



律勝科技股份有限公司
MICROCOSM TECHNOLOGY CO., LTD.

2025 Annual General Meeting

Meeting Handbook

Date: June 19, 2025

Location: 2nd Floor, No. 22, Nanke 3rd Rd., Tainan Science Park (Conference Room 201)

Table of Contents

One. Meeting Agenda	2
Two. Reporting matters	3
Three. Recognition Matters	6
Four. Discussion Matters	7
Five. Temporary Motions	8
Attachments	
I. 2024 Business Report	9
II. 2024 Audit Committee Review Report	12
III. 2024 Details of Individual Directors' Remuneration.....	13
IV. Report on the Implementation Status of Related Party Transactions for 2024	14
V. 2024 Auditors' Report and Standalone and Consolidated Financial Statements	15
VI. 2024 Deficit Compensation Statement	41
VII. Comparison Table of Amended Provisions for the " Articles of Incorporation "	42
Appendix	
I. Rules of Procedure for Shareholders' Meetings.....	44
II. Articles of Incorporation (Before Amendment)	46
III. Shareholding of Directors.....	51

Microcosm Technology Co., Ltd. 2025 Annual General Meeting

Meeting Agenda

Time: Thursday, June 19, 2025, at 9:00 a.m.

Location: 2nd Floor, No. 22, Nanke 3rd Rd., Tainan Science Park (Conference Room 201)

Form of Meeting: Physical Meeting

1. Announcement of the Commencement of the Meeting
2. Chairman's Remarks
3. Reporting Matters
 - (1) 2024 Business report
 - (2) 2024 Audit Committee Review Report
 - (3) Report on 2024 cash distribution through the capital reserve
 - (4) Report on treasury stocks buyback
 - (5) Report on directors' remuneration for the year 2024
 - (6) Report on the Implementation Status of Related Party Transactions for 2024
4. Recognition Matters
 - (1) 2024 Business Report and financial statements
 - (2) 2024 Loss Compensation Plan
5. Discussion Matters
 - (1) Amendments to part of the Company's "Articles of Incorporation"
6. Temporary Motions
7. Meeting Adjournment

Reporting Matters

I. 2024 Business report, please kindly review.

Explanation: For the 2024 Business Report, please refer to [Attachment 1] on Pages 9–11 of this Handbook.

II. 2024 Audit Committee Review Report, please kindly review.

Explanation: For the 2024 Audit Committee Review Report, please refer to [Attachment 2] on Page 12 of this Handbook.

III. Report on 2024 cash distribution through the capital reserve; please kindly review.

Explanation: i. According to Article 24 of the company's articles of incorporation, the board of directors has resolved to distribute the capital reserve in cash. The capital reserve, "the excess of the capital reserve over the issued amount of shares," in the amount of TWD 14,022,485, is to be distributed to shareholders in cash based on the holdings of shares recorded in the shareholder registry on the distribution date, with a distribution of 0.2 TWD per share.

ii. The distribution of the capital reserve in cash is calculated to the nearest TWD and rounded down. Any fractional amounts under one TWD are adjusted by order of magnitude of the decimal point and the shareholder's account number so that it matches the total amount of the capital reserve distribution in cash. This proposal has been approved by the Board of Directors to authorize the Chairman to set another record date for dividends, the payment date, and other related matters.

iii. If, in the future, the change in the company's capital affects the number of shares in circulation, resulting in a change in the distribution ratio of cash to shareholders, the chairman has full authority to handle the matter.

IV. Report on treasury stock buyback. Please kindly review.

Explanation: The report on the Company's 4th treasury stocks buyback is as follows:

Buyback term	4th term
Date of Board resolution	April 30, 2020
Purpose of buyback	Shares transfer to employees
Planned type and number of shares buyback	2,000,000 common shares
Actual buyback period	From May 7, 2020, to May 7, 2020
Type and number of shares brought back	21,000 common shares
Amount of shares brought back	NT\$286,705
Average buyback price per share	NT\$13.65
Number of shares that have been canceled and that have been transferred	On November 22, 2024, completed the transfer of 21,000 common shares
Cumulative number of the Company's shares that the Company holds	0 common stock
The ratio of the cumulative number of the Company's shares that the Company holds to the total number of its issued shares.	0%

V. Report on Directors' Remuneration for the Year 2024, please review.

Explanation: i. Directors' remuneration includes allowances for transportation expenses and remuneration distributed to directors and supervisors. Transportation fees are paid based on attendance at board meetings, with reference to industry standards. For individual director compensation details, please refer to Page 13 [Attachment 3] of the meeting handbook.

ii. The policies, standards, and composition of remuneration, the procedures for determining remuneration, and the correlation with operational performance and future risks of remuneration payment by the Company:

(i) Regarding director remuneration: in accordance with the Company's articles of association, and considering the Company's operational performance and the director's contribution to the Company's performance, the Compensation Committee formulates distribution proposals, submits them for approval by the board of directors, and pays the amount according to the board's decision.

- (ii) All individual remunerations by the Company are carefully evaluated, taking into account the results of director performance evaluations. These are deliberated and decided upon by the Compensation Committee and the board of directors, so the remuneration policy does not entail significant uncertainties regarding future risks.

VI. Report on the Implementation Status of Related Party Transactions for 2024, please review.

Explanation: In accordance with Article 17 of the Company's "Corporate Governance Best Practice Principles," all transactions shall adhere to the principles of fairness and reasonableness, and any irregular transactions must be strictly avoided. For details regarding related party transactions executed in 2024, please refer to Page 14 [Attachment 4] of the meeting handbook.

Recognition Matters

Agenda 1: [proposed by the Board of Directors]

Subject: 2024 Business Report and financial statements are submitted for ratification.

Explanation: I. The Company's 2024 standalone financial statements and consolidated financial statements that have been audited by external auditors Yeh, Fang-Ting, and Tien, Chung-Yu of PricewaterhouseCoopers, Taiwan, who have issued an audit report, together with the Business Report, were submitted to and examined by the Audit Committee.

II. For the Business Report, Auditors' Report, and abovementioned financial statements, please refer to [Attachment 1] on Pages 9–11 and [Attachment 5] on Pages 15~40 of this handbook.

Resolution:

Agenda 2: [proposed by the Board of Directors]

Subject: 2024 Deficit Compensation Statement is submitted for ratification.

Explanation: I. The Company's after-tax loss for the year 2024 was NT\$23,550,610, and after adding adjustments for retained earnings, the accumulated loss for the current fiscal year was NT\$23,142,243.

II. It is proposed to offset the loss through the capital reserve; after the loss markup, there will be no accumulated loss at the end of this period.

III. For the 2024 Deficit Compensation Statement, please refer to [Attachment 6] on Page 41 of this Handbook.

Resolution:

Discussion Matters

[proposed by the Board of Directors]

Subject: Amendments to part of the Company's "Articles of Incorporation".

Explanation: I. Amendments to certain articles of the Articles of Incorporation in accordance with the Financial Supervisory Commission's directive No. 1130385442 dated Nov. 8, 2024.

II. For a comparison of the clauses before and after the revision of the "Articles of Incorporation," please refer [Attachment 7] on pages 42~43 of the meeting manual.

Resolution:

Temporary Motions

Meeting Adjournment

Microcosm Technology Co., Ltd.
2024 Business report

I. Result of the operational plan:

For the standalone financial statements of the Company, the net operating revenue for the fiscal year 2024 was 120,418 thousand NT dollars, a increase of 14.48% compared to 105,186 thousand NT dollars in fiscal year 2023. The current period's net loss was -23,550 thousand NT dollars, which decreased by 71.86% compared to -83,700 thousand NT dollars in fiscal year 2023.

Additionally, for the consolidated financial report of the Company, the net operating revenue for the fiscal year 2024 was 127,691 thousand NT dollars, a increase of 16.25% compared to 109,837 thousand NT dollars in fiscal year 2023. The current period's net loss was -23,550 thousand NT dollars, which decreased by 71.86% compared to -83,700 thousand NT dollars in fiscal year 2023.

II. Budget implementation of receipts and expenditures:

The Company did not prepare the financial forecast for the year 2024, so no disclosure is required.

