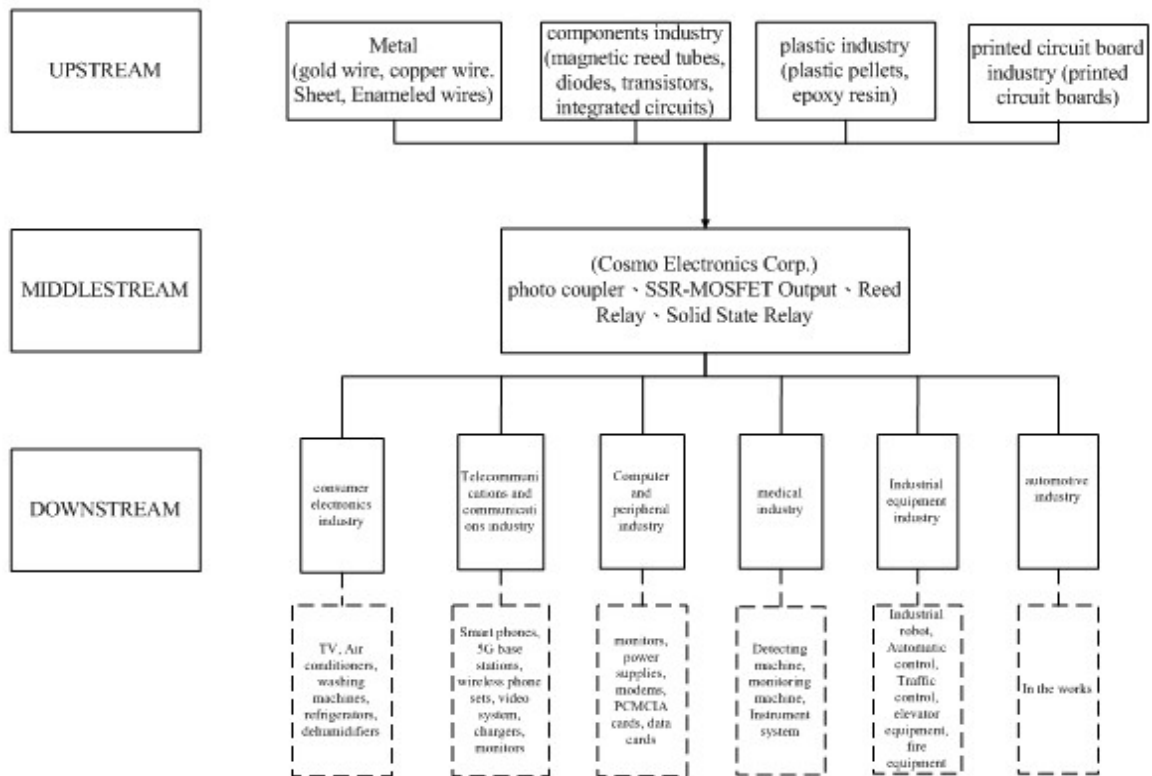
##### A. Optoelectronics Department:

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.



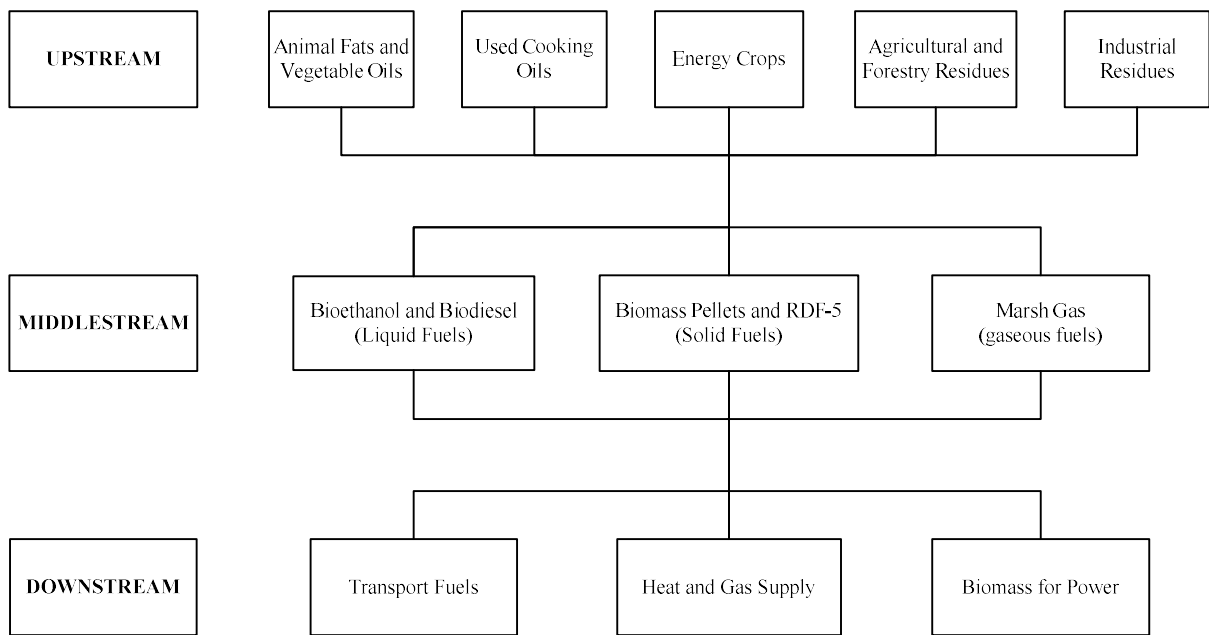
Overall, the optical electronic components industry is a mature sector with a complete upstream, midstream and downstream supply chain. Changes in the upstream, midstream and downstream are not significant and the supply chain linkages are listed below:



## B. Clean Steam Department

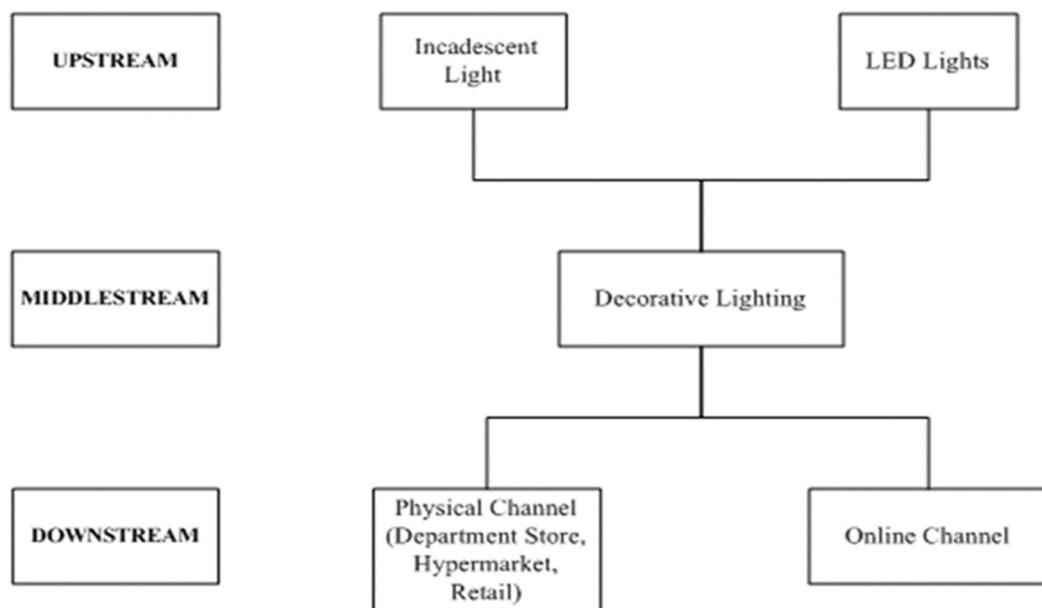
The biofuels industry comprises upstream raw materials, midstream biofuels production, and downstream blending, sales and applications. Upstream raw materials include animal and vegetable oils and fats, waste cooking oil, energy crops, agricultural and forestry waste, industrial waste, etc. Midstream 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 decorative lighting, photoelectric components and relay, and clean steam, with its main product lines being optoelectronics, energy and materials trading, distribution and others. The major products accounted for 52.28%, 36.54% and 5.18% of revenue in 2025 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 2025 and 2026 first quarter up to the date of publication of the annual report:

Unit: NT\$Thousands

Year	2025	2026 As of March 31
R&D Expenses	11,321	2,566

#### 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 in 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\$ Thousands; %

Sales Regions		2024		2025	
		Amount	%	Amount	%
Domestic - Taiwan		55,128	4.98	127,201	13.40
Export	Other Asian regions	486,410	43.94	256,360	27.01
	Americas	565,534	51.08	565,493	59.59
	Sub-total	1,051,944	95.02	821,853	86.60
Total		1,107,072	100.00	949,054	100.00

#### 4.2.1.2 Key competitors and market share

The major global rivals of the photocoupler series include SHARP, TOSHIBA, OMRON, 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 CO<sub>2</sub> 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 (CO<sub>2</sub>) levels have increased by about 30%. According to a recent study published in the UK journal Scientific Reports, the concentration of CO<sub>2</sub> 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 CO<sub>2</sub> 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

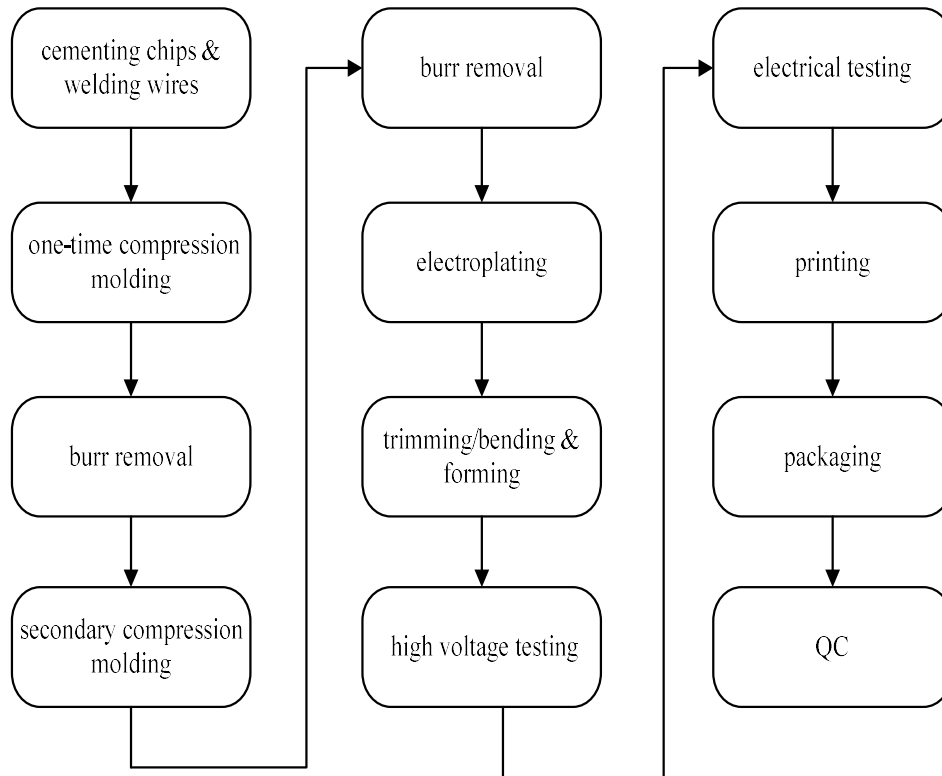
4.2.2.1 Key product applications

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,

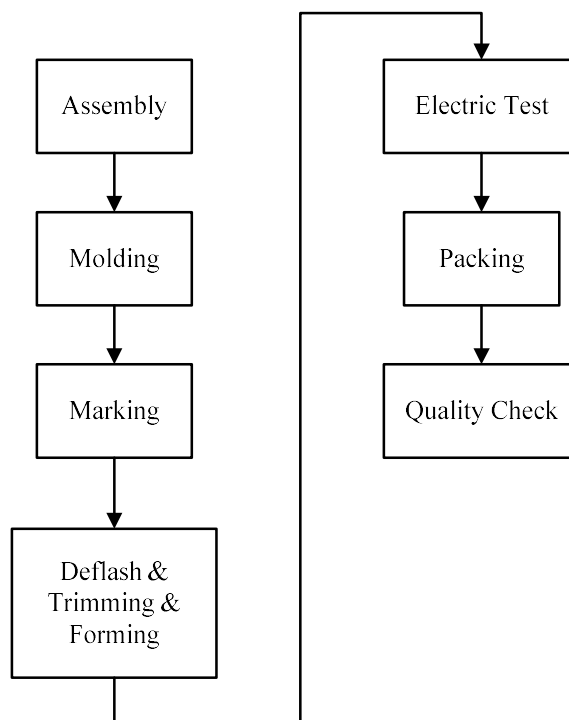
Product	Uses/Functions	Applications
	oil contamination, etc.	heat sources for cooling systems, steam ovens, etc.

