

## **Leadtrend Technology Corporation**

### **Minutes of the 2025 Annual General Shareholders' Meeting (English Translation for Reference Only)**

**Time:** 9:00 a.m., May 29, 2025 (Thursday)

**Place:** No. 3, Taiyuan 1st Street, Zhubei City, Hsinchu County  
(2nd Floor, Banquet Room, Phase III)

**Meeting type:** Physical shareholders' meeting

**The Number of Shares of Attendance:**

Attending shareholders and proxy represented 33,454,277 shares (including 1,917,568 shares which attended through electronic voting) accounting for 55.36% of 60,425,600 shares (deducting 6,000 shares of treasury stock), the Company's total outstanding shares.

**Directors Present:**

Representatives from Power Investments Limited include Yu-Kun Kao (Chairman of the Board of Directors), Ming-Nan Zhuang, Independent Director Chien-Kuo Yang (Convener of the Audit Committee), and Independent Director Ding-Ren Liu (Convener of the Remuneration Committee). A total of four directors were present, which constitutes more than half of the total number of directors.

**Attendees:**

Yu-Feng Huang (Deloitte & Touche), Guan-Zhang Tseng (Chen & Lin Attorneys-at-Law), Heng-Chung Chi (General Manager), and Shu-Wei Yu (Accounting Supervisor)

**Chairman:** Yu-Kun Kao

**Recorder:** Shu-Wei Yu

The aggregate shareholding of the shareholders present constituted a quorum.

The Chairman called the meeting to order.

**A. Chairman's Remarks: Omitted**

**B. Report Items:**

- (1) 2024 Business Report.(Please refer to Attachment 1)
- (2) 2024 Audit Committee's Review Report. (Please refer to Attachment 2)
- (3) Report on the Distribution of Remuneration for Employees and Directors in 2024.

Descriptions:

- (a) According to Article 20 of the Company's Articles of Incorporation, in the event that a profit is realized (defined as pre-tax profit prior to the deduction of remuneration for employees and directors) for the year, the Company is mandated to allocate a minimum of 5% of the profit for employee compensation and a maximum of 2% of the profit for director remuneration.

- (b) The total remuneration allocated to employees and directors is NT\$21,146,931 and NT\$1,895,523, respectively, with both amounts disbursed in cash. Additionally, there is no discrepancy between the estimated expenses and the actual distribution of remuneration for either employees or directors.
- (4) Report on the Cash Distribution from Retained Earnings and Capital Surplus in 2024.

Descriptions:

- (a) According to Article 20-1 of the Company's Articles of Incorporation, the board of directors is authorized to determine that all or a portion of the dividends, bonuses, legal reserves, and capital surplus to be distributed shall be in the form of cash payments, and is required to report such actions to the shareholders' meeting.
- (b) A total cash dividend amounting to NT\$47,623,280 has been allocated to shareholders, equating to NT\$0.8 per share (or NT\$800 per 1,000 shares). This distribution is based on the shareholders recorded in the shareholders' register as of the ex-dividend date. An additional appropriation of NT\$23,811,640 is allocated from the capital surplus generated by share premiums, resulting in a cash dividend distribution of NT\$0.4 per share (equivalent to NT\$400 per 1,000 shares). Consequently, the total cash dividend per share amounts to NT\$1.2.
- (c) The total cash dividends disbursed to each shareholder shall be rounded to the nearest New Taiwan Dollar (NTD), with any fractional amounts less than NTD 1 excluded from consideration. The cumulative total resulting from this rounding process shall be classified as other income for the Company.
- (d) In the event that subsequent modifications to laws or regulations, adjustments made by the relevant authority, or actions undertaken by the company—such as share repurchases, cancellations, corporate bond conversions, new share issuances, or other influencing factors—impact the number of outstanding shares and the allocation rate for shareholders, the board of directors is authorized to manage these changes appropriately.

### **C. Proposed Resolutions**

Proposal (1)

Subject: Adoption of the 2024 Business Report and Financial Statements.

[Proposed by the Board of Directors]

Descriptions:

- (1) The financial statements for the year 2024 have undergone an audit conducted by Yu-Fong Huang and Mei-Chen Tsai, Certified Public Accountants at Deloitte & Touche. They have also provided an auditors' report that includes their unqualified opinion.
- (2) For the 2024 Business Report, Independent Auditor's Report, and financial statements, please refer to Attachment 1 and Attachment 3.

Resolution: It was resolved that the above proposal be approved as proposed.

The result is as follows:

Shares represented at the time of voting: 33,454,277

Voting Results		% of the represented share present
Votes in favor (including electronic votes)	32,288,111 votes 751,402 votes)	96.51%
Votes against (including electronic votes)	10,043 votes 10,043 votes)	0.03%
Votes abstained / Not Voted (including electronic votes)	1,156,123 votes 1,156,123 votes)	3.45%

Proposal (2)

Subject: Adoption of the Proposal for the Distribution of Earnings for the Fiscal Year 2024.

[Proposed by Board of Directors]

Descriptions:

The Proposal for Distribution of Earnings, Please refer to Attachment 4.

Resolution: It was resolved that the above proposal be approved as proposed.

The result is as follows:

Shares represented at the time of voting: 33,454,277

Voting Results		% of the represented share present
Votes in favor (including electronic votes)	32,284,412 votes 747,703 votes)	96.50%
Votes against (including electronic votes)	11,169 votes 11,169 votes)	0.03%
Votes abstained / Not Voted (including electronic votes)	1,158,696 votes 1,158,696 votes)	3.46%

## D. Discussion Items

Proposal (1)

Subject: Amendment to the Company's Articles of Incorporation

[Proposed by the Board of Directors]

Descriptions:

- (1) The purpose of this amendment is to modify specific provisions within the Company's "Articles of Incorporation" in accordance with the recent amendment to Article 14, Section 6 of the Securities and Exchange Act.
- (2) For a comparative analysis of the provisions of the Company's "Articles of Association" prior to and following the amendment, please refer to Attachment 5.

Resolution: It was resolved that the above proposal be approved as proposed.

The result is as follows:

Shares represented at the time of voting: 33,454,277

Voting Results		% of the represented share present
Votes in favor (including electronic votes)	32,287,972 votes 751,263 votes)	96.51%
Votes against (including electronic votes)	10,088 votes 10,088 votes)	0.03%
Votes abstained / Not Voted (including electronic votes)	1,156,217 votes 1,156,217 votes)	3.45%

Proposal (2)

Subject: The Company Will Issue the Restricted Employee Shares in 2025.

[Proposed by the Board of Directors]

Descriptions:

- (1) We plan to issue restricted employee shares in accordance with Article 267 of the Company Act and the relevant provisions of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers.
- (2) The total amount and the conditions pertaining to the restricted employee shares to be issued at this time are outlined as follows:

A. Total amount for this issue:

The total amount to be issued is NT\$4,200,000, with a total of 420,000 shares issued, each having a par value of NT\$10. The board of directors is authorized to issue these shares in one or multiple times, in accordance with the relevant laws, within one year from the date of the resolution passed at the shareholders' meeting.

B. Conditions Related to the Issue:

(i) Anticipated Issue Price:

The issuance price is set at NT\$0 per share.

(ii) Conditions for Granting:

After the restricted employee shares are allocated to an employee, the employee must achieve an assessment grade of "Compliance" or higher (i.e., a scale score of  $\geq 5.8$ ) in their most recent Individual Performance evaluation prior to the granting date. Additionally, the employee must still be remain employed at Leadtrend when any of the following granting periods expire. The employee will then receive the

restricted employee shares based on the ratio of the granted portion for the relevant granting period.

<u>Granting Period</u>	<u>Granting Ratio</u>
From the date of the grant until October 11 of the subsequent year.	1/6
From the date of the grant until April 11 of the second year.	1/6
From the date of the grant until October 11 of the second year.	1/6
From the date of the grant until April 11 of the third year.	1/6
From the date of the grant until October 11 of the third year.	1/6
From the date of the grant until April 11 of the fourth year.	1/6

(iii) The restricted employee shares issued to employees this time consist of common shares.