III. Analysis of receipts, expenditures, and profitability:

Standalone:

Unit: NT\$

Year			2024	2023
Analysis items				
Receipts and expenditures	Operating revenue		NT\$120,418 thousand	NT\$105,186 thousand
	Gross profit		NT\$26,854 thousand	NT\$5,387 thousand
	Profit after tax		-NT\$23,550 thousand	-NT\$83,700 thousand
Analysis of profitability	Return on assets (%)		-2.01	-6.53
	Return on equity (%)		-2.68	-8.86
	As a percentage of the paid-in capital (%)	Operating income	-9.14	-13.06
		Profit before tax	-3.02	-13.52
	Profit margin (%)		-19.56	-79.57
	Earnings per share (NT\$)		-0.34	-1.19

Consolidated:

Unit: NT\$

Year			2024	2023
Analysis items				
Receipts and expenditures	Operating revenue		NT\$127,691 thousand	NT\$109,837 thousand
	Gross profit		NT\$13,220 thousand	-NT\$14,729 thousand
	Profit after tax		-NT\$23,550 thousand	-NT\$83,700 thousand
Analysis of profitability	Return on assets (%)		-1.87	-6.38
	Return on equity (%)		-2.68	-8.86
	As a percentage of paid-in capital (%)	Operating income	-14.73	-18.90
		Profit before tax	-3.02	-13.41
	Profit margin (%)		-18.44	-76.20
	Earnings per share (NT\$)		-0.34	-1.19

IV. R&D status:

1. Short-term R&D direction:

As the trend for flexible printed circuit board materials moves towards multi-layering and denser circuitry, the ability of insulating materials to resist ion migration becomes increasingly critical with narrower line widths and spaces. Therefore, with the goals of low ion migration and carbon reduction, Microcosm has developed a new generation of low ion migration photosensitive polyimide (PSPI) protective films. Compared to traditional PI cover films, PSPI cover films offer numerous advantages. The polyimide resin system possesses excellent thermal properties and low stress characteristics, meeting the future demand for thinness. Furthermore, forming holes or exposing solder joints through photosensitive imaging avoids the need for mold punching, resulting in higher accuracy, lower costs, and shorter processing times. The flexible printed circuit board manufacturing process is simplified, significantly streamlining the process, increasing production speed, and saving substantial labor and energy costs. PSPI cover films not only offer carbon reduction advantages but also enhance the overall performance of flexible printed circuit boards.

High-frequency materials are the foundation of the current development of the 5G network generation. These materials can address issues such as signal delay and distortion that arise when transmitting a large amount of data. They are thus suitable for applications in various fields such as the Internet of Things (IoT), vehicle-to-everything (V2X) communication, and healthcare. Currently, high-speed transmission substrates mainly use LCP, modified PI flexible circuits, or the next generation of fluorinated PI flexible circuits. Correspondingly, the development of build-up resins to meet these needs is also a major focus.

The utilization scope of the previously developed photosensitive PI protective film (PSPI) continues to expand to facilitate market expansion. Leveraging core technological advantages, we are developing new stack-up products that simplify customer processes. For example, by utilizing the PSPI core technology, we have further developed peelable (alkaline removable) PSPI for protecting finger patterns in embedded circuit designs, among various high-resolution products with different functionalities. Through the development of such functional materials, we aim to meet the demands of future trends such as circuit densification, lightweighting, wearable electronics, high-speed signal transmission, and more.

2. Mid-term R&D direction:

Beyond the original printed circuit board domain, we have gradually entered the semiconductor and foldable phone application materials market in recent years, leveraging our core capabilities in PI formula development. Based on alkali-removable PSPI technology,

we have developed laser debonding adhesives suitable for wafer packaging, applicable to RDL first processes as heat-resistant and chemically resistant temporary bonding materials. Moreover, we are expanding our photosensitive PI protective film core technology into the semiconductor application field, such as negative PSPI commonly used in semiconductor packaging with solvent development, and high-resolution positive PSPI and PSPBO. With our PI formula development core capabilities, we are actively researching foldable phone, laptop, rollable phone, and TV application materials. These materials will provide strong support for future foldable display products, meeting market demands for high performance, durability, and reliability. In the future, flexible display technology will continue to develop in various fields and become an essential part of consumers' daily lives.

As foldable display technology continues to innovate, we can foresee several trends, including thinner and lighter devices that make various electronic devices slimmer and more portable. Additionally, devices such as smartphones, tablets, and laptops will have larger displays, providing users with a better visual experience. Foldable display technology will also drive the development of multifunctional devices that can meet users' needs in different scenarios, and product designs will become more diverse.

For the key materials required for flexible displays and foldable phones, we mainly develop high-temperature resistant transparent polyimide substrates (Colorless Polyimide) for TFT substrates and low birefringence transparent polyimide film materials for flexible display cover panels and touch screens.

3. Long-term R&D direction:

In addition to PI synthesis technology, we possess expertise in the synthesis and formulation development of other high polymers, such as PBO, PBI, and Polystyrene. We plan to use these technologies to develop ion exchange membranes needed for addressing energy and environmental issues through modification methods. These membranes can be applied in fuel cells, flow batteries, and electrodialysis ion exchange membranes for wastewater treatment, with the aim of contributing to sustainable development in the future.

5. Business plan and implementation:

1. Continuously focuses on the development of existing materials for smartphones through not only the enhancement of thinness and softness that meets the requirement for densification design on smartphones but also the development of matching materials for revolutionary smartphone design, such as foldability.
2. Actively expand into fields beyond mobile phones, such as automotive electronics and touch panels, by extending product reach into areas outside of PCBs, such as displays and semiconductors, to increase company performance and diversify operations, reducing the impact of the rise and fall of the smartphone industry on company operations.
3. Effectively integrating capacities of Taiwan and Suzhou factories to improve production effectiveness and reduce transportation costs, expanding the ratio of competitive products with high gross margins and gradually simplifying product line.
4. Setting the key performance index for personnel of all departments, highlighting the importance of performance, improving management effectiveness, and enhancing overall operational efficiency.
5. Strengthening talent development and employee education and training, uplifting employee competencies, and preparing the talents for long-term development.

Chairperson: Huang, Tang-Chieh

Manager: Huang, Tang-Chieh

Chief Accountant: Chang, Yu-Hung

Microcosm Technology Co., Ltd.

Audit Committee Review Report

The Board of Directors has prepared and submitted the Company's 2024 Business Report, Financial Statements, and Deficit Compensation Statement, among which the financial statements have been audited by external auditors Yeh, Fang-Ting and Tien, Chung-Yu of PricewaterhouseCoopers, Taiwan, who have issued an audit report. The above Business Report, financial statements, and Deficit Compensation Statement have been examined by the Audit Committee, and no irregularities were found. We hereby report as above in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Please kindly review.

2025 Annual General Meeting

Microcosm Technology Co., Ltd.

Audit Committee Convener: Chen, Chiu-Yueh

Feb. 27, 2025

Remuneration to directors and independent directors

Unit: NT\$ thousand

Title	Name	Remuneration to directors								The sum of A, B, C and D in proportion to profit after tax (%)		Remuneration in the capacity as employees								The sum of A, B, C, D, E, F and G in proportion to profit after tax (%)		Remuneration from investees beyond subsidiaries or the parent company
		Remuneration (A)		Pension (B)		Remuneration to directors (C)		Expenses for services rendered (D)				Salaries, bonuses and special subsidies (E)		Pension (F)		Remuneration as employees (G)						
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements.	The Company	All companies included in the financial statements.	The Company	All companies included in the financial statements.	The Company	All companies included in the financial statements.	The Company	All companies included in the financial statements.	The Company	All companies included in the financial statements.	The Company		All companies included in the financial statements.		The Company	All companies included in the financial statements.	
Cash dividends	Stock dividends															Cash dividends	Stock dividends					
Chairperson	Huang, Tang-Chieh	120	120	0	0	0	0	0	0	(0.51)	(0.51)	0	0	0	0	0	0	0	0	(0.51)	(0.51)	-
Director	Tong Ying Investment Limited Representative: Lee, Mei-Jung	120	120	0	0	0	0	3	3	(0.52)	(0.52)	1,556	1,556	0	0	0	0	0	0	(7.13)	(7.13)	-
Director	Hou Sheng Investment Co., Ltd Representative: Chuang, Chao-Chin	120	120	0	0	0	0	48	48	(0.71)	(0.71)	0	0	0	0	0	0	0	0	(0.71)	(0.71)	-
Independent director	Tsai, Ming-Tang	120	120	0	0	0	0	48	48	(0.71)	(0.71)	0	0	0	0	0	0	0	0	(0.71)	(0.71)	-
Independent director	Lin, Tsai-Chih	120	120	0	0	0	0	43	43	(0.69)	(0.69)	0	0	0	0	0	0	0	0	(0.69)	(0.69)	-
Independent director	Chen, Chiu-Yueh	120	120	0	0	0	0	48	48	(0.71)	(0.71)	0	0	0	0	0	0	0	0	(0.71)	(0.71)	-
Independent director	Wu, Kuo-Shih	120	120	0	0	0	0	40	40	(0.68)	(0.68)	0	0	0	0	0	0	0	0	(0.68)	(0.68)	-

Report on the Implementation Status of Related Party Transactions for 2024

In accordance with Article 17 of the Company's "Corporate Governance Best Practice Principles," any financial or business dealings or transactions with related parties or shareholders shall be conducted based on the principles of fairness and reasonableness. Written guidelines shall be established to govern such financial and business interactions, and any material transactions shall be submitted for approval by the Board of Directors, for resolution at the shareholders' meeting, or be duly reported.