#### 4.2.2.2 Production/manufacturing process

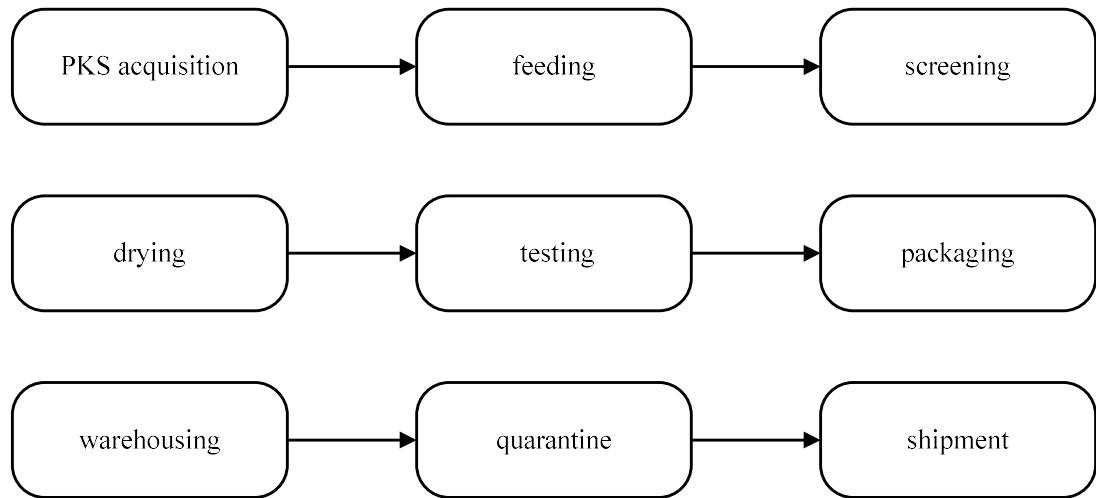
##### A. Optocoupler series product manufacturing process:



##### B. Relay series product manufacturing process:

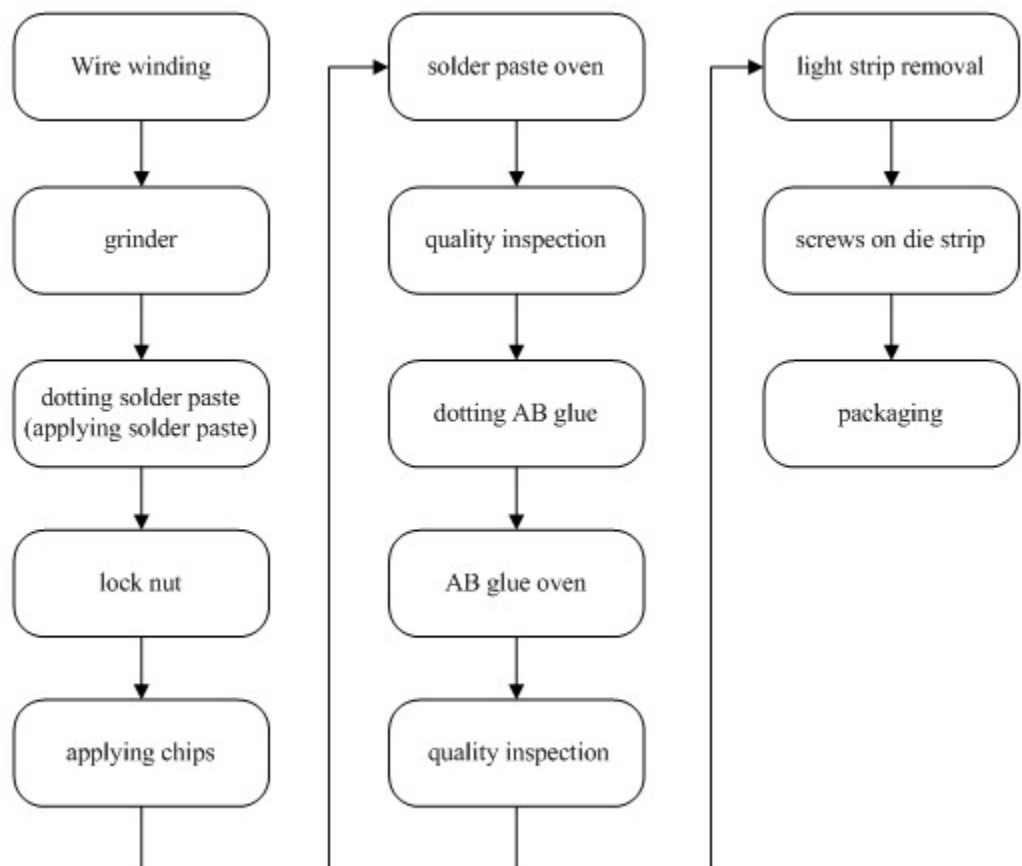


C. Palm kernel shell product manufacturing process:

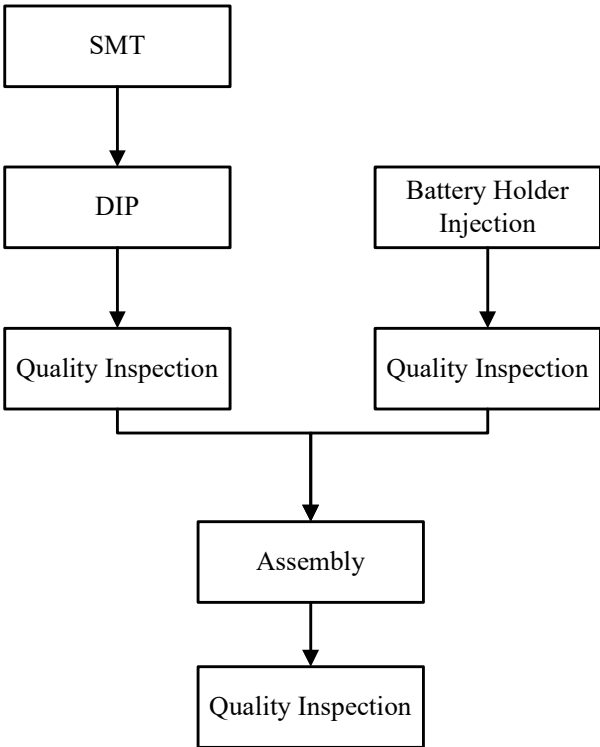


D. Decorative lighting manufacturing process:

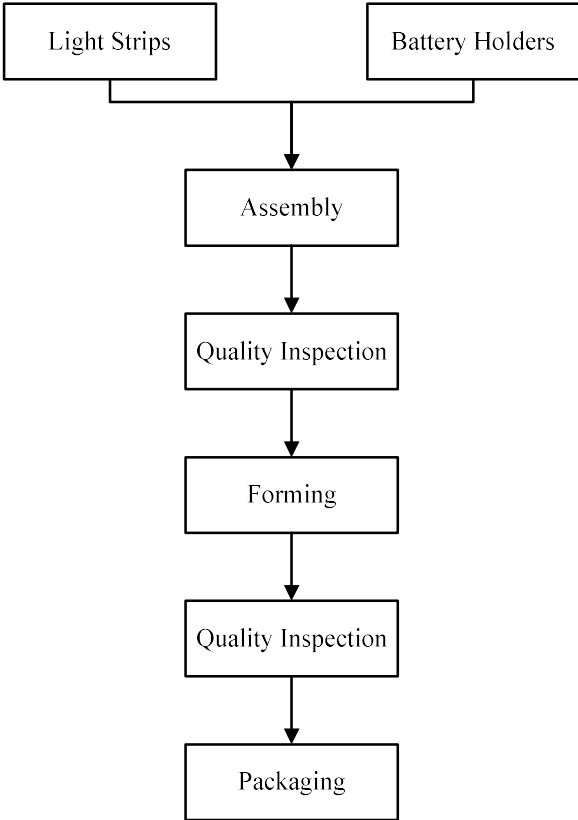
1. Light strip manufacturing process:



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	2024				2025				As of the first quarter of fiscal 2026			
	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	Substantive Related Parties					A Company	12,236	12.60	None
2									B Company	10,777	11.09	None
6	Other	551,576	87.27		Other	466,555	100.00		Other	74,118	76.31	
	Net Purchases	632,057	100.00		Net Purchases	466,555	100.00		Net Purchases	97,131	100.00	

Explanation for a Change of 10%:

The subsidiary experienced a decrease in its procurement volume in 2025 due to a decline in lighting order volumes; conversely, the increased procurement volumes for Company A and Company B were driven by growth in their respective order volumes.

#### 4.2.4.2 Information on major buyers in the last two years:

Unit: NT\$ thousands

Item	2024				2025				As of the first quarter of fiscal 2026			
	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	415,423	37.52	Substantive Related Parties	Client W	490,781	52.00	Substantive Related Parties	Client W	67,966	43.00	Substantive Related Parties
2									Client A	22,899	14.00	None
3	Other	691,649	62.48	None	Other	460,084	48.00	None	Other	77,103	43.00	None
	Net Sales	1,107,072	100.00		Net Sales	950,865	100.00		Net Sales	167,968	100.00	

Reasons for changes in sales customers: There was no significant change for Customer W in the most recent two years. Customer A saw slight changes in product shipments and customer percentage compared to the prior year due to an increase in orders.

### 4.3 Human Resources

Data of employees in the most recent two years and up to the date of publication of the annual report

Year	2024	2025	As of April 28, 2026
Total number of persons	881	554	1,604
Average age	34.88	37.69	30.94
Average job tenure (year)	6.10	7.90	2.94
Education distribution ratio	PhD	0.00%	0.00%
	Master	0.25%	1.26%
	College	8.38%	30.14%
	High School	62.18%	42.24%
	Below High School	29.19%	26.35%

### 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 2025, 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 2025

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		3,110	1,650	3,070
Senior management training	v	v		v	52	17,500	26
Internal audit course	v	v		v	158	16,700	233
Management course	v	v		v	647	22,072	247

Safety and health training	v	v	v	v	747	347,094	492
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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.

#### 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 condictions 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:**

In November 2025, the Company completed the settlement of employees' retained service years under the old scheme of the Labor Standards Act. Currently, all employees are fully covered under the new Labor Pension Act scheme (the new system), and the application for the cancellation of the Labor Pension Reserve Funds Supervisory Committee has been completed.

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) In accordance with occupational safety and health regulations, the Company has

appointed dedicated occupational safety and health personnel. Their responsibilities include regularly monitoring, inspecting, and improving the safety of the working environment. Concurrently, the Company regularly selects and dispatches personnel to vocational training institutions for training in compliance with regulatory requirements.

- (4) The Company conducts regular health examinations for employees. For those operating in special working environments, special health examinations are provided to ensure that team members remain well-informed of their physical health conditions.
- (5) Professional inspections of the working environment are regularly commissioned to qualified external agencies. In the event of any anomalies, corrective and improvement measures are implemented promptly.
- (6) Through system implementation and regular audits, the Company ensures that environmental protection and occupational safety practices are soundly and effectively enforced.

The implementation is as follows:

Item	2024	2025
Labor safety and health training	525 hours / 526 persons	747hours / 492 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

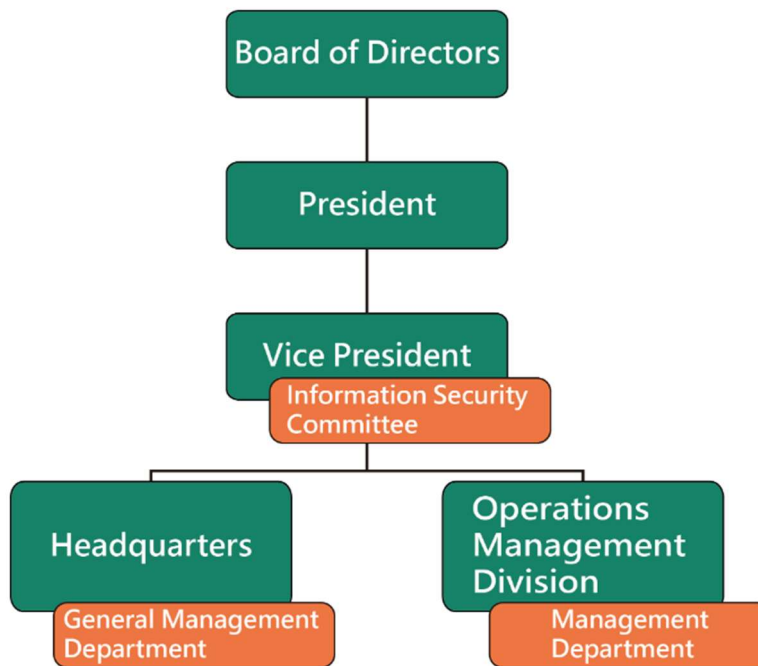
mediation, and should not cause trouble by tilting.

- (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.