(iv) Measures to be implemented when an employee does not meet granting conditions or in the case of inheritance:

When an employee fails to meet the granting conditions, we will revoke and cancel the restricted employee shares granted to the employee, without any compensation, in accordance with the law. In the event of occurrence of inheritance, the inheritance will be managed in accordance with the regulations governing the issuance of the restricted employee shares.

#### C. Employees' Qualifications, Conditions, and Number of Shares Allocated or Subscribed:

(i) Full-time employees of Leadtrend and its subsidiary companies who have reported for duty already as of the date on which the restricted employee shares are granted are eligible. The subsidiary companies referenced herein are defined in Article 369-2 of the Company Act.

(ii) The employees who are granted restricted employee shares, along with the quantity of shares allocated, will be determined based on factors such as years of service, rank, work performance, overall contributions, special achievements, and other criteria deemed relevant by management. These awards must receive approval from the Chairman and subsequently be reported to the board of directors for their consent. However, if any of the employees also serves as a director and/or manager, the approval of the remuneration committee must be obtained first. Non-managerial employees will be reported to the audit committee.

#### D. Justifiable Reasons for Issuance of Restricted Employee Shares:

To attract, retain, and motivate talent while enhancing employees' commitment to consistently and steadily develop Leadtrend's business, thereby maximizing benefits for Leadtrend and its shareholders.

E. Potential expenses amount, dilution of Leadtrend's earnings per share, and other impacts on shareholders' equity.

(i)The Company shall measure the fair value of the shares on the grant date and recognize the related expenses annually during the granting period.

Under the circumstances in which all the granting conditions have been met, the total estimated expense, based on the closing price of the Company's common stock at NT\$69.00 on February 19, 2025, amounts to NT\$28,980 thousand. The estimated expenses for the years 2025 to 2029 respectively are as follows: NT\$3,202 thousand, NT\$14,367 thousand, NT\$7,783 thousand, NT\$3,225 thousand, and NT\$403 thousand, respectively.

(ii)Dilution of Leadtrend's earnings per share and other impacts on shareholders' equity:

The impact of the granting conditions and the annual amortization of the temporarily estimated expense on earnings per share is as follows: the earnings per share for 2025, 2026, 2027, 2028, and 2029 are projected to decrease by NT\$0.037, NT\$0.166, NT\$0.090, NT\$0.037, and NT\$0.005, respectively. (These figures are calculated based on 60,442,100 shares issued on February 19, 2025, plus restricted employee shares.) The dilution of earnings per share is limited, resulting in no significant impact on shareholders' equity.

(3) The Regulations for Issue of Restricted Employee Shares for 2024 are established. Please refer to Attachment 6. After the motion is approved, if the Regulations need to be revised due to changes in laws or upon request by the competent authority, Chairman is fully authorized to deal with all relevant matters.

Resolution: It was resolved that the above proposal be approved as proposed.

The result is as follows:

Shares represented at the time of voting: 33,454,277

Voting Results		% of the represented share present
Votes in favor (including electronic votes	32,183,953 votes 647,244 votes)	96.20%
Votes against (including electronic votes	114,114 votes 114,114 votes)	0.34%
Votes abstained / Not Voted (including electronic votes	1,156,210 votes 1,156,210 votes)	3.45%

### Proposal (3)

Subject: Increase Capital Through Retained Earnings in 2024 to Issue New Shares.

[Proposed by the Board of Directors]

#### Descriptions:

- (1) We plan to withdraw NT\$11,905,820 from the retained earnings available for distribution in 2024 and increase our capital by issuing 1,190,582 new shares, each with a par value of NT\$10.
- (2) The new shares issued during this capital increase will be allocated based on the shareholding of each shareholder recorded in the register of shareholders as of the record date. Each shareholder will be entitled to receive 20 new shares for every 1,000 shares they own.
- (3) The allocation of fractional shares, specifically those that are less than one full share, may be conducted by the shareholders themselves within five days from the date when the transfer of shares ceases at the time of ex-rights. This process should be coordinated with the company's stock affairs agency to consolidate the total shareholding. For all transaction shares that remain less than one full share, an amount calculated at par value (rounded to the nearest whole number) will be distributed in cash in accordance with Article 240 of the Company Act. The Chairman is authorized to designate specific individuals to subscribe to fractional shares at par value. The funds from fractional shares held by shareholders participating in the book-entry allocation of shares will be used to cover the expenses of the book-entry operation.
- (4) The rights and obligations associated with the new shares issued for this capital increase are the same as those for the originally issued common shares.
- (5) This time, following approval by the shareholders' meeting and submission to the relevant authority for endorsement, the board of directors is authorized to establish a base date for share allotment (capital increase) and related matters. If subsequent changes in laws or regulations, adjustments by the relevant authority, or actions taken by the company—such as share repurchases, cancellations, corporate bond conversions, new share issuances, or other factors—affect the number of outstanding shares and the shareholders' allotment rate, the board of directors is authorized to manage these changes accordingly.

Resolution: It was resolved that the above proposal be approved as proposed.

The result is as follows:

Shares represented at the time of voting: 33,454,277

Voting Results		% of the represented share present
Votes in favor (including electronic votes)	32,289,178 votes 752,469 votes)	96.51%
Votes against (including electronic votes)	10,179 votes 10,179 votes)	0.03%
Votes abstained / Not Voted (including electronic votes)	1,154,920 votes 1,154,920 votes)	3.45%



## E. Election Matters

Proposal (1)

Subject: To Elect Directors, Including Independent Directors.

[Proposed by Board of Directors]

Descriptions:

- (1) The term of service for the Company's eighth director will expire on June 8, 2025. The re-election will be conducted in accordance with the law at the annual shareholders' meeting.
- (2) In accordance with the provisions of the Company's Articles of Association, the election of all directors shall adopt a candidate nomination system to elect seven directors, including four independent directors. The term of service for these directors will be three years, from May 29, 2025, to May 28, 2028. The terms of the current directors will conclude at the end of this annual shareholders' meeting.
- (3) The election was conducted in accordance with the Rules for the Election of Directors. Please refer to Attachment 7.
- (4) The list of candidates for Directors and Independent Directors, which was reviewed and approved by the Company's Board of Directors on April 10, 2025, can be found in Attachment 8.

Election results: The List of the Directors and Independent Directors.

Title	Name	Votes Received
Director	Yu-Kun Kao	74,222,096 votes
	Representatives from Power Investments Limited: Heng-Chung Chi	52,124,333 votes
	Representatives from Power Investments Limited: Ming-Nan Zhuang	52,102,161 votes
Independent Director	Ding-Ren Liu	11,787,647 votes
	Chien-Kuo Yang	11,733,344 votes
	Chih-Chun Tsai	11,569,853 votes
	Hsiang-Ju Liao	11,470,909 votes



## F. Other Motions

### Proposal (1)

Subject: Proposal to Lift the Restriction on Newly-elected Directors Participating in Competitive Business.

[Proposed by the Board of Directors]

### Descriptions:

- (1) In accordance with Article 209 of the Company Act, "Directors shall explain to the shareholders' meeting the significant aspects of their actions and obtain permission to perform activities within the scope of the Company's business, either for themselves or for others."
- (2) In order to leverage the expertise and experience of the company's directors, the company hereby requests the approval of the shareholders' meeting to lift the non-competition restrictions on the newly appointed directors listed in the table.