All related party transactions for the year 2024 have been disclosed in both the standalone and consolidated financial statements. In accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the information on material transactions is disclosed as follows:

1、Purchase Transactions：

Unit: NT\$ thousand

Name of Transaction Counterparty	Relationship	Transaction Amount	Percentage of Total Purchases	Accounts Payable Balance	Percentage of Total Accounts Payable and Notes Payable
Parlux Advanced Materials Co., Ltd.	The Company's Subsidiaries	395	0.67%	29	0.98%

2、Sales Transactions：

Unit: NT\$ thousand

Name of Transaction Counterparty	Relationship	Transaction Amount	Percentage of Total Sales	Accounts Receivable Balance	Percentage of Total Accounts Receivable and Notes Receivable
Microcosm Technology (Suzhou) Co., Ltd.	The Company's Subsidiaries	16,563	14%	10,293	29%

3、Acquisition or Disposal of Assets: No Transactions

4、Provision of Funds：

Unit: NT\$ thousand

Name of Transaction Counterparty	Relationship	Ending Credit Limit (Loan Amount)	Actual Disbursed Amount	Interest Rate Range
Microcosm Technology (Suzhou) Co., Ltd.	The Company's Subsidiaries	15,000	14,155	-
Microcosm Technology (Suzhou) Co., Ltd.	The Company's Subsidiaries	16,000	1,101	-

Explanation: The provision of funds by the Company to its subsidiaries is necessary for the overall development of both the Company and its subsidiaries. This was approved by the Audit Committee & the Board of Directors on March 1, 2024, and October 23, 2024.

5、Endorsement Guarantee: No Transactions

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Microcosm Technology Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of Microcosm Technology Co., Ltd. (the “Company”) as at December 31, 2024 and 2023, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2024 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2024 parent company only financial statements are stated as follows:

Existence of sales revenue

Description

Please refer to Note 4(25) for accounting policies on sales revenue recognition and Note 6(15) for accounting items on revenue.

The Company's sales revenue arise mainly from manufacturing and sales of printed circuit board materials and chip on film (COF) flexible printed board. Because the Company's customers are located in Taiwan, Malaysia, Mainland China and other areas, sales are easily affected by the terminal market demand. Also, the verification of the transaction existence takes a relatively longer time due to the massive transaction volume of sales revenue. Thus, we considered the existence of sales revenue as one of the key audit matters of our 2024 annual audit.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Assessed the internal control system designed by management and used in the execution of credit checking, and reviewed whether the transaction counterparty and documents of credit assessment had been adequately approved.
2. Confirmed the basic information of significant sales counterparty and analyzed sales amounts and situation in both periods to assess the reasonability of sales amounts and nature.

3. Sampled and tested sales revenue transaction in the current year, including confirming customers' orders, delivery orders and sales invoices to confirm the sales revenue transaction on account had actually occurred.

Appropriateness of inventory valuation

Description

Refer to Note 4(11) for the accounting policies on inventory valuation, Note 5 for the information on accounting estimates and assumption uncertainty in relation to inventory valuation, and Note 6(5) for the details of inventories. As of December 31, 2024, the balances of inventories and allowance for inventory valuation losses were NT\$18,788 thousand and NT\$6,014 thousand, respectively.

The Company is primarily engaged in the manufacture and sales of printed circuit board materials and chip on film (COF) flexible printed board. Due to rapid technology innovations of these inventories and the fluctuation of market prices, there is a higher risk of inventory losing value or becoming obsolete. The Company recognized inventories at the lower of cost and net realizable value for regular inventories, and estimated and calculated the net realizable value of inventories aged over a certain period and individually recognized as obsolete inventories. The aforementioned assessment of allowance for inventory valuation losses primarily came from items which were individually identified as obsolete. There was estimate uncertainty since management would judge subjectively in procedures and valuation basis of individually identifying obsolete inventories. Because the allowance for inventory valuation losses is material to the financial statements, we considered the appropriateness inventory valuation as one of the key audit matters of our 2024 annual audit.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Assessed the reasonableness of the policy and procedures applied to recognize allowance for inventory valuation losses.

2. Verified the accuracy of statements used to assess inventory age, recalculated, and assessed the reasonableness of allowance for inventory valuation losses to ascertain that the information in the statement agreed with policies.
3. Select a sample of inventory part number to verify their net realizable value and further assessed the reasonableness of allowance for inventory valuation losses.

Responsibilities of management and those charged with governance for the parent company only financial statements

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

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

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

Auditors' responsibilities for the audit of the parent company only financial statements

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to error or fraud, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the individual audit. We remain solely responsible for our audit opinion.

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

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

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

Yeh, Fang-Ting

Independent Accountants

Tien, Chung-Yu

PricewaterhouseCoopers, Taiwan

Republic of China

February 27, 2025

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

MICROCOSM TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2024		December 31, 2023			
			AMOUNT	%	AMOUNT	%		
Current assets								
1100	Cash and cash equivalents	6(1)	\$	161,819	17	\$	324,572	28
1110	Financial assets at fair value through profit or loss - current	6(2)		80,940	8		18,983	2
1136	Financial assets at amortized cost - current	6(1)(3) and 8		151,200	15		187,816	17
1150	Notes receivable, net	6(4)		272	-		124	-
1170	Accounts receivable, net	6(4)		24,486	3		22,883	2
1180	Accounts receivable - related parties	6(4) and 7		10,293	1		12,752	1
1200	Other receivables			9,755	1		9,342	1
1210	Other receivables - related parties	7		15,256	2		6,520	1
1220	Current tax assets	6(22)		4,068	-		3,255	-
130X	Inventories	5(2) and 6(5)		12,774	1		10,979	1
1410	Prepayments			3,644	-		4,323	-
11XX	Total current assets			474,507	48		601,549	53
Non-current assets								
1535	Financial assets at amortized cost - non-current	6(1)(3) and 8		4,837	1		4,837	-
1550	Investments accounted for under equity method	6(6)		123,362	13		147,827	13
1600	Property, plant and equipment	6(7) and 8		254,566	26		267,828	23
1755	Right-of-use assets	6(8)		56,219	6		52,180	5
1780	Intangible assets	6(9)		14,169	1		14,026	1
1840	Deferred income tax assets	6(22)		48,514	5		50,901	5
1915	Prepayments for equipment	6(7)		3,680	-		684	-
1920	Guarantee deposits paid			39	-		39	-
1975	Net defined benefit asset, non-current	6(11)		1,395	-		759	-
1990	Other non-current assets			3,490	-		4,611	-
15XX	Total non-current assets			510,271	52		543,692	47
1XXX	Total assets		\$	984,778	100	\$	1,145,241	100

(Continued)