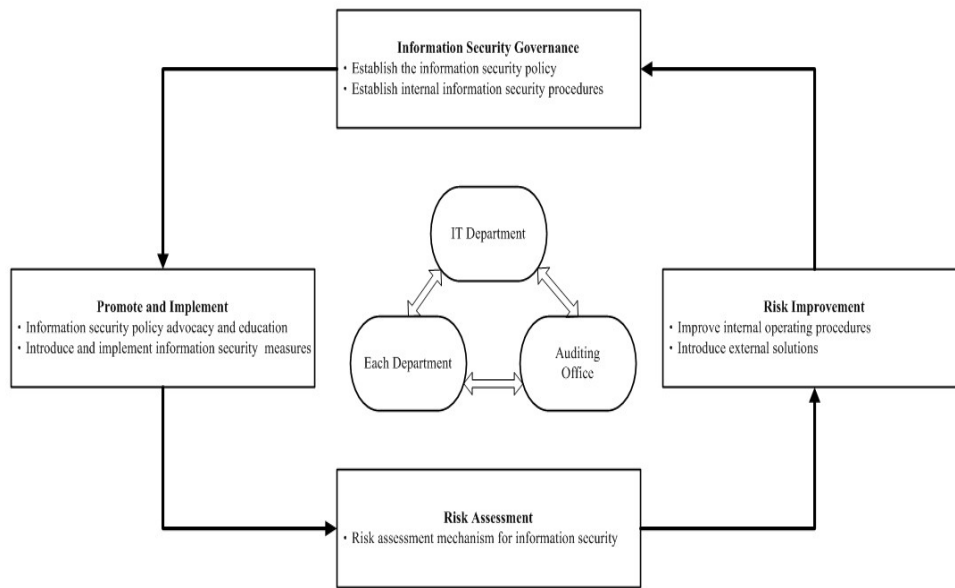
4.5.4.3 Confidential information of the Company shall not be delivered, shared, transferred or leaked in any way to a third party or released to the public without the written consent of the Company, nor shall it be used or utilized for oneself or for a third party, as provided in the employment agreement 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.
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. Vulnerability scanning is conducted on servers and employees' endpoint computer equipment to identify existing system vulnerabilities and ensure timely patching.
3. The email servers are equipped with anti-virus and spam filtering mechanisms to block viruses and spam from entering user-end IT 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 employees undergo resignation or retirement procedures, the IT Department must be co-consulted to proceed with the deactivation and deletion of all 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. Password Management: Employees are required to change their system passwords on a quarterly basis to maintain and safeguard account security.
3. Lectures: Provide information security related education and training courses to internal employees from time to time.
4. Cybersecurity Collaboration Mechanism: The Company has joined the Taiwan Computer Emergency Response Team / Coordination Center (TWCERT/CC) as a member. This partnership provides a consultation channel for cybersecurity incidents and enables the collection of cyber threat intelligence, which serves as a reference for internal awareness campaigns and protective measures.

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

<b>information security management measures</b>		
<b>Type</b>	<b>Description</b>	<b>Related Operations</b>
<b>Authority Management</b>	Management measures for personnel accounts, authority management and system operation behavior	-Personnel account authority management and audit -Regular inventory of personnel account authority
<b>Access Control</b>	Control measures for personnel access to internal and external systems and data transmission channels	-Internal/external access control measures

<b>External Threats</b>	Potential internal vulnerabilities, virus and protective measures	-Host/computer vulnerability detection and update measures -Virus protection and malware detection
<b>System Availability</b>	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 EDR (Endpoint Detection and Response) System
  - 2.) User endpoint detection and response
  - 3.) Backup management software
  - 4.) Email antivirus
  - 5.) Spam filtering
  - 6.) VPN certification
  - 7.) Vulnerability Scanning Software
3. Service provided from Telecom Operator
  - 1.) HiNet information Security Services from CHT
  - 2.) Intrusion Prevention System
  - 3.) DDOS Prevention System
  - 4.) Social Engineering Drill
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 2025. 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 2025, 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.

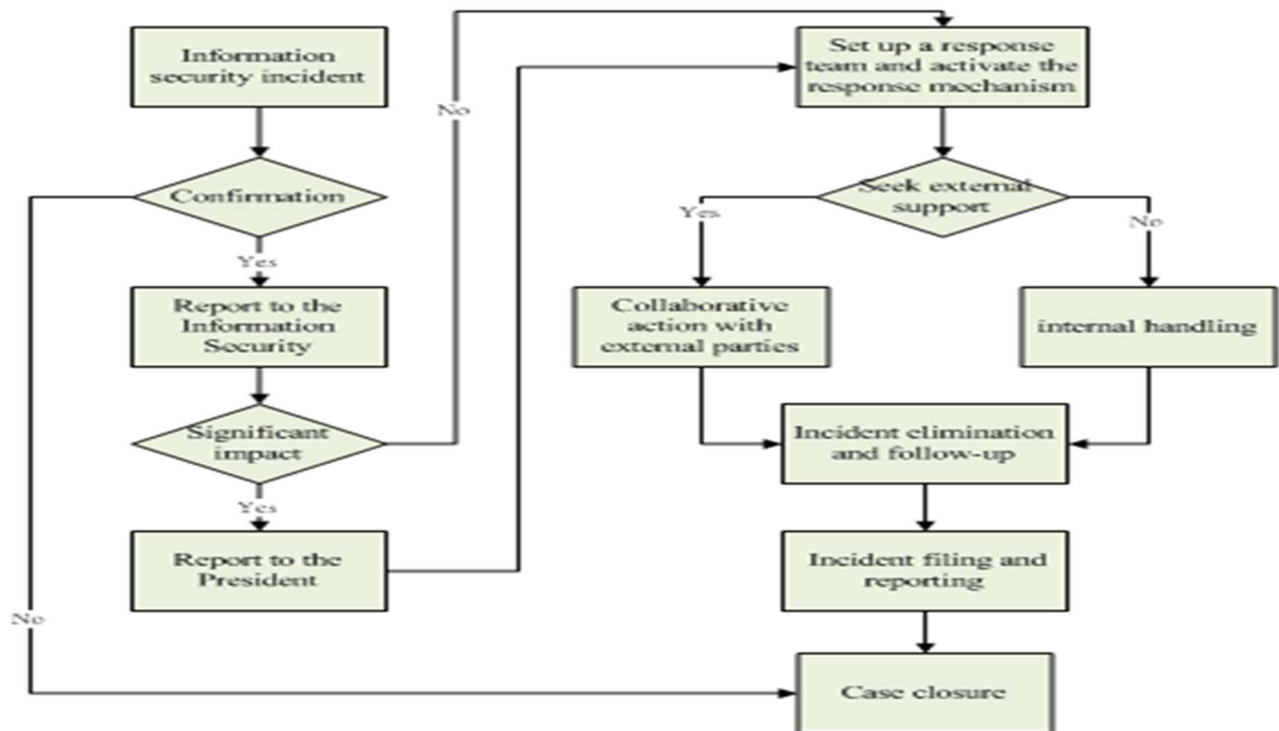
2025 Enterprise Information Security Measures Promotion and Implementation Results