Title	Name	Concurrent Position of another Company	
		Company Name	Title
Independent Director	Ding-Jen Liu	<ul style="list-style-type: none"> <li>● Algoltek, Inc.</li> <li>● Alcor Micro, Corp.</li> <li>● Chenyuan Investment Co.,Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>● Representative of corporate directors</li> <li>● Representative of corporate directors</li> <li>● Director</li> </ul>
Independent Director	Chien-Kuo Yang	<ul style="list-style-type: none"> <li>● Diwan &amp; Company</li> <li>● Diwan International Management Consulting Inc.</li> <li>● Andes Technology Corp.</li> <li>● Tien Da Investment Co., Ltd.</li> <li>● Macronix International Co., Ltd.</li> <li>● YoungTek Electronics Corp.</li> </ul>	<ul style="list-style-type: none"> <li>● Certified Public Accountant</li> <li>● Chairman</li> <li>● Independent Director</li> <li>● Chairman</li> <li>● Independent Director</li> <li>● Independent Director</li> </ul>
Independent Director	Chih-Chun Tsai	<ul style="list-style-type: none"> <li>● Coretech Optical Co., Ltd.</li> <li>● Hua Jieh Investment Co., Ltd.</li> <li>● Egis Technology Inc.</li> <li>● Daxin Materials Corp.</li> </ul>	<ul style="list-style-type: none"> <li>● Director</li> <li>● Chairman</li> <li>● Director</li> <li>● Independent Director</li> </ul>
Independent Director	Hsiang-Ju Liao	<ul style="list-style-type: none"> <li>● Novatek Microelectronics Corp.</li> <li>● Azion Corp.</li> <li>● TEN Incubation Corp.</li> <li>● TEN Angel Investment Corp.</li> <li>● Cornerstone Venture Capital Corp.</li> <li>● TsingHua Culture Media Co., Ltd.</li> <li>● TsingHua Investment Corp.</li> <li>● TsingHua Management Consultant Corp.</li> <li>● iMT Co., Ltd.</li> <li>● JelloX Biotech Inc.</li> <li>● MedFluid Co., Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>● Independent Director</li> <li>● Representative of corporate directors</li> <li>● Chairman</li> <li>● Chairman</li> <li>● Chairman</li> <li>● Director and General Manager</li> <li>● Director</li> <li>● Director</li> <li>● Director</li> <li>● Director</li> <li>● Director</li> </ul>

Resolution: It was resolved that the above proposal be approved as proposed.  
 The result is as follows:

Shares represented at the time of voting: 33,454,277

Voting Results		% of the represented share present
Votes in favor (including electronic votes	32,248,358 votes 711,649 votes)	96.39%
Votes against (including electronic votes	26,192 votes 26,192 votes)	0.07%
Votes abstained / Not Voted (including electronic votes	1,179,727 votes 1,179,727 votes)	3.52%

**G. Extemporary Motions: None**

**H. Adjournment: Meeting ended at 9:35 am**

**(There was no question from shareholders at this shareholders' meeting.)**

## **Leadtrend Technology Corporation**

### **2024 Business Report**

**Dear Shareholders,**

In the post-pandemic era, the global economic recovery has demonstrated considerable disparities, shaped by enduring factors such as geopolitical tensions, inflationary pressures, and the reconfiguration of supply chains, all of which continue to influence industrial development. Leadtrend is committed to the advancement and implementation of ACDC power management integrated circuits (ICs), with technological innovation serving as the primary driver of our operational growth. In 2024, we launched a series of high-performance products specifically designed to meet market demands for low power consumption, high efficiency, and high power density solutions. These offerings have attracted significant interest from brand customers, resulting in a 27.36% year-over-year increase in annual revenue.

### **2024 Business Performance Outcomes**

#### **(1) Results of the Implementation of the Operational Plan**

Leadtrend's strategic focus on providing comprehensive solutions and highly integrated products began to yield synergistic advantages across various application sectors in 2024. The composition of sales has demonstrated a growing proportion of total solutions and high-integration products. Our one-stop service model has effectively attracted an increasing number of brand customers to adopt Leadtrend's solutions. The product strategy continues to emphasize a comprehensive deployment of a full range of power solutions aimed at medium and high power applications. Given the irrational competition prevalent in mature process nodes in China, which has been intensified by the US-China trade conflict, Leadtrend has taken proactive measures to align with the development of next-generation products. To this end, the company has incorporated AI Efficiency technologies into its ACDC PWM product lines, which are progressively gaining traction in the market. We have successfully commercialized synchronized rectification products by employing optimized process technologies and have commenced mass production of streamlined Combo-type Power Delivery (PD) and Type-C products. These advancements facilitate our long-term clients in efficiently upgrading their systems, thereby aligning with their objectives of promoting energy efficiency in their branding strategies. The architectures of our next-generation products utilize a platform-based design approach that aims to enhance power efficiency and performance, in alignment with Environmental, Social, and Governance (ESG) principles. This approach is intended to strengthen the competitiveness of future

offerings. In response to the ongoing recovery of global economic conditions anticipated in 2024, Leadtrend has allocated substantial resources and engaged in collaborations with prominent brand clients to develop next-generation products across a variety of applications, including Power Delivery (PD), networking, notebooks, smart appliances, electric bicycles, televisions, and Industrial Personal Computers (IPCs). This strategic initiative has generated numerous opportunities for customized design.

## **(2) An Analysis of Financial Revenue, Expenditure, and Profitability**

Leadtrend's consolidated financial performance for the fiscal year 2024 is summarized as follows: the annual revenue reached NT\$1,454 million, reflecting a growth of 27.36% compared to the previous year. The gross profit amounted to NT\$552 million, which constitutes 38.0% of total revenue, representing an increase of 28.61% from the prior year. The net profit was reported at NT\$85 million, accounting for 5.84% of revenue, and demonstrating a remarkable increase of 1,589.10% over the previous year. Additionally, the net operating profit was NT\$85 million, with an increase of 1,589.10% from the previous year. The after-tax profit was recorded at NT\$112 million, resulting in earnings per share (EPS) of NT\$1.89 and a return on stockholders' equity of 6.56%.

## **(3) Status of Research and Development**

Energy-efficient technology has consistently constituted the core strategy in the product development endeavors of Leadtrend. In 2024, our initiatives in product development incorporated patented technologies, optimized integrated circuits that adhere to energy efficiency regulations, hybrid analog-digital control designs, high-density gallium nitride (GaN) component integration, and sophisticated current-sensing mechanisms for synchronous rectification within the alternating current-direct current (ACDC) pulse width modulation (PWM) product line. The promotional phase for LLC and AHB products in 2024 was executed effectively. Significant advancements have been achieved in the research and development of high-power LLC (Lumped Inductance Converter) products, particularly with optimizations tailored for television and networking applications. Notable improvements include: (1) a television system achieving an efficiency of over 93% at 180W; (2) the integration of built-in PGI (Power Good Indicator) control, which reduces the component count by 15 and enhances standby power consumption by 60mW. These developments comply with the latest regulations set forth by Energy Star 7 and the European Union's ErP Lot 5, demonstrating exceptional performance in terms of component efficiency, count, and protection control. Furthermore, these products align with environmental, social, and governance (ESG) criteria, underscoring their eco-friendly attributes.

The latest iteration of USB Power Delivery (PD) 3.1 has enhanced the output power capacity to 240 watts, utilizing a 5-ampere charging cable with a maximum output voltage of 48 volts. Leadtrend's AHB 240W PD 3.1 solution has been effectively promoted, incorporating Power Factor Correction (PFC) and AHB control integrated circuits (ICs), as well as AHB synchronous rectification (SR) and PD ICs. This comprehensive approach ensures consistency, stability, streamlined supply chains, technical support, alignment of system performance, cost-effectiveness, and quality assurance. Consequently, this innovation has facilitated the miniaturization of PD power supplies, improved efficiency, reduced the number of components, and contributed to carbon footprint reduction. The AHB technology is particularly well-suited for applications such as AI laptop adapters, server power supplies, electric tool chargers, and high-performance power devices, thereby offering reliable and efficient power management solutions. Furthermore, Leadtrend's AHB technology demonstrates advantages in minimizing electromagnetic interference (EMI), rendering it appropriate for applications that are sensitive to electromagnetic environments. By the conclusion of 2024, Leadtrend has applied for and received approval for nearly 559 patents both domestically and internationally, culminating in a total of over 740 patent applications.

Leadtrend's research and development efforts across all product lines have consistently pursued the vision of your power, Green the World by advancing product technology. The company actively integrates digital and analog mixed-signal technologies alongside hardware and software development in its research initiatives. Product development is achieved through collaboration with brands and manufacturers within the power design sector, and ongoing project research on emerging technologies is conducted in partnership with relevant industry stakeholders, government entities, and academic institutions. This collaborative approach facilitates annual enhancements in power system conversion efficiency, underscoring that green innovation has consistently served as a fundamental guiding principle for Leadtrend.