MICROCOSM TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity			December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(10) and 8	\$ 41,055	4	\$ 165,152	15
2130	Current contract liabilities		64	-	-	-
2150	Notes payable		-	-	582	-
2170	Accounts payable	7	2,967	-	4,767	-
2200	Other payables	7	14,641	2	21,387	2
2280	Current lease liabilities	6(8)	1,398	-	1,220	-
21XX	Total current liabilities		60,125	6	193,108	17
Non-current liabilities						
2570	Deferred income tax liabilities	6(22)	3,003	-	2,903	-
2580	Non-current lease liabilities	6(8)	59,053	6	54,683	5
25XX	Total non-current liabilities		62,056	6	57,586	5
2XXX	Total Liabilities		122,181	12	250,694	22
Equity						
Share capital						
3110	Common stock	6(12)	701,124	71	701,124	61
3200	Capital surplus	6(13)	71,627	7	169,523	15
	Retained earnings	6(14)				
3310	Legal reserve		105,128	11	105,128	9
3320	Special reserve		35,402	4	35,402	3
3350	Accumulated deficit		(23,142)	(2)	(83,877)	(7)
3400	Other equity interest	6(6)	(27,542)	(3)	(32,466)	(3)
3500	Treasury shares	6(12)	-	-	(287)	-
3XXX	Total equity		862,597	88	894,547	78
	Significant contingent liabilities and unrecognized contract commitments	9				
3X2X	Total liabilities and equity		\$ 984,778	100	\$ 1,145,241	100

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

MICROCOSM TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except for loss per share amounts)

		Year ended December 31				
			2024		2023	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(15) and 7	\$ 120,418	100	\$ 105,186	100
5000	Operating costs	6(5)(9)(11)(20)(21) and 7	(96,904)	(81)	(96,549)	(92)
5900	Net operating margin		23,514	19	8,637	8
5910	Unrealized profit from sales	6(6) and 7	(311)	-	(3,651)	(3)
5920	Realized profit from sales	6(6) and 7	3,651	3	401	-
5950	Net operating margin		26,854	22	5,387	5
	Operating expenses	6(9)(11)(20)(21) and 7				
6100	Selling expenses		(5,974)	(5)	(5,674)	(5)
6200	General and administrative expenses		(22,521)	(18)	(21,600)	(21)
6300	Research and development expenses		(62,421)	(52)	(69,657)	(66)
6000	Total operating expenses		(90,916)	(75)	(96,931)	(92)
6900	Operating loss		(64,062)	(53)	(91,544)	(87)
	Non-operating income and expenses					
7100	Interest income	6(3)(16)	18,575	15	25,363	24
7010	Other income	6(17)	9,650	8	12,738	12
7020	Other gains and losses	6(2)(18)	50,146	42	(1,064)	(1)
7050	Finance costs	6(8)(19)	(2,745)	(2)	(4,429)	(4)
7070	Share of loss of subsidiaries, associates and joint ventures accounted for using equity method	6(6)	(32,729)	(27)	(35,829)	(34)
7000	Total non-operating income and expenses		42,897	36	(3,221)	(3)
7900	Loss before income tax		(21,165)	(17)	(94,765)	(90)
7950	Income tax (expense) benefit	6(22)	(2,385)	(2)	11,065	11
8200	Loss for the year		(\$ 23,550)	(19)	(\$ 83,700)	(79)
	Other comprehensive income (loss)					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Gains (losses) on remeasurements of defined benefit plan	6(11)	\$ 510	-	(\$ 221)	-
8349	Income tax related to components of other comprehensive (loss) income that will not be reclassified to profit or loss	6(22)	(102)	-	44	-
	Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(6)	4,924	4	(2,844)	(3)
8300	Total other comprehensive income (loss) for the year		\$ 5,332	4	(\$ 3,021)	(3)
8500	Total comprehensive loss for the year		(\$ 18,218)	(15)	(\$ 86,721)	(82)
	Loss per share	6(23)				
9750	Basic		(\$ 0.34)		(\$ 1.19)	
9850	Diluted		(\$ 0.34)		(\$ 1.19)	

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

MICROCOSM TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan dollars)

			Retained Earnings				Other Equity Interest		
							Financial statements translation differences of foreign operations	Treasury stocks	Total
	Notes	Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Accumulated deficit			
Year ended December 31, 2023									
Balance at January 1, 2023		\$ 701,124	\$ 204,083	\$ 105,128	\$ 35,402	(\$ 20,542)	(\$ 29,622)	(\$ 287)	\$ 995,286
Loss		-	-	-	-	(83,700)	-	-	(83,700)
Other comprehensive loss	6(6)	-	-	-	-	(177)	(2,844)	-	(3,021)
Total comprehensive loss		-	-	-	-	(83,877)	(2,844)	-	(86,721)
Capital surplus used to offset accumulated deficits	6(13)	-	(20,542)	-	-	20,542	-	-	-
Cash dividends from capital surplus	6(13)	-	(14,018)	-	-	-	-	-	(14,018)
Balance at December 31, 2023		\$ 701,124	\$ 169,523	\$ 105,128	\$ 35,402	(\$ 83,877)	(\$ 32,466)	(\$ 287)	\$ 894,547
Year ended December 31, 2024									
Balance at January 1, 2024		\$ 701,124	\$ 169,523	\$ 105,128	\$ 35,402	(\$ 83,877)	(\$ 32,466)	(\$ 287)	\$ 894,547
Loss		-	-	-	-	(23,550)	-	-	(23,550)
Other comprehensive income	6(6)	-	-	-	-	408	4,924	-	5,332
Total comprehensive income		-	-	-	-	(23,142)	4,924	-	(18,218)
Capital surplus used to offset accumulated deficits	6(13)	-	(83,877)	-	-	83,877	-	-	-
Cash dividends from capital surplus	6(13)	-	(14,018)	-	-	-	-	-	(14,018)
Treasury stocks transferred to employees	6(12)	-	(1)	-	-	-	-	287	286
Balance at December 31, 2024		\$ 701,124	\$ 71,627	\$ 105,128	\$ 35,402	(\$ 23,142)	(\$ 27,542)	\$ -	\$ 862,597

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

MICROCOSM TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2024	2023
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Loss before tax		(\$ 21,165)	(\$ 94,765)
Adjustments			
Adjustments to reconcile profit (loss)			
(Gain) loss on financial assets at fair value through profit or loss	6(2)(18)	(6,181)	774
Reversal of allowance for inventory market price decline	6(5)	(2,494)	(1,660)
Share of loss of subsidiaries, associates and joint ventures accounted for using equity method	6(6)	32,729	35,829
Unrealized profit from sales	6(6) and 7	311	3,651
Realized profit from sales	6(6) and 7	(3,651)	(401)
Depreciation	6(7)(8)(20)	18,962	21,726
Gain on disposal of property, plant and equipment	6(18)	(19,980)	-
Loss on disposal of intangible assets	6(9)(18)	124	-
Amortization	6(9)(20)	1,319	1,334
Interest income	6(16)	(18,575)	(25,363)
Interest expense	6(19)	2,745	4,429
Foreign exchange loss (gain)		10,963	(10,963)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss - current		(55,776)	(3,514)
Notes receivable		(148)	731
Accounts receivable		(1,603)	(878)
Accounts receivable - related parties		2,459	(305)
Other receivables		(2,247)	1,146
Other receivables - related parties		2	421
Inventories		699	11,454
Prepayments		679	736
Net defined benefit asset, non-current		(126)	(128)
Changes in operating liabilities			
Current contract liabilities		64	-
Notes payable		(582)	(90)
Accounts payable		(1,800)	2,508
Other payables		(6,790)	3,231
Cash outflow generated from operations		(70,062)	(50,097)
Interest received		20,409	23,322
Interest paid		(2,840)	(4,488)
Income tax paid		(813)	(3,255)
Net cash flows used in operating activities		(53,306)	(34,518)

(Continued)

MICROCOSM TECHNOLOGY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2024	2023
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Decrease in financial assets at amortized cost - current		\$ 25,653	\$ 42,029
(Increase) decrease in other receivables - related parties		(8,738)	4,086
Cash paid for acquisition of property, plant and equipment	6(24)	(3,707)	(9,646)
Proceeds from disposal of property, plant and equipment		20,000	-
Acquisition of intangible assets	6(9)	(1,586)	(1,052)
Increase in prepayments for equipment		(2,996)	(325)
Decrease in other non-current assets		1,121	916
Net cash flows from investing activities		29,747	36,008
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Decrease in short-term borrowings	6(25)	(124,097)	(67,148)
Payments of lease liabilities	6(25)	(1,365)	(1,206)
Cash dividends from capital surplus	6(13)	(14,018)	(14,018)
Treasury stocks transferred to employees	6(12)	286	-
Net cash flows used in financing activities		(139,194)	(82,372)
Net decrease in cash and cash equivalents		(162,753)	(80,882)
Cash and cash equivalents at beginning of year	6(1)	324,572	405,454
Cash and cash equivalents at end of year	6(1)	\$ 161,819	\$ 324,572

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

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Microcosm Technology Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Microcosm Technology Co., Ltd. and its subsidiaries (the “Group”) as at December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2024 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2024 consolidated financial statements are stated as follows:

Existence of sales revenue

Description

Please refer to Note 4(27) for accounting policies on sales revenue recognition and Note 6(16) for accounting items on revenue.