- A. 2 information and communication security personnel were appointed.
- B. A total of NT\$1,750,000 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: 11 items.
- F. Conducted an internal audit of information and communication: 1 time.
- G. Conducted an external audit of information and communication: 1 time.
- H. Promoted important regulations and precautions for information protection and information security: 2 times.
- I. 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:**

Nature of Contract	Contracting Parties	Duration of Contract	Major Content	Restrictive Covenants
Sales Agreement	Zhuhai Lanxing Technology Co., Ltd.	Confidentiality of Contract	Joint Market Development	Confidentiality of Contract

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

### 5.1 Analysis of Financial Status

Unit: NT\$ thousands

Item \ Year	2024	2025	Difference	
			Amount	%
Current assets	1,029,341	833,715	-195,626	-19.00%
Property, plant and equipment	776,284	602,190	-174,094	-22.43%
Investment property	2,168,692	2,530,537	361,845	16.68%
Intangible assets	10,575	9,145	-1,430	-13.52%
Other assets	339,458	307,242	-32,216	-9.49%
<b>Total assets</b>	<b>4,324,350</b>	<b>4,282,829</b>	<b>-41,521</b>	<b>-0.96%</b>
Current liabilities	1,769,632	727,498	-1,042,134	-58.89%
Non-current liabilities	581,531	1,547,922	966,391	166.18%
<b>Total liabilities</b>	<b>2,351,163</b>	<b>2,275,420</b>	<b>-75,743</b>	<b>-3.22%</b>
Share capital	1,714,587	1,734,587	20,000	1.17%
Capital reserve	143,838	303,838	160,000	111.24%
Retained earnings	169,673	213,697	44,024	25.95%
Other interests	-54,911	-244,713	-189,802	345.65%
Non-controlling interests	-	-	-	-
<b>Total stockholders' equity</b>	<b>1,973,187</b>	<b>2,007,409</b>	<b>34,222</b>	<b>1.73%</b>

**Analysis and Explanation of Variations Reaching 20% or More:**

1. Decrease in Property, Plant, and Equipment: Primarily driven by the disposal of machinery and equipment, and the reclassification of buildings and structures to assets held for sale.
2. Decrease in Current Liabilities: Mainly due to the reduction in long-term borrowings maturing within one year or one operating cycle.
3. Increase in Non-Current Liabilities: Chiefly attributed to the increase in long-term borrowings and long-term payables to related parties.
4. Increase in Capital Surplus: Primarily resulting from an increase in stock issuance premiums (share premiums).
5. Increase in Retained Earnings: Mainly driven by the increase in gains on fair value adjustments of investment properties.
6. Decrease in Other Equity: Chiefly due to the decrease in exchange differences on translation of financial statements of foreign operations.

**5.2 Analysis of Financial Performance**

5.2.1 Analysis of Financial Performance

Unit: NT\$ thousands

Item \ Year	2024	2025	Increase (Decrease)	Percentage of Change (%)
Net sales revenue	1,107,072	949,054	-158,018	-14.27%
Net operating revenue	1,107,072	949,054	-158,018	-14.27%
Operating costs	969,123	944,320	-24,803	-2.56%
Gross profit	137,949	4,734	-133,215	-96.57%
Operating expenses	280,863	288,620	7,757	2.76%
Operating income (losses)	-142,914	-283,886	-140,972	-98.64%
Non-operating income and expenses	129,593	372,716	243,123	187.61%
Income before tax	-13,321	88,830	102,151	-766.84%
Income tax expense	-15,637	46,401	62,038	-396.74%
Net profit for the period	-28,958	42,429	71,387	-246.52%

**Analysis and Explanation of Variations Reaching 20% or More:**

1. Decrease in Gross Profit and Operating Income: Primarily driven by the decline in sales revenue for the current year.
2. Increase in Non-Operating Income and Expenses, and Income Before Income Tax: Mainly due to the increase in gains on fair value adjustments of investment properties.
3. Increase in Income Tax Expense and Net Income for the Period: Chiefly attributed to the increase in gains on fair value adjustments of investment properties.

5.2.2 Expected Sales Volume of Major Products and Its Basis, Potential Impact on the Company's Future Financial and Business Status, and Response Plans:

As the Company has not publicly disclosed its financial forecast for 2025, expected sales volumes are not disclosed herein.

**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
105,101	68,480	27,622	14,336	215,539	-	-

Operating Activities: Primarily driven by the profits generated in the current year.

Investing Activities: Mainly due to the acquisition of equipment.

Financing Activities: Chiefly attributed to the proceeds from long-term borrowings.

### 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: Estimated net cash inflow of NT\$146,578 thousand, primarily derived from operating revenue.
- (2) Investing activities: Estimated net cash inflow of NT\$109,261 thousand, primarily from the disposal of investment properties.
- (3) Financing activities: Estimated net cash outflow of NT\$158,765 thousand, primarily for the repayment of syndicated borrowings.

## 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 Recent Investment Policy: Capital increase in subsidiaries.

5.5.2 Investment Profit Analysis: Primarily driven by the recognition of fair value adjustment gains on investment properties held by subsidiaries in the current year.

5.5.3 Investment Plans for the Coming Year: Capital increase in subsidiary investments.

## 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 financial planning and utilization; prioritizes safety, liquidity, and profitability under a risk control and supervision mechanism to establish hedging mechanisms and mitigate financial risks.
  - 5.6.1.3 Accounting: Responsible for the amendment and promotion of the internal control system to strengthen internal control functions, ensure its continuous effectiveness, and achieve the objectives of reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable 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 2025.

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 2025 and the year ending March 31, 2026.

(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 2026, the estimated R&D expenses will be NT\$ 10,000 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 (Including Information Security Changes) and Industry Developments on the Company's Financials and Business Operations, and Mitigation Measures:

The Company's relevant departments and management closely monitor these developments. Our assessment of the potential impacts of current technological changes on the Company categorizes them into three areas: shifts in product demand, requirements for process upgrades, and information security risks. In response to these potential impacts, we have implemented measures such as increasing R&D investment, strengthening cybersecurity defenses, and advancing digital transformation.

Regarding industry dynamics, the potential impacts are assessed as intensified market competition and demand volatility. To address these effects, the Company has adopted a diversified market layout, lean production, and rigorous cost management. Furthermore, to mitigate information security risks, the Company has established comprehensive network and computer security measures. These include strengthening firewalls and network controls to prevent malware and virus intrusions, implementing new technologies to enhance data protection, and upgrading phishing email detection. Concurrently, we conduct periodic employee training and awareness campaigns to strengthen cybersecurity awareness across the organization.