## **Summary of the 2025 Business Plan**

### **(1) Business Plan**

Leadtrend adheres to fundamental principles of innovation, service, quality, and collaboration, thereby offering customers prompt and comprehensive services. The company's long-term development strategy emphasizes a focus on Taiwan, a deep engagement with the Chinese market, and an aspiration to connect with international brands globally.

### **(2) Expected Sales Volume and Its Underpinnings**

The global market for power management integrated circuits (ICs) is currently undergoing a normalization process following a period characterized by significant

inventory backlogs. This adjustment is occurring in response to a resurgence in end-user demand. The swift advancement of the global electronic products market has facilitated the extensive application of power management ICs across a diverse array of electronic devices. Notably, the escalating demand for high-power computing and artificial intelligence (AI) servers is contributing to an increase in the sales of high-performance power management ICs. Leadtrend expresses a positive outlook regarding future operational growth, anticipating substantial contributions from both established brand operations and the introduction of new products from emerging brand customers. Sales projections for 2025 indicate a marked increase compared to the previous year. In terms of operational strategy, the company intends to enhance its engagement with brand customers and collaborate closely with major power manufacturers to identify potential synergies. It is proposed that commitment to this strategic direction, along with continuous investment in advanced technological talent and innovations related to Artificial Intelligence and Power Computing (AIPC), fifth-generation mobile communication technology (5G), notebooks (NB), televisions (TV), and network communications (Netcom), will significantly contribute to and enhance future revenue growth.

### **(3) Important Policies Regarding Production and Sales**

Leadtrend is recognized as the most comprehensive ACDC Total Solution integrated circuit design company in Taiwan. The complete solutions offered by Leadtrend are applicable to various types of power system designs, enabling the provision of rapid design solutions that align with market demands for products. As the global semiconductor supply chain stabilizes, the company collaborates closely with its foundry, packaging, and testing partners to ensure a stable supply and flexible adjustments in production and sales in response to market fluctuations.

The Company remains committed to advancing technological innovation with the aim of enhancing product reliability and reducing costs, thereby establishing competitive advantages and improving customer retention through tailored services. In addition to innovative product planning, we have integrated foundry processes to expedite production cycles and develop energy-efficient, highly integrated, and cost-optimized solutions. Looking ahead, we will continue to invest in research and development resources to foster technological innovation in the realms of artificial intelligence applications, 5G, the Internet of Things (IoT), high-speed networks, smart home appliances and lighting, power delivery fast-charging products, industrial control power supplies, medical power supplies, and other related applications. Our focus will remain on the ongoing development of our industry.

**The future development strategy of the company, along with the influence of the external competitive environment, regulatory framework, and overall business landscape, will be examined.**

We maintain a strong commitment to the advancement of product and technology development, underpinned by principles of sound corporate governance, social responsibility, and sustainable development. Through the application of innovative technology, we aim to deliver high-performance power management integrated circuit (IC) products that assist our customers in adhering to the latest international regulations, minimizing energy consumption, and promoting environmental sustainability. Despite the anticipated rapid changes in the macroeconomic environment and the intensifying competition within the industry, Leadtrend is poised to formulate a strategic vision for technology and new product development that aligns with emerging market demand trends. This proactive approach will enable us to identify potential growth opportunities and to actively pursue the development of diversified and niche products. Our ongoing commitment to innovation and enhancement of technological capabilities is directed towards achieving increased profitability and delivering greater value to our customers and shareholders.

The Board of Directors remains committed to maintaining the trust and long-term support of shareholders. The Board will oversee the management team and collaborate diligently with all employees to actively pursue the growth and development of the company, thereby expressing gratitude to shareholders for their confidence and encouragement. We would like to extend our sincere wishes for your good health and overall well-being. Thank you.

Chairman: Yu-kun Kao

Manager: Heng-Chung Chi

Accounting Manager: Shu-Wei Yu



## **Audit Committee's Review Report**

The Board of Directors has prepared the Company's 2024 Business Report, Financial Statements, and Distribution of Earnings. The financial statements have been audited by CPAs Yu-Feng Huang and Mei-Ching Tsai of Deloitte & Touche, and an audit report has been issued.

The Audit Committee has reviewed the aforementioned business reports, financial statements, and distribution of earnings, and has concluded that there are no discrepancies. I hereby submit this report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To Leadtrend Technology Corp., 2025 Annual Shareholders' Meeting

Leadtrend Technology Corporation

Convener of the Audit Committee: Chien-Kuo Yang

April 10, 2025

**Independent Auditors' Report**

To: Leadtrend Technology Corporation

**Opinion**

We have audited the financial statements of Leadtrend Technology Corporation and its subsidiaries, which comprise the consolidated balance sheet as of December 31, 2024 and 2023 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the years then ended, and the notes to the consolidated financial statements (including a summary of material accounting policies).

In our opinion, the said consolidated financial statements are prepared, in all material respects, 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 recognized and published into effect by the Financial Supervisory Commission, and present fairly the consolidated financial conditions of Leadtrend Technology Corporation and its subsidiaries as of December 31, 2024 and 2023 and the consolidated financial performance and consolidated cash flows for the years then ended.

**Basis for Opinion**

We conducted our audit of the consolidated financial statements in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Delegated Certified Public Accountants and the Auditing Standards. Our responsibilities under the standards are further described in the section "Auditors' Responsibilities for the Audit of the Consolidated Financial Statements". We and our accounting firm are independent of Leadtrend Technology Corporation and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant and have fulfilled our other responsibilities under the Norm. 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 the matters that, in our professional judgment, were most important in our audit of the consolidated financial statements of Leadtrend Technology Corporation and its subsidiaries for the year ended December 31, 2024. These matters were addressed in the process of our audit of the consolidated financial statements and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters with respect to the consolidated financial statements of Leadtrend Technology Corporation and its subsidiaries for the year ended December 31, 2024 are stated as follows:

### Recognition of Sales Revenue

1. For the significant sales revenue amounts of Leadtrend Technology Corporation and its subsidiaries, please refer to Note 21. Proceeds from sale of power management integrated circuits are the main revenue of Leadtrend Technology Corporation and its subsidiaries. To initiate the process of recognizing such revenue, the production management personnel provide the delivery order to get the products ready for the customer as instructed by the business segment. After the products to be shipped are ready, quality assurance personnel are informed and requested to inspect the products. After products are inspected and qualified, production management personnel sign and affix the official seal to the delivery order and the finished goods outbound order, have the products shipped after the approval of the authorized supervisor, and update the stock details in the operating system. Then the accountant recognizes the sales revenue based on the delivery order signed by the customer or the shipping company.
2. As the aforementioned transaction involves manual control, the risk of recognizing revenue by mistake or without obtaining the delivery order signed by the customer or the shipping company exists.
3. We consider the revenue recognition policy of Leadtrend Technology Corporation and its subsidiaries and evaluate appropriateness of the revenue recognition by understanding and testing the effectiveness of the internal controls on the approval of orders and the shipment procedures, sampling the vouchers relevant to sales revenue, reviewing the amounts received in cash or subsequent cash receipts in order to verify the existence and occurrence of the sales, and also check whether any abnormality about the entity to which products have been sold and the entity receiving payments exists.

### Inventory Evaluation

Refer to Note 10 of the consolidated financial statements. It is significant that the inventory balance of Leadtrend Technology Corporation and its subsidiaries accounted for 34% of the total assets as of December 31, 2024. Valuation allowance for inventories is a material accounting estimate. Leadtrend Technology Corporation and its subsidiaries engage in design and development of integrated circuits, and sell products after outsourcing manufacturing. As such products can be replaced fast in the highly competitive industry, inventory depreciation and obsolescence risks may exist.