The Group's sales revenue arise mainly from manufacturing and sales of printed circuit board materials and chip on film (COF) flexible printed board. Because the Group's customers are located in Taiwan, Malaysia, Mainland China and other areas, sales are easily affected by the terminal market demand. Also, the verification of the transaction existence takes a relatively longer time due to the massive transaction volume of sales revenue. Thus, we considered the existence of sales revenue as one of the key audit matters of our 2024 annual audit.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Assessed the internal control system designed by management and used in the execution of credit checking, and reviewed whether the transaction counterparty and documents of credit assessment had been adequately approved.

2. Confirmed the basic information of significant sales counterparty and analyzed sales amounts and situation in both periods to assess the reasonability of sales amounts and nature.
3. Sampled and tested sales revenue transaction in the current year, including confirming customers' orders, delivery orders and sales invoices to confirm the sales revenue transaction on account had actually occurred.

Appropriateness of inventory valuation

Description

Refer to Note 4(13) for the accounting policies on inventory valuation, Note 5 for the information on accounting estimates and assumption uncertainty in relation to inventory valuation, and Note 6(5) for the details of inventories. As of December 31, 2024, the balances of inventories and allowance for inventory valuation losses were NT\$24,688 thousand and NT\$8,996 thousand, respectively.

The Group is primarily engaged in the manufacture and sales of printed circuit board materials and chip on film (COF) flexible printed board. Due to rapid technology innovations of these inventories and the fluctuation of market prices, there is a higher risk of inventory losing value or becoming obsolete. The Group recognized inventories at the lower of cost and net realizable value for regular inventories, and estimated and calculated the net realizable value of inventories aged over a certain period and individually recognized as obsolete inventories. The aforementioned assessment of allowance for inventory valuation losses primarily came from items which were individually identified as obsolete. There was estimate uncertainty since management would judge subjectively in procedures and valuation basis of individually identifying obsolete inventories. Because the allowance for inventory valuation losses is material to the financial statements, we considered the appropriateness inventory valuation as one of the key audit matters of our 2024 annual audit.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Assessed the reasonableness of the policy and procedures applied to recognize allowance for inventory valuation losses.
2. Verified the accuracy of statements used to assess inventory age, recalculated, and assessed the reasonableness of allowance for inventory valuation losses to ascertain that the information in the statement agreed with policies.
3. Select a sample of inventory part number to verify their net realizable value and further assessed the reasonableness of allowance for inventory valuation losses.

Other matter - Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of Microcosm Technology Co., Ltd. as at and for the years ended December 31, 2024 and 2023.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with

them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Yeh, Fang-Ting

Independent Accountants

Tien, Chung-Yu

PricewaterhouseCoopers, Taiwan

Republic of China

February 27, 2025

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

MICROCOSM TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 198,779	19	\$ 357,928	30
1110	Financial assets at fair value through profit or loss - current	6(2)	80,940	8	18,983	2
1136	Financial assets at amortized cost - current	6(1)(3) and 8	157,200	15	188,738	16
1150	Notes receivable, net	6(4)	837	-	469	-
1170	Accounts receivable, net	6(4) and 12(2)	30,939	3	30,751	3
1200	Other receivables		10,077	1	9,342	1
1220	Current tax assets	6(23)	4,076	-	3,258	-
130X	Inventories	6(5)	15,692	2	11,561	1
1410	Prepayments		5,082	1	6,882	-
11XX	Total current assets		503,622	49	627,912	53
Non-current assets						
1535	Financial assets at amortized cost - non-current	6(1)(3) and 8	4,837	1	4,837	1
1600	Property, plant and equipment	6(6)(8) and 8	376,238	36	402,648	34
1755	Right-of-use assets	6(7) and 8	63,137	6	59,090	5
1760	Investment property, net	6(8)(9) and 8	4,928	-	6,508	1
1780	Intangible assets	6(10)	16,709	2	16,552	1
1840	Deferred income tax assets	6(23)	58,189	6	60,247	5
1915	Prepayments for equipment	6(6)	4,538	-	1,014	-
1920	Guarantee deposits paid		494	-	496	-
1975	Net defined benefit asset, non-current	6(12)	1,395	-	759	-
1990	Other non-current assets		3,490	-	4,611	-
15XX	Total non-current assets		533,955	51	556,762	47
1XXX	Total assets		\$ 1,037,577	100	\$ 1,184,674	100

(Continued)

MICROCOSM TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity			December 31, 2024		December 31, 2023	
Notes			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(11) and 8	\$ 85,845	8	\$ 199,760	17
2130	Current contract liabilities	6(16)	89	-	8	-
2150	Notes payable		-	-	582	-
2170	Accounts payable		4,525	1	6,063	-
2200	Other payables		16,999	2	21,332	2
2280	Current lease liabilities	6(7)	1,398	-	1,220	-
2310	Advance receipts		2,276	-	1,845	-
21XX	Total current liabilities		111,132	11	230,810	19
Non-current liabilities						
2570	Deferred income tax liabilities	6(23)	3,003	-	2,903	-
2580	Non-current lease liabilities	6(7)	59,053	6	54,683	5
2645	Guarantee deposits received		1,792	-	1,731	-
25XX	Total non-current liabilities		63,848	6	59,317	5
2XXX	Total Liabilities		174,980	17	290,127	24
Equity attributable to owners of parent						
Share capital						
3110	Common stock	6(13)	701,124	68	701,124	59
3200	Capital surplus	6(14)	71,627	7	169,523	15
	Retained earnings	6(15)				
3310	Legal reserve		105,128	10	105,128	9
3320	Special reserve		35,402	3	35,402	3
3350	Accumulated deficit		(23,142)	(2)	(83,877)	(7)
3400	Other equity interest		(27,542)	(3)	(32,466)	(3)
3500	Treasury shares	6(13)	-	-	(287)	-
3XXX	Total equity		862,597	83	894,547	76
	Significant contingent liabilities and unrecognized contract commitments	9				
3X2X	Total liabilities and equity		\$ 1,037,577	100	\$ 1,184,674	100

The accompanying notes are an integral part of these consolidated financial statements.

MICROCOSM TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except for loss per share amounts)

			Year ended December 31			
			2024		2023	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(16)	\$ 127,691	100	\$ 109,837	100
5000	Operating costs	6(5)(10)(12)(21)(22)	(114,471)	(90)	(124,566)	(113)
5900	Net operating margin (loss)		13,220	10	(14,729)	(13)
	Operating expenses	6(10)(12)(21)(22), 7 and 12(2)				
6100	Selling expenses		(9,766)	(8)	(8,551)	(8)
6200	General and administrative expenses		(30,014)	(23)	(28,986)	(26)
6300	Research and development expenses		(76,765)	(60)	(80,262)	(73)
6450	Expected credit gain		69	-	21	-
6000	Total operating expenses		(116,476)	(91)	(117,778)	(107)
6900	Operating loss		(103,256)	(81)	(132,507)	(120)
	Non-operating income and expenses					
7100	Interest income	6(3)(17)	18,696	15	25,449	23
7010	Other income	6(8)(9)(18)	18,680	15	20,826	19
7020	Other gains and losses	6(2)(9)(19) and 12	48,239	38	(2,979)	(3)
7050	Finance costs	6(7)(20)	(3,523)	(3)	(4,791)	(4)
7000	Total non-operating income and expenses		82,092	65	38,505	35
7900	Loss before income tax		(21,164)	(16)	(94,002)	(85)
7950	Income tax (expense) benefit	6(23)	(2,386)	(2)	10,302	9
8200	Loss for the year		(\$ 23,550)	(18)	(\$ 83,700)	(76)
	Other comprehensive income (loss)					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Gains (losses) on remeasurements of defined benefit plan	6(12)	\$ 510	-	(\$ 221)	-
8349	Income tax related to components of other comprehensive (loss) income that will not be reclassified to profit or loss	6(23)	(102)	-	44	-
	Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		4,924	4	(2,844)	(3)
8300	Total other comprehensive income (loss) for the year		\$ 5,332	4	(\$ 3,021)	(3)
8500	Total comprehensive loss for the year		(\$ 18,218)	(14)	(\$ 86,721)	(79)
	Loss attributable to:					
8610	Owners of the parent		(\$ 23,550)	(18)	(\$ 83,700)	(76)
	Comprehensive loss attributable to:					
8710	Owners of the parent		(\$ 18,218)	(14)	(\$ 86,721)	(79)
	Loss per share	6(24)				
9750	Basic		(\$ 0.34)		(\$ 1.19)	
9850	Diluted		(\$ 0.34)		(\$ 1.19)	

The accompanying notes are an integral part of these consolidated financial statements.