As of the publication date of this annual report, no major technological changes (including information security risks) have had a material impact on the Company's financial and business operations.

5.6.7 Impact of Changes in Corporate Image on Corporate Crisis Management, and Mitigation Measures:

The Company highly values harmonious labor-management relations and is committed to strengthening internal management to enhance accountability among both employees and leadership, thereby maintaining a positive corporate image. As of the publication date of this annual report, no events have occurred that would materially impact the Company's corporate image.

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**

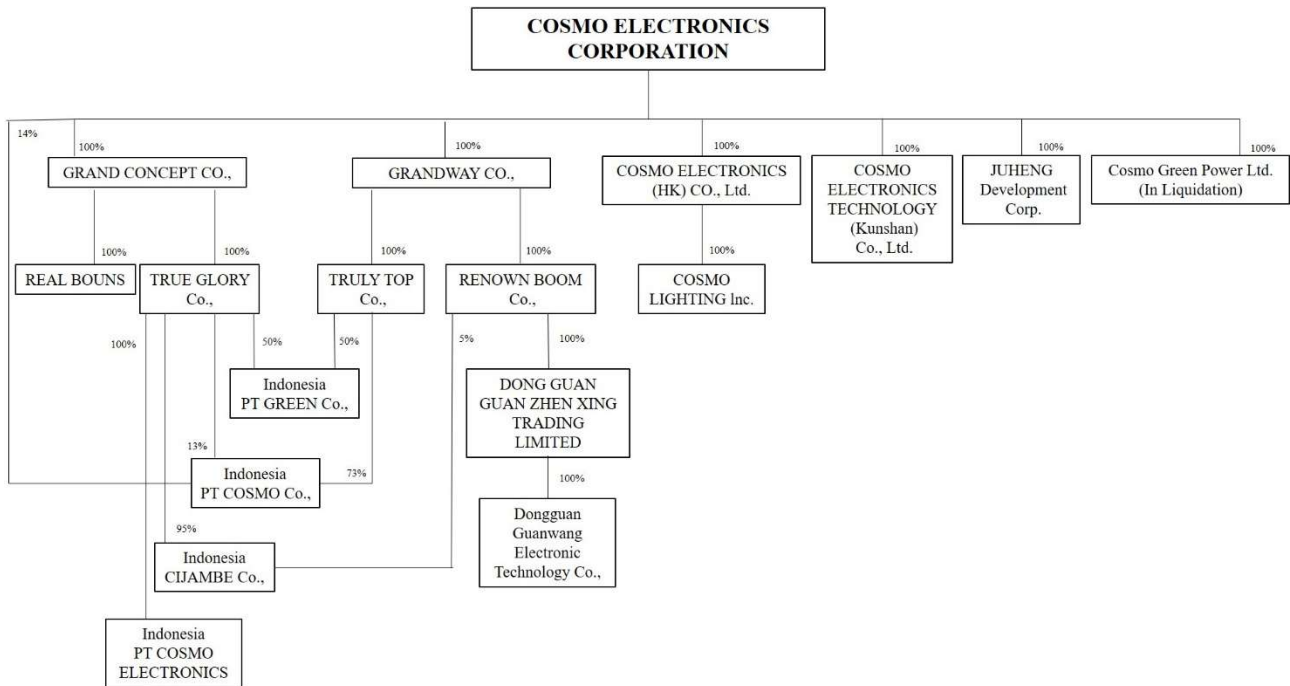
# VI. Special Disclosure

## 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

Cosmo Electronics Corporation  
Affiliate Enterprise Organization Chart



### 6.1.1.2 Basic Information of the Affiliated Companies

December. 31, 2025  
Unit: NT\$ thousands

Company Name	Date of Establishment	Address	Paid-in Capital	Business Item
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	193,912	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	269,412	Import and export of electronic products
Grand Concept Group Limited	95.12.18	Offshore Chambers, P.O. Box 217, Apia, Samoa	370,200	Investment
Grandway International Limited	95.12.18	Offshore Chambers, P.O. Box 217, Apia, Samoa	941,532	Investment
True Glory Investments Limited	95.12.18	Offshore Chambers, P.O. Box 217, Apia, Samoa	370,200	Investment and printed circuit board processing and trading
Truly Top Investments Limited	95.12.18	Offshore Chambers, P.O. Box 217, Apia, Samoa	538,516	Investment
PT Cosmo Technology	96.02.20	Jl.Raya Segog No.14 Desa Batununggal Kecamatan Cibadak Kabupaten Sukabumi	668,240	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	89,468	Self-usage power generation equipment utilizing renewable energy industry
Renown Boom Limited	96.01.08	Offshore Chambers, P.O. Box 217, Apia, Samoa	402,983	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	49,046	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	187,563	Decorative lights sales
Cosmo Green Power Ltd.	104.01.26	436A/24 Đường 3/2, Phường 12, Quận 10, Thành phố Hồ Chí Minh	31,760	Self-usage power generation equipment utilizing renewable energy industry
PT CIJAMBE INDAH	100.05.25	Jl.Perintis Kemerdekaan No.6 Desa Sukamulya Kecamatan Cikembar Kabupaten Sukabumi	726,278	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	160,001	Research, development, production and sales of electronic products
JUHENG Development Corp.	114.04.11	1 F., No. 181, Juguang Rd., Wanhua Dist., Taipei City 108030, Taiwan (R.O.C.)	28,000	Land development
PT. COSMO ELECTRONICS INDONESIA	111.7.25	Jl.Perintis Kemerdekaan No.6 Desa Sukamulya Kecamatan Cikembar Kabupaten Sukabumi	317	Processing, manufacturing, and sales of novel electronic components

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.
- (5) Real Estate Development Industry