At the situations stated in any of the most important matters for the audit conducted this year, we have carried out the primary audit procedures as follows:

1. Understand and evaluate the rationality of the inventory valuation policy adopted by the management.
2. Obtain the evaluation information about the lower of inventory cost or net realizable value, sample and review the latest information of selling prices of inventories to verify the net realizable value of inventories and compare the net realizable value of inventories with the book cost of inventories to test the rationality of the amount allocated as inventory loss. Obtain the inventory aging statements, sample and review the inventory change information to test whether the inventory aging classification, inventory quantity and amount are consistent in order to verify the accuracy and completeness of the inventory aging statements. Then verify the rationality of the amount allocated as inventory obsolescence loss pursuant to the inventory evaluation policy.
3. Carry out inventory retrospectability testing. Review the status of inventory write-off and compare it with the inventory obsolescence loss allocation policy to verify whether the inventory obsolescence loss allocated for the current period is proper.

### **Other Matters**

We have audited the financial statements of Leadtrend Technology Corporation for the years ended December 31, 2024 and 2023 on which we have issued the auditors' report containing an unqualified opinion for reference.

### **Responsibilities of Management and those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for 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, which have been endorsed and issued into effect by the Financial Supervisory Commission, and also responsible for maintenance of the internal controls associated with the preparation of the consolidated financial statements, to ensure the consolidated financial statements free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is also responsible for assessing the ability of Leadtrend Technology Corporation and its subsidiaries to continue, as a going concern, disclosing any and all relevant matters and using the going concern basis of accounting unless management either intends to liquidate Leadtrend Technology Corporation and its subsidiaries or cease operations, or has no feasible alternative but to do so.

Those charged with governance (including the audit committee) are responsible for overseeing the financial reporting process of Leadtrend Technology Corporation and its subsidiaries.

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements 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 auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. If misstatements could, individually or in the aggregate, be reasonably expected to influence the economic decisions of users taken based on the consolidated financial statements, then the misstatements are considered material.

In conducting the audit in accordance with the auditing standards, we exercise professional judgment and maintain 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

2. Obtain an understanding of the internal controls 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 internal controls of Leadtrend Technology Corporation and its subsidiaries.
3. Evaluate the appropriateness of accounting policies used, and the reasonableness of accounting estimates and related disclosures made, by management.
4. Conclude, based on the audit evidence obtained, on the appropriateness of the management's use of the going concern basis of accounting, and whether a material uncertainty exists that is associated with any events or conditions casting significant doubt on the ability of Leadtrend Technology Corporation and its subsidiaries to continue as a going concern. If we believe that a material uncertainty exists, we are required to draw attention in our auditors' report to the relevant disclosures in the consolidated financial statements, or to modify our opinion if such disclosures are inadequate. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Leadtrend Technology Corporation and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including the notes thereof) and whether the consolidated financial statements appropriately represent the underlying transactions and events.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities within Leadtrend Technology Corporation and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit conducted for Leadtrend Technology Corporation and its subsidiaries, and also responsible for our audit opinion.

We have communicated with those charged with governance about the planned scope and timing of the audit, and significant audit findings (including any and all significant flaws identified, during our audit, in the internal controls).

We have also provided those charged with governance with a statement, declaring that we as CPAs comply with applicable ethical requirements regarding independence, and have communicated with them about all relationships and other matters that may reasonably be considered to influence our independence (including relevant protection measures).

From the matters communicated with those charged with governance, we have determined the key audit matters in the audit of the consolidated financial statements of Leadtrend Technology Corporation and its subsidiaries for the year ended December 31, 2024. We have described these matters in our auditors' report unless any law or regulation

prohibits the matters from being disclosed or when, in extremely rare circumstances, we decide that the matters should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interests to be facilitated.

Deloitte & Touche

Yu-Feng Huang, CPA & Mei-Chen Tsai, CPA

February. 20, 2025



## Leadtrend Technology Corporation and Subsidiaries

### Consolidated Balance Sheet

December 31, 2024 and 2023

(In Thousands of New Taiwan Dollars)

Code	Assets	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
	<b>Current assets</b>				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 493,439	24	\$ 457,745	24
1110	Financial assets at fair value through profit or loss - Current (Notes 4 and 7)	103,975	5	83,823	5
1170	Notes and accounts receivable (Notes 4, 5 and 9)	236,825	11	191,426	10
130X	Inventories (Notes 4, 5 and 10)	709,100	34	607,755	32
1470	Other current assets (Note 15)	12,047	1	19,210	1
11XX	Total current assets	<u>1,555,386</u>	<u>75</u>	<u>1,359,959</u>	<u>72</u>
	<b>Non-current assets</b>				
1535	Non-current financial assets at amortized cost (Notes 4 and 8)	1,000	-	-	-
1600	Property, plant and equipment (Notes 4 and 12)	462,119	22	477,962	26
1755	Right-of-use assets (Notes 4 and 13)	34,656	2	20,748	1
1780	Intangible assets (Notes 4 and 14)	7,130	-	11,132	1
1840	Deferred income tax assets (Notes 4 and 23)	-	-	541	-
1990	Other non-current assets (Notes 4 and 15)	8,084	1	7,747	-
15XX	Total non-current assets	<u>512,989</u>	<u>25</u>	<u>518,130</u>	<u>28</u>
1XXX	Total assets	<u>\$2,068,375</u>	<u>100</u>	<u>\$1,878,089</u>	<u>100</u>
	<b>Liabilities and Equity</b>				
	<b>Current liabilities</b>				
2170	Accounts payable	\$ 108,662	5	\$ 107,636	6
2200	Remunerations payable to employees and directors (Note 22)	23,042	1	19,215	1
2230	Current tax liabilities (Notes 4 and 23)	8,682	-	10,844	-
2280	Current lease liabilities (Notes 4 and 13)	12,989	1	11,785	1
2320	Long-term bank loan-current portion (Notes 4 and 16)	10,208	1	-	-
2399	Other current liabilities (Note 17)	79,083	4	75,259	4
21XX	Total current liabilities	<u>242,666</u>	<u>12</u>	<u>224,739</u>	<u>12</u>
	<b>Non-current liabilities</b>				
2540	Long-term bank loans (Notes 4 and 16)	24,792	1	-	-
2570	Deferred income tax liabilities (Notes 4 and 23)	335	-	-	-
2580	Non-current lease liabilities (Notes 4 and 13)	21,652	1	9,529	1
2645	Guarantee deposits received	13,138	1	860	-
25XX	Total non-current liabilities	<u>59,917</u>	<u>3</u>	<u>10,389</u>	<u>1</u>
2XXX	Total liabilities	<u>302,583</u>	<u>15</u>	<u>235,128</u>	<u>13</u>
	<b>Equity (Notes 4, 19 and 20)</b>				
	<b>Stock capital</b>				
3110	Ordinary share	604,421	29	589,178	31
	<b>Capital reserve</b>				
3210	Share premium	250,212	12	254,672	14
3251	Donations received from shareholders	84,732	4	84,732	4
3273	Employee restricted stock award shares	61,218	3	50,306	3
3280	Others	131	-	125	-
	<b>Retained earnings</b>				
3310	Legal reserve	218,171	11	215,284	11
3320	Special reserve	786	-	-	-
3350	Unappropriated earnings	581,831	28	485,253	26
	<b>Other Components of Equity</b>				
3410	Exchange differences on translation of foreign operations' financial statements	9,971	-	( 786 )	-
3491	Employees' unearned compensation	( 45,681 )	( 2 )	( 35,803 )	( 2 )
3XXX	Total equity	<u>1,765,792</u>	<u>85</u>	<u>1,642,961</u>	<u>87</u>
	Total liabilities and equity	<u>\$2,068,375</u>	<u>100</u>	<u>\$1,878,089</u>	<u>100</u>

The accompanying notes constitute part of the consolidated financial statements.