MICROCOSM TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan dollars)

						Retained Earnings	Other Equity Interest Financial statements translation differences of foreign operations	Treasury stocks	Total equity
Notes	Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Accumulated deficit				
Year ended December 31, 2023									
Balance at January 1, 2023	\$ 701,124	\$ 204,083	\$ 105,128	\$ 35,402	(\$ 20,542)	(\$ 29,622)	(\$ 287)	\$ 995,286	
Loss	-	-	-	-	(83,700)	-	-	(83,700)	
Other comprehensive loss	-	-	-	-	(177)	(2,844)	-	(3,021)	
Total comprehensive loss	-	-	-	-	(83,877)	(2,844)	-	(86,721)	
Capital surplus used to offset accumulated deficits	6(14)	-	(20,542)	-	20,542	-	-	-	
Cash dividends from capital surplus	6(14)	-	(14,018)	-	-	-	-	(14,018)	
Balance at December 31, 2023	\$ 701,124	\$ 169,523	\$ 105,128	\$ 35,402	(\$ 83,877)	(\$ 32,466)	(\$ 287)	\$ 894,547	
Year ended December 31, 2024									
Balance at January 1, 2024	\$ 701,124	\$ 169,523	\$ 105,128	\$ 35,402	(\$ 83,877)	(\$ 32,466)	(\$ 287)	\$ 894,547	
Loss	-	-	-	-	(23,550)	-	-	(23,550)	
Other comprehensive income	-	-	-	-	408	4,924	-	5,332	
Total comprehensive loss	-	-	-	-	(23,142)	4,924	-	(18,218)	
Capital surplus used to offset accumulated deficits	6(14)	-	(83,877)	-	83,877	-	-	-	
Cash dividends from capital surplus	6(14)	-	(14,018)	-	-	-	-	(14,018)	
Treasury stocks transferred to employees	6(13)	-	(1)	-	-	-	287	286	
Balance at December 31, 2024	\$ 701,124	\$ 71,627	\$ 105,128	\$ 35,402	(\$ 23,142)	(\$ 27,542)	\$ -	\$ 862,597	

The accompanying notes are an integral part of these consolidated financial statements.

MICROCOSM TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(\$ 21,164)	(\$ 94,002)
Adjustments			
Adjustments to reconcile profit (loss)			
(Gain) loss on financial assets at fair value through profit or loss	6(2)(19)	(6,181)	774
Expected credit gain	12(2)	(69)	(21)
Reversal of allowance for inventory market price decline	6(5)	(1,617)	(4,695)
Depreciation	6(6)(7)(9)	39,473	43,053
Gain on disposal of property, plant and equipment	6(19)	(19,974)	-
Amortization	6(10)(21)	1,479	1,482
Loss on disposal of intangible assets	6(19)	124	-
Interest income	6(17)	(18,696)	(25,449)
Interest expense	6(20)	3,523	4,791
Foreign exchange loss (gain)		10,963	(10,963)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		(55,776)	(3,514)
Notes receivable		(368)	1,387
Accounts receivable		(152)	1,796
Other receivables		(2,570)	1,377
Inventories		(2,590)	17,920
Prepayments		1,800	222
Net defined benefit asset, non-current		(126)	(128)
Changes in operating liabilities			
Current contract liabilities		81	(979)
Notes payable		(582)	(90)
Accounts payable		(1,538)	3,013
Other payables		(4,471)	1,651
Advance receipts		431	29
Cash outflow generated from operations		(78,000)	(62,346)
Interest received		20,531	23,408
Interest paid		(3,616)	(4,831)
Income tax paid		(818)	(3,258)
Net cash flows used in operating activities		(61,903)	(47,027)

(Continued)

MICROCOSM TECHNOLOGY CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2024	2023
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Decrease in financial assets at amortized cost - current		\$ 20,575	\$ 41,107
Cash paid for acquisition of property, plant and equipment	6(25)	(4,219)	(9,943)
Proceeds from disposal of property, plant and equipment		20,028	-
Acquisition of intangible assets	6(10)	(1,672)	(1,466)
Increase in prepayments for equipment		(3,596)	(720)
Decrease in guarantee deposits paid		2	4
Decrease in other non-current assets		<u>1,121</u>	<u>916</u>
Net cash flows from investing activities		<u>32,239</u>	<u>29,898</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Decrease in short-term borrowings	6(26)	(113,915)	(32,540)
Payments of lease liabilities	6(26)	(1,365)	(1,206)
Cash dividends from capital surplus	6(14)	(14,018)	(14,018)
Treasury stocks transferred to employees	6(13)	<u>286</u>	<u>-</u>
Net cash flows used in financing activities		<u>(129,012)</u>	<u>(47,764)</u>
Effect of exchange rate changes on cash and cash equivalents		<u>(473)</u>	<u>199</u>
Net decrease in cash and cash equivalents		(159,149)	(64,694)
Cash and cash equivalents at beginning of year	6(1)	<u>357,928</u>	<u>422,622</u>
Cash and cash equivalents at end of year	6(1)	\$ 198,779	\$ 357,928

The accompanying notes are an integral part of these consolidated financial statements.

Microcosm Technology Co., Ltd.
Deficit Compensation Statement
2024

Unit: NT\$

Item	Amount
Balance at beginning of the period	0
Less: Net loss after tax for the period	(23,550,610)
Less: Appropriation of 10% legal reserve for the year 2024	0
Add: Adjustment to the retained earnings (Actuarial gains and losses on defined benefit liability)	408,367
Accumulated loss for the period	(23,142,243)
Items used for loss compensation:	
Add: Capital Reserve – share premium	23,142,243
Distribution items:	
Shareholder Dividend – Cash dividend	0
Shareholder Dividend – Stock dividend	0
Accumulated loss at the end of the period	0

Chairperson: Huang, Tang-Chieh

Manager: Huang, Tang-Chieh

Chief Accountant: Chang, Yu-Hung

Microcosm Technology Co., Ltd.

Comparison Table of Amended Provisions for the " Articles of Incorporation "

Article	Amendment Content		Reason for Amendment
	After Amendment	Before Amendment	
Article 23	If the Company records a profit in a year, the Company shall appropriate not less than 8% of the profit for employee compensation, and not more than 5% for directors' remuneration. If, however, the Company has accumulated losses, profit shall be used to offset accumulated losses. <u>At least 60% of the employee compensation mentioned in the preceding paragraph shall be allocated to grassroots employees.</u> Employee compensation may be distributed in the form of shares or in the form of cash, and the employees entitled to receive the compensation may include the employees of companies controlled by the Company and its subordinate companies meeting specific requirements set by the Board. The aforementioned director compensation may only be paid in cash.	If the Company records a profit in a year, the Company shall appropriate not less than 8% of the profit for employee compensation, and not more than 5% for directors' remuneration. If, however, the Company has accumulated losses, profit shall be used to offset accumulated losses. Employee compensation in the preceding paragraph may be distributed in the form of shares or in the form of cash, and the employees entitled to receive the compensation may include the employees of companies controlled by the Company and its subordinate companies meeting specific requirements set by the Board. The aforementioned director compensation may only be paid in cash.	In accordance with the amendment to Directive No. 1130385442 issued by the Financial Supervisory Commission
Article 28	These Articles of Incorporation were adopted on November 27, 1996; 1st amendment was made on December 9, 1998; 2nd amendment was made on November 30, 2000; 3rd amendment was made on May 8, 2002; 4th amendment was made on November 24, 2002; 5th amendment was made on May 29, 2003; 6th amendment was made on June 16, 2003; 7th amendment was made on August 6, 2003; 8th amendment was made on June 3, 2004; 9th amendment was made on June 3, 2004; 10th amendment was made on April 20, 2005; 11st	These Articles of Incorporation were adopted on November 27, 1996; 1st amendment was made on December 9, 1998; 2nd amendment was made on November 30, 2000; 3rd amendment was made on May 8, 2002; 4th amendment was made on November 24, 2002; 5th amendment was made on May 29, 2003; 6th amendment was made on June 16, 2003; 7th amendment was made on August 6, 2003; 8th amendment was made on June 3, 2004; 9th amendment was made on June 3, 2004; 10th amendment was made on April 20, 2005; 11st	Add Revision Dates and Number of Revisions