6.1.1.5 Information on directors, supervisors and presidents of affiliates:

December 31, 2025

Name of enterprise	Title	Name or representative	Shares held	
			Shares	Shareholding ratio (%)
Cosmo Electronics Technology (Kunshan) Co., Ltd.	Chairperson	Cosmo Electronics Corporation Representative: Hsieh, Shu-Chuan	-	100%
	Director	Chang, Chia-Hao、Li, Chih-Chin		
	Supervisor	Ho, Wei-Chuan		
COSMO ELECTRONICS (HK) COMPANY LIMITED	Director	Tsai, Nai-Cheng	48,900,000	100%
Grand Concept Group Limited	Director	Tsai, Nai-Cheng	12,170,000	100%
Grandway International Limited	Director	Tsai, Nai-Cheng	30,080,000	100%
True Glory Investments Limited	Director	Tsai, Nai-Cheng	12,170,000	100%
Truly Top Investments Limited	Director	Tsai, Nai-Cheng	16,850,000	100%
PT Cosmo Technology	Director	Chou, Li-Chu; Ho, Wei-Chuan; Chang, Che-Wei	21,100,000	100%
	Supervisor	Chang, Chia-Hao		
PT Cosmo Green Technology	Director	Wang, Chih-Tsung; Hsieh, Yung-Tsai	30,000	100%
	Supervisor	Chang, Chia-Hao		
Renown Boom Limited	Director	Tsai, Nai-Cheng	13,230,000	100%
Real Bonus Limited	Director	Tsai, Nai-Cheng	-	100%
Cosmo Lighting Inc.	Director	Tsai 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	161,414	100%
Dongguan Guanwang Electronic Technology Co., Ltd.	Chairperson	Tsai, Nai-Ying	-	100%
JUHENG Development Corp.	Director	Tsai, Nai-Cheng	2,800,000	100%
	Supervisor	Chang, Chia-Hao		
PT COSMO ELECTRONICS INDONESIA	Director	Tsai, Nai-Cheng; Ho, Wei-Chuan; Lee, Wen-Hao; Li, Rong-Fong; Chou, Li-Chu	10,000	100%
	Supervisor	Yen, Tzu-Chun		

### 6.1.1.6 Operation of Affiliates

December 31, 2025

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 Technology (Kunshan) Co., Ltd.	193,912	79,455	4,065	75,390	78,499	(69,270)	(82,825)	(0.04)
COSMO ELECTRONICS (HK) COMPANY LIMITED	269,412	404,114	261,155	142,959	411,131	(1,890)	(5,065)	(0.1)
Grand Concept Group Limited	370,200	1,930,834	0	1,930,834	0	0	333,488	27.4
Grandway International Limited	941,212	768,693	0	768,693	0	0	(8,711)	0.29
True Glory Investments Limited	370,200	1,861,411	188	1,861,223	0	(7)	336,687	27.67
Truly Top Investments Limited	538,516	495,789	0	495,789	0	0	(16,206)	(0.96)
PT Cosmo Technology	668,240	1,523,138	912,234	610,904	607,603	(89,903)	(30,254)	(1.43)
Renown Boom Limited	402,983	271,893	0	271,893	0	(1)	21,883	1.65
Real Bonus Limited	0	147,299	77,688	69,611	58,665	(5,695)	(3,748)	-
Cosmo Lighting Inc.	49,046	26,725	0	26,725	26,031	(3,771)	(3,115)	(1.92)
PT Cosmo Green Technology	89,468	107,607	1,983	105,624	49,161	6,992	8,737	291.23
DONG GUAN GUAN ZHEN XING TRADING LIMITED	187,563	266,843	92,638	174,205	381,048	10,816	8,482	-
Cosmo Green Power Ltd.	31,760	9,160	176	8,984	0	0	0	-
PT CJAMBE INDAH	726,278	1,950,206	147,790	1,802,416	0	(11,489)	341,602	2116.31
Dongguan Guanwang Electronic Technology Co., Ltd.	160,001	77,091	59,726	17,365	103,422	(2,244)	(2,305)	-
JUHENG Development Corp.	28,000	29,219	3,366	25,853	0	(2,332)	(2,147)	(0.77)
PT COSMO ELECTRONICS INDONESIA	317	181	0	181	0	0	(1)	(0.1)

### 6.1.2 Consolidated Financial Statements of Affiliated Companies

Market Observation Post System (MOPS) > Single Company > Electronic Document Download > Affiliates' Three Financial Statements

URL: [https://mopsov.twse.com.tw/mops/web/t57sb01\\_q10](https://mopsov.twse.com.tw/mops/web/t57sb01_q10)

### 6.2 Private Placement of Securities for the Most Recent Year and up to the date of Publication

#### of the Annual Report: None

Market Observation Post System (MOPS) > Featured Sections > Investment > Private Placement > Private Placement Summary

URL: <https://mops.twse.com.tw/mops/#/web/t116sb01>

Items	2nd Private Placement in FY2025 (Note 1) Issue Date: June 30, 2025
Type of Privately Placed Securities	Common Stock
Date and Amount Approved by Shareholders' Meeting	Extraordinary Shareholders' Meeting on March 14, 2025: Not exceeding 20,000,000 shares
Basis and Reasonableness of Price Determination	based on the higher of the following two values: (1) the simple average closing price of common shares for 1, 3, or 5 business days prior to the pricing benchmark date (after adjusting for ex-rights, ex-dividend, and capital reduction), which are NT\$ 86.7, NT\$ 83.17, and NT\$ 78.4, respectively; and (2) the simple average closing price for 30 business days prior to the same date, adjusted similarly, which is NT\$ 81.74. The private placement price is set at no less than 80% of the higher benchmark. Accordingly, the current private placement price of NT\$ 90 is determined in accordance with relevant laws and regulations and is considered reasonable.
Method for Selection of Places	Specific persons who comply with Article 43-6 of the Securities and Exchange Act and the requirements of Circular No. 1120383220 issued by the Financial Supervisory Commission.

Necessity and Rationale for Private Placement	To enrich working capital and repay borrowings to mitigate interest burdens, thereby improving the financial structure and enhancing the company's operational efficiency.				
Payment Completion Date	April 29, 2025				
Information on Subscribers	Target Placees	Qualification Requirements	Subscription Volume (1,000 shares)	Relationship with the Company	Participation in Company Operations
	Liang, Jian-Guo	Art. 43-6, Par. 1, Subpar. 2 of the Securities and Exchange Act	2,000	None	None
Actual Subscription Price	NT\$90				
Difference Between Actual and Reference Price	The actual subscription price is NT\$ 90 per share, which is higher than the reference price of NT\$ 86.7.				
Impact of Private Placement on Shareholders' Equity (e.g., Increase in Accumulated Deficit)	The placees hold only 1.15% of shares after the private placement; therefore, the impact on original shareholders' equity is minimal.				
Status of Private Placement Fund Utilization and Project Implementation Progress	The funds raised through the private placement have been fully utilized, and the project was concluded on March 10, 2026.				
Realization of Benefits from Private Placement	Reduce current liabilities and enhance liquidity.				

Note1. The first private placement on March 14, 2025, was cancelled due to administrative reasons.

### 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:**

**Market Observation Post System (MOPS) > Single Company > Electronic Document Download > Annual Reports and Information Relevant to Shareholders' Meetings**  
**URL: [https://mops.twse.com.tw/mops/#/web/t57sb01\\_q5](https://mops.twse.com.tw/mops/#/web/t57sb01_q5)**