Chairman: Yu-Kun Kao

Manager: Heng-Chung Chi

Accounting Manager: Shu-Wei Yu

## Leadtrend Technology Corporation and Subsidiaries

### Consolidated Statement of Comprehensive Income

For the years ended December 31, 2024 and 2023

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code		2024		2023	
		Amount	%	Amount	%
	Operating revenue (Notes 4, 21 and 31)				
4110	Sales revenue	\$ 1,478,831	102	\$ 1,168,764	102
4170	Sales returns and allowances	( 24,925 )	( 2 )	( 27,170 )	( 2 )
4000	Net operating revenue	1,453,906	100	1,141,594	100
	Operating costs (Notes 10, 18 and 22)				
5110	Cost of goods sold	901,475	62	712,066	63
5900	Gross profit	552,431	38	429,528	37
	Operating expenses (Notes 18 and 22)				
6100	Selling expenses	67,320	5	69,935	6
6200	Administrative expenses	117,226	8	97,927	9
6300	Research and development expenses	282,932	19	267,371	23
6000	Total operating expenses	467,478	32	435,233	38
6900	Net operating income (loss)	84,953	6	( 5,705 )	( 1 )
	Non-operating income and expenses (Note 22)				
7100	Interest income	6,684	-	4,207	1
7010	Other incomes	5,147	-	22,772	2
7020	Other gains and losses	15,201	1	3,909	-
7050	Financial cost	( 557 )	-	( 461 )	-
7000	Total non-operating income and expenses	26,475	1	30,427	3
7900	Profit before tax	111,428	7	24,722	2
7950	Income tax benefit (Notes 4 and 23)	( 461 )	-	( 4,142 )	( 1 )
8200	Net profit of the year	111,889	7	28,864	3

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Code		2024		2023	
		Amount	%	Amount	%
	Other comprehensive incomes (losses)				
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of foreign financial statements (Note 19)	\$ 10,757	1	(\$ 6,388)	(1)
8300	Total other comprehensive incomes (losses) (Net)	10,757	1	(6,388)	(1)
8500	Total comprehensive incomes (losses) for the year	\$ 122,646	8	\$ 22,476	2
	Earnings per share (Note 24)				
9750	Basic	\$ 1.89		\$ 0.49	
9850	Diluted	\$ 1.86		\$ 0.48	

The accompanying notes constitute part of the consolidated financial statements.

Chairman: Yu-Kun Kao

Manager: Heng-Chung Chi

Accounting Manager: Shu-Wei Yu

**Leadtrend Technology Corporation and Subsidiaries**  
**Consolidated Statement of Changes in Equity**  
**For the years ended December 31, 2024 and 2023**

Unit: thousands of New Taiwan Dollars, except as otherwise indicated herein

Code		Common share capital		Capital reserve			Others	Retained earnings			Total	Other Components of Equity		Total equity
		Number of shares (In Thousands)	Amount	Share premium	Donations received from shareholders	Employee restricted stock award shares		Legal reserve	Special reserve	Unappropriated earnings		Exchange differences on translation of foreign operations' financial statements	Employees' unearned compensation	
A1	Balance at January 1, 2023	56,883	\$ 568,838	\$ 258,027	\$ 84,732	\$ 47,567	\$ 106	\$ 199,793	\$ -	\$ 520,231	\$ 720,024	\$ 5,602	( \$ 31,945 )	\$ 1,652,951
	Distribution of 2022 retained earnings:													
B1	Legal reserve allocated	-	-	-	-	-	-	15,491	-	( 15,491 )	-	-	-	-
B5	Cash dividends to shareholders—\$0.550 per share	-	-	-	-	-	-	-	-	( 31,286 )	( 31,286 )	-	-	( 31,286 )
B9	Stock dividends to shareholders—\$0.300 per share	1,707	17,065	-	-	-	-	-	-	( 17,065 )	( 17,065 )	-	-	-
	Total distribution of retained earnings	1,707	17,065	-	-	-	-	15,491	-	( 63,842 )	( 48,351 )	-	-	( 31,286 )
C15	Capital reserve used for distribution of cash dividends—\$0.350 per share	-	-	( 19,909 )	-	-	-	-	-	-	-	-	-	( 19,909 )
C17	Changes in other capital surplus	-	-	-	-	-	19	-	-	-	-	-	-	19
D1	Net profit of 2023	-	-	-	-	-	-	-	-	28,864	28,864	-	-	28,864
D3	Other comprehensive incomes (losses) for 2023	-	-	-	-	-	-	-	-	-	-	( 6,388 )	-	( 6,388 )
D5	Total comprehensive incomes (losses) for 2023	-	-	-	-	-	-	-	-	28,864	28,864	( 6,388 )	-	22,476
N1	Issuance of employee restricted stock award shares	420	4,200	-	-	23,730	-	-	-	-	-	-	( 27,930 )	-
N1	Employee restricted stock award shares granted to employees	-	-	16,554	-	( 16,554 )	-	-	-	-	-	-	-	-
N1	Cancelled employee restricted stock award shares	( 92 )	( 925 )	-	-	925	-	-	-	-	-	-	-	-
N1	Compensation cost for employee restricted stock award shares	-	-	-	-	( 5,362 )	-	-	-	-	-	-	24,072	18,710
Z1	Balance at December 31, 2023	58,918	589,178	254,672	84,732	50,306	125	215,284	-	485,253	700,537	( 786 )	( 35,803 )	1,642,961
	Distribution of 2023 retained earnings :													
B1	Legal reserve allocated	-	-	-	-	-	-	2,887	-	( 2,887 )	-	-	-	-
B3	Special reserve allocated	-	-	-	-	-	-	-	786	( 786 )	-	-	-	-
B9	Stock dividends to shareholders—\$0.200 per share	1,164	11,638	-	-	-	-	-	-	( 11,638 )	( 11,638 )	-	-	-
	Total distribution of retained earnings	1,164	11,638	-	-	-	-	2,887	786	( 15,311 )	( 11,638 )	-	-	-
C15	Capital reserve used for distribution of cash dividends—\$0.400 per share	-	-	( 23,275 )	-	-	-	-	-	-	-	-	-	( 23,275 )
C17	Changes in other capital surplus	-	-	-	-	-	6	-	-	-	-	-	-	6
D1	Net profit of 2024	-	-	-	-	-	-	-	-	111,889	111,889	-	-	111,889
D3	Other comprehensive incomes (losses) for 2024	-	-	-	-	-	-	-	-	-	-	10,757	-	10,757
D5	Total comprehensive incomes (losses) for 2024	-	-	-	-	-	-	-	-	111,889	111,889	10,757	-	122,646
N1	Issuance of employee restricted stock award shares	420	4,200	-	-	32,928	-	-	-	-	-	-	( 37,128 )	-
N1	Employee restricted stock award shares granted to employees	-	-	18,815	-	( 18,815 )	-	-	-	-	-	-	-	-
N1	Cancelled employee restricted stock award shares	( 60 )	( 595 )	-	-	595	-	-	-	-	-	-	-	-
N1	Compensation cost for employee restricted stock award shares	-	-	-	-	( 3,796 )	-	-	-	-	-	-	27,250	23,454
Z1	Balance at December 31, 2024	60,442	\$ 604,421	\$ 250,212	\$ 84,732	\$ 61,218	\$ 131	\$ 218,171	\$ 786	\$ 581,831	\$ 800,788	\$ 9,971	( \$ 45,681 )	\$ 1,765,792

The accompanying notes constitute part of the consolidated financial statements.

Chairman: Yu-Kun Kao

Manager: Heng-Chung Chi

Accounting Manager: Shu-Wei Yu

## Leadtrend Technology Corporation and Subsidiaries

### Consolidated Statement of Cash Flows

**For the years ended December 31, 2024 and 2023**

(In Thousands of New Taiwan Dollars)

Code		2024	2023
	Cash flows from operating activities		
A10000	Profit before tax	\$ 111,428	\$ 24,722
A20010	Incomes, expenses and losses:		
A20100	Depreciation expense	74,833	87,235
A20200	Amortization expense	6,588	10,516
A20400	Net profit of financial assets and liabilities at FVTPL	( 1,546 )	( 1,102 )
A20900	Financial cost	557	461
A21200	Interest income	( 6,684 )	( 4,207 )
A21900	Compensation cost for employee restricted stock award shares	23,454	18,710
A22500	Loss (gain) on disposal of property, plant and equipment	8	( 1,843 )
A23700	Write-down of inventories	7,433	14,609
A24100	Net (gain) loss on foreign exchange	( 10,524 )	3,377
A30000	Net change in operating assets and liabilities		
A31150	Increase in notes and accounts receivable	( 39,800 )	( 24,531 )
A31200	(Increase) decrease in inventories	( 108,783 )	185,641
A31240	Decrease in other current assets	7,139	2,367
A32150	(Decrease) increase in accounts payable	( 1,260 )	45,099
A32200	Increase (decrease) in remunerations payable to employees and directors	3,827	( 18,293 )
A32230	Increase (decrease) in other current liabilities	225	( 18,978 )
A32240	Decrease in net defined benefit liabilities	-	( 4,840 )
A33000	Net cash provided by operations	66,895	318,943
A33300	Interest paid	( 557 )	( 461 )
A33500	Income tax paid	( 819 )	( 584 )
AAAA	Net cash generated by operating activities	65,519	317,898