	amendment was made on April 20, 2005; 12th amendment was made on September 30, 2005; 13th amendment was made on June 14, 2006; 14th amendment was made on June 27, 2007; 15th amendment was made on June 25, 2010; 16th amendment was made on June 27, 2012; 17th amendment was made on June 18, 2013; 18th amendment was made on June 23, 2016; 19th amendment was made on June 20, 2018; 20th amendment was made on June 19, 2019; 21st amendment was made on June 11, 2020; <u>22nd amendment was made on June 19, 2025.</u>	2005; 12th amendment was made on September 30, 2005; 13th amendment was made on June 14, 2006; 14th amendment was made on June 27, 2007; 15th amendment was made on June 25, 2010; 16th amendment was made on June 27, 2012; 17th amendment was made on June 18, 2013; 18th amendment was made on June 23, 2016; 19th amendment was made on June 20, 2018; 20th amendment was made on June 19, 2019; 21st amendment was made on June 11, 2020.	
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Microcosm Technology Co., Ltd. Rules of Procedure for Shareholders' Meetings

- I. The Company's shareholders' meetings, except as otherwise provided by laws or regulations, shall be handled as provided in these Rules.
- II. The attending shareholders shall submit attendance cards in lieu of signing in. The number of shares in attendance shall be calculated according to the shares indicated by the sign-in cards handed in.
- III. Attendance and voting at shareholders' meetings shall be calculated based on numbers of shares.
- IV. The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting shall commence between 9:00 AM and 3:00 PM.
The Company shall specify in its shareholders' meeting notices the time during which attendance registrations for shareholders will be accepted, the place to register for attendance, and other matters for attention.
- V. It is advisable that shareholders' meetings convened by the board of directors be chaired by the chairperson of the board in person. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the chairperson shall appoint one of the directors to act as chair. Where the chairperson does not make such a designation the directors shall select from among themselves one person to serve as chair. If a shareholders' meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting.
- VI. The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting. Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.
- VII. The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures. The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.
- VIII. The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements but the attending shareholders represent one-third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.
- IX. If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.
The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the board of directors. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the

shareholders' meeting.

After the meeting is adjourned, shareholders cannot reelect a chair to resume the meeting at the original location or at any other premises.

- X. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her/its shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.
A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.
When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.
- XI. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes.
If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.
- XII. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting. When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.
- XIII. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.
- XIV. When the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.
- XIV-I. When the Company holds a shareholders' meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence.
A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting.
Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.
- XV. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. The results of the voting shall be announced on-site at the meeting, and a record of the vote shall be made.
- XVI. When a meeting is in progress, the chair may announce a break based on time considerations.
- XVII. Except as otherwise provided in the Company Act and in the Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. When a proposal comes to a vote, if the chair puts the matter at the meeting and no objection voiced, the matter is deemed approved.
- XVIII. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
- XIX. Inspectors (or security personnel) may be appointed at the shareholders' meeting. The chairperson may direct the inspectors (or security personnel) to assist in maintaining order at the venue. While assisting in maintaining order at the venue, inspectors (or security personnel) should wear armbands bearing the word "Inspector".
- XX. These Rules shall take effect after having been submitted to and approved by a shareholders' meeting. Subsequent amendments thereto shall be affected in the same manner.

Microcosm Technology Co., Ltd. Articles of Incorporation(Before Amendment)

Chapter I General Provisions

- Article I: The Company is organized in accordance with the provision of company limited by shares in the Company Act, and named Microcosm Technology Co., Ltd.
Its English name is Microcosm Technology Co., Ltd.
- Article II: The Company is mainly engaged in the following businesses:
CC01080 electronics components manufacturing, D101060 self-usage power generation equipment utilizing renewable energy industry, F401010 international trade.
Research, development, manufacturing and sale of following products:
I. Ultra-thin flexible printed circuit board materials.
II. Adhesiveless flexible printed circuit board materials.
III. Chip on Film (COF) flexible substrates.
IV. LED lighting products.
V. International trade of aforementioned products.
VI. Concurrent engagement in self-usage power generation equipment utilizing renewable energy industry.
- Article III: The head office of the Company is established at Southern Taiwan Science Park and may, subject to business requirement, set up branch office(s) locally or overseas by a resolution of the Board of Directors' meeting.
- Article IV: The Company's total amount of investment in other businesses is not subject to the limitation of 40% of the Company's paid-in capital as provided in Article 13 of the Company Act.
- Article V: The Company may make guarantees in accordance with the Company's "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees."

Chapter II Shares

- Article VI: The total authorized capital of the Company shall be NT\$1 billion, divided into 100 million shares with a par value of NT\$10 each. For unissued shares, the Board is authorized to issue such shares by installments. Of the total number of shares aforementioned, 2 million shares, totaling NT\$20 million, are reserved to be issued as the underlying shares of employee stock options, and the Board is authorized to issue such shares by installments.
- Article VI-I: Employees of companies controlled by the Company or subordinated companies of the Company who meet certain qualifications are entitled to the transfer of shares purchased by the Company in accordance with laws and regulations, employee stock options, and subscriptions of new shares and restricted stocks for employees.
- Article VII: The share certificates of the Company shall all be in name-bearer form and shall be issued only after they have been signed or sealed by the director(s) representing the Company, and duly certified in accordance with laws and regulations. The Company can be exempted from printing any share certificate for the shares issued, and such shares shall be registered with the central securities depository enterprise.
- Article VIII: The Company's stock affairs shall be handled in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" issued by the competent authority.
- Article IX: Registration for transfer of shares shall be suspended sixty (60) days immediately before the date of regular meeting of shareholders, and thirty (30) days immediately before the date of any special meeting of shareholders, or within five (5) days before the day on which dividend, bonus, or any other benefit is scheduled to be paid by the Company.

Chapter III Shareholders' Meetings

- Article X: Shareholders' meetings of the Company are of two kinds: (1) Regular shareholders' meeting and (2) special shareholders' meeting. Regular shareholders' meetings shall be convened at least once a year by the Board of Directors within six months after close of each fiscal year. Special shareholders' meetings shall be convened whenever necessary according to the laws and regulations.
- Article X-I: For regular shareholders' meeting, the notice of meeting that includes the date and location of the meeting and cause for convening the meeting, shall be served to each shareholder and announced at least thirty (30) days prior to the meeting; for special shareholders' meeting, a notice of meeting shall be served to each shareholder at least fifteen (15) days prior to the meeting.
The notice of convening a shareholders' meeting may be served electronically after obtaining a prior consent from the recipient(s) thereof. For the shareholders holding less than one thousand registered shares, the preceding notice of meeting may be served through public announcement.
- Article XI: A shareholders' meeting shall be chaired by the chairman of the Board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the chairperson shall appoint one of the directors to act as chair. Where the chairperson does not make such a designation the directors shall select from among themselves one person to serve as chair. If it is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.
- Article XII: In the event that a shareholder cannot attend the meeting in person, in addition to the compliance with Article 177 of the Company Act, it shall be handled in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholders' meetings of Public Companies" issued by the competent authority.
- Article XIII: Each shareholder is entitled to one vote for each share held, except shares that are restricted or without voting rights as provided in paragraph 2, Article 179 of the Company Act.
- Article XIV: Except as provided in the Company Act, resolutions of a shareholders' meeting shall be made in a meeting attended by shareholders representing more than one-half of the total outstanding capital stock of the Company with the concurrence of a majority of the votes held by the shareholders present at the meeting.
- Article XIV-I: Minutes shall be prepared for all resolutions adopted at a shareholders' meeting in compliance with the provisions of Article 183 of the Company Act and shall be signed and sealed by the chair of the meeting. The minutes of shareholders' meeting shall record the date and place of the meeting, the name of the chairman, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. The minutes shall be distributed to all shareholders of the Company within twenty (20) days after the close of the meeting and kept persistently throughout the life of the Company. The preparation and distribution of the minutes of shareholders' meeting as required in the preceding paragraph may be affected by means of electronic transmission. The minutes of shareholders' meeting may be distributed by means of a public notice.