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Code		2024	2023
	Cash flows from investing activities		
B00040	Acquisition of financial assets at amortized cost	( 1,000 )	-
B00100	Acquisition of financial assets at fair value through profit or loss	( 91,799 )	( 103,848 )
B00200	Disposal of financial assets at fair value through profit or loss	76,126	75,723
B02700	Acquisition of property, plant and equipment	( \$ 38,359 )	( \$ 34,380 )
B02800	Proceeds from disposal of property, plant and equipment	-	10,395
B03700	(Increase) decrease in refundable deposits	( 180 )	15,289
B04500	Acquisition of intangible assets	( 5,153 )	( 7,819 )
B07500	Interest received	<u>6,702</u>	<u>4,037</u>
BBBB	Net cash used in investing activities	( <u>53,663</u> )	( <u>40,603</u> )
	Cash flows from financing activities		
C00100	Increase in short-term loans	30,000	-
C00200	Decrease in short-term loans	( 30,000 )	-
C01600	Proceeds from long-term debt	35,000	-
C03000	Increase (decrease) in guarantee deposits received	12,278	( 54 )
C04020	Payments of lease liabilities	( 13,655 )	( 12,762 )
C04500	Cash dividends paid	( 23,275 )	( 51,195 )
C09900	Other financing activities	<u>6</u>	<u>19</u>
CCCC	Net cash provided by (used in) financing activities	<u>10,354</u>	( <u>63,992</u> )
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>13,484</u>	( <u>6,238</u> )
EEEE	Increase in cash and cash equivalents for the year	35,694	207,065
E00100	Balance of cash and cash equivalents at the beginning of the year	<u>457,745</u>	<u>250,680</u>
E00200	Balance of cash and cash equivalents at the end of the year	<u>\$ 493,439</u>	<u>\$ 457,745</u>

The accompanying notes constitute part of the consolidated financial statements.

Chairman: Yu-Kun Kao

Manager: Heng-Chung Chi

Accounting Manager: Shu-Wei Yu

## **Independent Auditors' Report**

To: Leadtrend Technology Corporation

### **Opinion**

We have audited the financial statements of Leadtrend Technology Corporation, which comprise the parent-company-only balance sheet as of December 31, 2024 and 2023 and the parent-company-only statement of comprehensive income, parent-company-only statement of changes in equity and parent-company-only statement of cash flows for the years then ended, and the notes to the parent-company-only financial statements (including a summary of material accounting policies).

In our opinion, the said parent-company-only financial statements are prepared, in all material respects, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and present fairly the parent-company-only financial conditions of Leadtrend Technology Corporation as of December 31, 2024 and 2023 and the parent-company-only financial performance and parent-company-only cash flows for the years then ended.

### **Basis for Opinion**

We conducted our audit of the consolidated financial statements in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Delegated Certified Public Accountants and the Auditing Standards. Our responsibilities under the standards are further described in the section "Auditors' Responsibilities for the Audit of the Parent-company-only Financial Statements". We and our accounting firm are independent of Leadtrend Technology Corporation in accordance with the Norm of Professional Ethics for Certified Public Accountant and have fulfilled our other responsibilities under the Norm. 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 the matters that, in our professional judgment, were most important in our audit of the parent-company-only financial statements of Leadtrend Technology Corporation for the year ended December 31, 2024. These matters were addressed in the process of our audit of the parent-company-only financial statements and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters with respect to the parent-company-only financial statements of Leadtrend Technology Corporation for the year ended December 31, 2024 are stated as follows:

### Recognition of Sales Revenue

1. For the significant sales revenue amounts of Leadtrend Technology Corporation, please refer to Note 20. Proceeds from sale of power management integrated circuits are the main revenue of Leadtrend Technology Corporation. To initiate the process of recognizing such revenue, the production management personnel provide the delivery order to get the products ready for the customer as instructed by the business segment. After the products to be shipped are ready, quality assurance personnel are informed and requested to inspect the products. After products are inspected and qualified, production management personnel sign and affix the official seal to the delivery order and the finished goods outbound order, have the products shipped after the approval of the authorized supervisor, and update the stock details in the operating system. Then the accountant recognizes the sales revenue based on the delivery order signed by the customer or the shipping company.
2. As the aforementioned transaction involves manual control, the risk of recognizing revenue by mistake or without obtaining the delivery order signed by the customer or the shipping company exists.
3. We consider the revenue recognition policy of Leadtrend Technology Corporation and evaluate appropriateness of the revenue recognition by understanding and testing the effectiveness of the internal controls on the approval of orders and the shipment procedures, sampling the vouchers relevant to sales revenue, reviewing the amounts received in cash or subsequent cash receipts in order to verify the existence and occurrence of the sales, and also check whether any abnormality

about the entity to which products have been sold and the entity receiving payments exists.

### Inventory Evaluation

Refer to Note 9 of the parent-company-only financial statements. It is significant that the inventory balance of Leadtrend Technology Corporation accounted for 30% of the total assets as of December 31, 2024. Valuation allowance for inventories is a material accounting estimate. Leadtrend Technology Corporation engage in design and development of integrated circuits, and sell products after outsourcing manufacturing. As such products can be replaced fast in the highly competitive industry, inventory depreciation and obsolescence loss risks may exist.

At the situations stated in any of the most important matters for the audit conducted this year, we have carried out the primary audit procedures as follows:

1. Understand and evaluate the rationality of the inventory valuation policy adopted by the management.
2. Obtain the evaluation information about the lower of inventory cost or net realizable value, sample and review the latest information of selling prices of inventories to verify the net realizable value of inventories, and compare the net realizable value of inventories with the book cost of inventories to test the rationality of the amount allocated as inventory loss. Obtain the inventory aging statements, sample and review the inventory change information to test whether the inventory aging classification, inventory quantity and amount are consistent in order to verify the accuracy and completeness of the inventory aging statements. Then verify the rationality of the amount allocated as inventory obsolescence loss pursuant to the inventory evaluation policy.
3. Carry out inventory retrospectability testing. Review the status of inventory write-off and compare with the inventory obsolescence loss allocation policy to verify whether the inventory obsolescence loss allocated for the current period is proper.

### **Responsibilities of Management and those Charged with Governance for the Parent-company-only Financial Statements**

Management is responsible for 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 also responsible for maintenance of the internal controls associated with the preparation of

the parent-company-only financial statements, to ensure the parent-company-only financial statements free from material misstatement, whether due to fraud or error.

In preparing the parent-company-only financial statements, management is also responsible for assessing the ability of Leadtrend Technology Corporation to continue, as a going concern, disclosing any and all relevant matters and using the going concern basis of accounting unless management either intends to liquidate Leadtrend Technology Corporation or cease operations, or has no feasible alternative but to do so. Those charged with governance (including the audit committee) are responsible for overseeing the financial reporting process of Leadtrend Technology Corporation.

### **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 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 auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. If misstatements could, individually or in the aggregate, be reasonably expected to influence the economic decisions of users taken based on the parent-company-only financial statements, then the misstatements are considered material.

In conducting the audit in accordance with the auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

3. Conclude, based on the audit evidence obtained, on the appropriateness of the management's use of the going concern basis of accounting, and whether a material uncertainty exists that is associated with any events or conditions casting significant doubt on the ability of Leadtrend Technology Corporation to continue as a going concern. If we believe that a material uncertainty exists, we are required to draw attention in our auditors' report to the relevant disclosures in the parent-company-only financial statements, or to modify our opinion if such disclosures are inadequate. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Leadtrend Technology Corporation to cease to continue as a going concern.
4. Evaluate the overall presentation, structure and content of the parent-company-only financial statements (including the notes thereof) and whether the parent-company-only financial statements appropriately represent the underlying transactions and events.
5. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities within Leadtrend Technology Corporation to express an opinion on the parent-company-only financial statements. We are responsible for the direction, supervision and performance of the audit conducted for Leadtrend Technology Corporation, and also responsible for our audit opinion.