Chapter IV Directors, Audit Committees and Managerial Officers

- Article XV: The Company shall have seven to eleven Directors with a 3-year term of office to be elected from persons having legal capacity at a shareholders' meeting, and Directors are eligible for reelection.

The total amount of shares held by all directors shall not be less than the minimum amount set by the securities authority.

Article XV-I: In accordance with Article 14-2 of the Securities and Exchange Act, the number of Independent Directors shall not be less than two in number and not less than one-fifth of the total number of directors stated above. Directors shall be elected by adopting a candidate nomination system, and shareholders shall elect from among the list of candidates for directors. The method of nomination shall conform with the provision set forth in Article 192-1 of the Company Act.

Article XV-II: The Company established the Audit Committee, which shall consist of the entire independent directors pursuant to Article 14-4 of the Securities and Exchange Act. Audit Committee shall perform the duties of supervisors set forth in the Company Act, Securities and Exchange Act and other laws and regulations. Resolutions of an Audit Committee's meeting shall be made by the majority of the Committee members. The Company may set up a Remuneration Committee or other functional committee in accordance with the provisions of laws and regulations or for its business needs.

Article XVI: When the number of vacancies in the board of directors of the Company equals to one-third of the total number of directors, the Board of Directors shall call, within 60 days, a special meeting of shareholders to elect succeeding directors to fill the vacancies until the incumbent term expires.

Article XVII: The Chairperson of the Board shall be elected from among the directors by a majority vote of the Directors present at a meeting attended by at least two-thirds of all directors. The Chairperson represents the Company externally.

Article XVIII: A directors' meeting of the Company shall be convened by the chairman unless otherwise stipulated by the Company Act. Unless otherwise provided by the Company Act, resolutions of a directors' meeting shall be adopted by a majority vote of the directors present at a meeting attended by a majority of all directors.

The reasons for calling a board of directors meeting shall be notified to each director at least seven days in advance. In emergency circumstances, however, a meeting may be called on shorter notice. Distribution of notice of the directors' meeting may be made via e-mail or fax.

Article XIX: The board of directors is chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the chairperson shall appoint one of the directors to act as chair. Where the chairperson does not make such a designation the directors shall select from among themselves one person to serve as chair. Directors shall attend a board meeting in person. In case a director cannot, for cause, attend a meeting, he may appoint another director in writing as his proxy to attend in his place. A director may act as the proxy of only one other director.

Article XX: The Company may have managerial officers, and the appointment, dismissal and compensation of the managerial staff of the Company shall be governed by Article 29 of the Company Act.

Article XXI: Managerial officers have the authority to manage Company's affairs and sign documents on behalf of the Company in accordance with the Articles of Incorporations of the Company or within the scope of power stipulated under contract.

Chapter V Accounting

Article XXII: Upon close of each fiscal year, the following financial statements and documents shall be prepared by the Board and presented at a shareholders' meeting for acceptance pursuant to Article 228 of the Company Act.

I. The business report.

II. The financial statements.

III. The earnings distribution or loss off-setting proposals.

Article XXIII: If the Company records a profit in a year, the Company shall appropriate not less than 8% of the profit for employee compensation, and not more than 5% for directors' remuneration. If, however, the Company has accumulated losses, profit shall be used to offset accumulated losses. Employee compensation in the preceding paragraph may be distributed in the form of shares or in the form of cash, and the employees entitled to receive the compensation may include the employees of companies controlled by the Company and its subordinate companies meeting specific requirements set by the Board. The aforementioned director compensation may only be paid in cash.

Article XXIV: If there is a profit upon close of each fiscal year, the Company shall, after having provided for taxes and offset the accumulative losses of previous years. If there is a remainder, it shall appropriate the 10% legal reserve in accordance with laws and regulations to the extent of the amount of the Company's paid-in capital and appropriate or reverse the special reserve in accordance with applicable laws and regulations. The remaining balance together with the undistributed earnings of previous year are the accumulated distributable earnings. The Board of Directors will propose the earnings distribution plan based on relevant factors such as the future business or investment needs and submit to the shareholders' meeting for resolution of distribution. The distributable dividends, bonuses, capital reserve or legal reserve in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors, and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. The provision for shareholders' meeting resolution in the preceding paragraph does not apply.

Article XXIV-I: The Company appropriates dividend for shareholders from the distributable earnings prescribed in Article 24 by taking into consideration the changing business environment, company growth, future capital needs and long-term plan, as well as fulfillment of shareholders' expectation of cash inflow. Of the amount of dividend to be distributed, the total amount of cash dividend shall not be less than 50% of the total dividend distribution.

Article XXIV-II: The remuneration of the Chairperson and Directors shall be determined by the Board under authorization, considering degrees of participation and value of contribution of said directors in business operation of the Company, as well as based on levels of remuneration generally adopted by the same industry, whether the Company records a profit or not.
If the Company records a profit, it shall further distribute compensation in accordance with Article 23.

Article XXV: Only shareholders recorded on the shareholders register five days before the dividend and bonus record day are entitled to dividend distribution.

Chapter VI Supplemental provisions

Article XXVI: The internal organization of the Company and the detailed procedures of business operation shall be adopted by the Board of Directors separately.

Article XXVII: In regard to all matters not provided for in these Articles of Incorporation, the Company Act and relevant laws, rules and regulations shall govern.

Article XXVIII: These Articles of Incorporation were adopted on November 27, 1996; 1st amendment was made on December 9, 1998; 2nd amendment was made on November 30, 2000; 3rd amendment was made on May 8, 2002; 4th amendment was made on November 24, 2002; 5th amendment was made on May 29, 2003; 6th amendment was made on June 16, 2003; 7th amendment was made on August 6, 2003; 8th amendment was made on June 3, 2004; 9th amendment was made on June 3, 2004; 10th amendment was made on April 20, 2005; 11st amendment was made on April 20, 2005; 12th amendment was made on September 30, 2005; 13th amendment was made on June 14,

2006; 14th amendment was made on June 27, 2007; 15th amendment was made on June 25, 2010; 16th amendment was made on June 27, 2012; 17th amendment was made on June 18, 2013; 18th amendment was made on June 23, 2016; 19th amendment was made on June 20, 2018; 20th amendment was made on June 19, 2019; 21st amendment was made on June 11, 2020.

Microcosm Technology Co., Ltd.

Chairperson: Huang, Tang-Chieh

Microcosm Technology Co., Ltd.

Shareholding of Directors

- I. The Company's paid-in capital is NT\$701,124,260 with the outstanding shares of 70,112,426 shares.
- II. Pursuant to Article 26 of the Securities and Exchange Act and the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies," the total registered shares owned by all directors shall not be less than 5,608,994 shares (Note).
- III. As of the suspension date of this shareholders' meeting on April 21, 2025, the numbers of shares held by directors in whole or individually have met the provision of laws and regulations, and their shareholding status is as follows:

Title	Name	Election date	Term of office	As of suspension date Shares held	% of shareholding
Chairperson	Huang, Tang-Chieh	June 21, 2023	3 years	2,451,215	3.50%
Director	Tong Ying Investment Co., Ltd. Representative: Li, Mei-Jung	June 21, 2023	3 years	20,635,758	29.43%
Director	Hou Sheng Investment Co., Ltd Representative: Chuang, Chao-Chin	June 21, 2023	3 years	3,368,714	4.80%
Independent Director	Tsai, Ming-Tang	June 21, 2023	3 years	0	0.00%
Independent Director	Lin, Tsai-Chih	June 21, 2023	3 years	0	0.00%
Independent Director	Chen, Chiu-Yueh	June 21, 2023	3 years	0	0.00%
Independent Director	Wu, Kuo-Shih	June 21, 2023	3 years	0	0.00%
Total				26,455,687	37.73%

Note: According to Article 2 of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies," if a public company has elected two or more independent directors, the share ownership figures calculated for all directors other than the independent directors shall be decreased as 80 percent.