We have communicated with those charged with governance about the planned scope and timing of the audit, and significant audit findings (including any and all significant flaws identified, during our audit, in the internal controls).

We have also provided those charged with governance with a statement, declaring that we as CPAs comply with applicable ethical requirements regarding independence, and have communicated with them about all relationships and other matters that may reasonably be considered to influence our independence (including relevant protection measures).

From the matters communicated with those charged with governance, we have determined the key audit matters in the audit of the parent-company-only financial statements of Leadtrend Technology Corporation for the year ended December 31, 2024. We have described these matters in our auditors' report unless any law or regulation prohibits the matters from being disclosed or when, in extremely rare circumstances, we decide that the matters should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interests to be facilitated.

Deloitte & Touche

Yu-Feng Huang, CPA & Mei-Chen Tsai, CPA

February. 20, 2025

**Leadtrend Technology Corporation**  
**Parent-company-only Balance Sheet**  
**December 31, 2024 and 2023**

(In Thousands of New Taiwan Dollars)

Code	Assets	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
	<b>Current assets</b>				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 456,534	22	\$ 439,220	24
1170	Accounts receivable (Notes 4, 5, 8 and 20)	98,511	5	108,662	6
1180	Accounts receivable—Related parties (Notes 4, 5, 8, 20 and 26)	87,572	4	40,266	2
130X	Inventories (Notes 4, 5 and 9)	608,919	30	541,979	29
1470	Other current assets (Notes 14 and 26)	<u>11,622</u>	<u>1</u>	<u>14,360</u>	<u>1</u>
11XX	Total current assets	<u>1,263,158</u>	<u>62</u>	<u>1,144,487</u>	<u>62</u>
	<b>Non-current assets</b>				
1535	Non-current financial assets at amortized cost (Notes 4 and 7)	1,000	-	-	-
1550	Investments accounted for using equity method (Notes 4 and 10)	306,379	15	235,499	13
1600	Property, plant and equipment (Notes 4 and 11)	414,136	21	431,913	23
1755	Right-of-use assets (Notes 4 and 12)	27,722	2	12,165	1
1780	Intangible assets (Notes 4 and 13)	7,130	-	11,132	1
1840	Deferred income tax assets (Notes 4 and 22)	-	-	541	-
1990	Other non-current assets (Notes 4 and 14)	<u>7,051</u>	<u>-</u>	<u>5,272</u>	<u>-</u>
15XX	Total non-current assets	<u>763,418</u>	<u>38</u>	<u>696,522</u>	<u>38</u>
1XXX	Total assets	<u>\$2,026,576</u>	<u>100</u>	<u>\$1,841,009</u>	<u>100</u>
	<b>Liabilities and Equity</b>				
	<b>Current liabilities</b>				
2170	Accounts payable	\$ 95,923	5	\$ 94,183	5
2180	Accounts receivable—Related parties (Note 26)	501	-	-	-
2200	Remuneration payable to staff and directors (Note 21)	23,042	1	19,215	1
2230	Current tax liabilities (Notes 4 and 22)	6,242	-	10,844	1
2280	Current lease liabilities (Notes 4 and 12)	9,266	-	8,430	1
2320	Long-term bank loan-current portion (Notes 4 and 15)	10,208	1	-	-
2399	Other current liabilities (Note 16)	<u>71,538</u>	<u>4</u>	<u>60,912</u>	<u>3</u>
21XX	Total current liabilities	<u>216,720</u>	<u>11</u>	<u>193,584</u>	<u>11</u>
	<b>Non-current liabilities</b>				
2540	Long-term bank loans (Notes 4 and 15)	24,792	1	-	-
2570	Deferred income tax liabilities (Notes 4 and 22)	335	-	-	-
2580	Non-current lease liabilities (Notes 4 and 12)	18,811	1	4,232	-
2645	Guarantee deposits received	<u>126</u>	<u>-</u>	<u>232</u>	<u>-</u>
25XX	Total non-current liabilities	<u>44,064</u>	<u>2</u>	<u>4,464</u>	<u>-</u>
2XXX	Total liabilities	<u>260,784</u>	<u>13</u>	<u>198,048</u>	<u>11</u>
	<b>Equity (Notes 4, 18 and 19)</b>				
	<b>Stock capital</b>				
3110	Ordinary share	604,421	30	589,178	32
	<b>Capital reserve</b>				
3210	Share premium	250,212	13	254,672	14
3251	Donations received from shareholders	84,732	4	84,732	4
3273	Employee restricted stock award shares	61,218	3	50,306	3
3280	Others	131	-	125	-
	<b>Retained earnings</b>				
3310	Legal reserve	218,171	11	215,284	12
3320	Special reserve	786	-	-	-
3350	Unappropriated earnings	581,831	28	485,253	26
	<b>Other Components of Equity</b>				
3410	Exchange differences on translation of foreign operations' financial statements	9,971	-	( 786 )	-
3491	Employees' unearned compensation	<u>( 45,681 )</u>	<u>( 2 )</u>	<u>( 35,803 )</u>	<u>( 2 )</u>
3XXX	Total equity	<u>1,765,792</u>	<u>87</u>	<u>1,642,961</u>	<u>89</u>
	<b>Total liabilities and equity</b>	<u>\$2,026,576</u>	<u>100</u>	<u>\$1,841,009</u>	<u>100</u>

The accompanying notes constitute part of the parent-company-only financial statements.

Chairman: Yu-Kun Kao

Manager: Heng-Chung Chi

Accounting Manager: Shu-Wei Yu

**Leadtrend Technology Corporation**  
**Parent-company-only Statement of Comprehensive Income**  
**For the years ended December 31, 2024 and 2023**

		(In Thousands of New Taiwan Dollars, Except Earnings Per Share)			
		2024		2023	
Code		Amount	%	Amount	%
	Operating revenue (Notes 4, 20 and 26)				
4110	Sales revenue	\$ 1,333,681	103	\$ 1,053,091	103
4170	Sales returns and allowances	( 34,305 )	( 3 )	( 25,955 )	( 3 )
4000	Net operating revenue	1,299,376	100	1,027,136	100
	Operating costs (Notes 9, 17 and 21)				
5110	Cost of goods sold	858,881	66	677,439	66
5900	Gross profit	440,495	34	349,697	34
5910	Unrealized profit from sales (Note 4)	( 26,243 )	( 2 )	( 28,146 )	( 3 )
5920	Realized profit from sales (Note 4)	1,103	-	27,245	3
5950	Realized gross profit	415,355	32	348,796	34
	Operating expenses (Notes 17 and 21)				
6100	Selling expenses	49,246	4	49,596	5
6200	Administrative expenses	113,167	9	93,067	9
6300	Research and development expenses	252,465	19	244,386	23
6000	Total operating expenses	414,878	32	387,049	37
6900	Net operating income (loss)	477	-	( 38,253 )	( 3 )
	Non-operating income and expenses (Note 21)				
7100	Interest income	6,636	-	4,073	-
7010	Other incomes	2,864	-	18,377	2
7020	Other gains and losses	13,661	1	2,783	-
7050	Financial cost	( 380 )	-	( 338 )	-
7070	Share of profit or loss of subsidiaries accounted for using the equity method (Notes 4 and 10)	85,263	7	38,080	4
7000	Total non-operating income and expenses	108,044	8	62,975	6

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Code		2024		2023	
		Amount	%	Amount	%
7900	Profit before tax	\$ 108,521	8	\$ 24,722	3
7950	Income tax benefit (Notes 4 and 22)	( 3,368 )	-	( 4,142 )	-
8200	Net profit of the year	<u>111,889</u>	<u>8</u>	<u>28,864</u>	<u>3</u>
	Other comprehensive incomes (losses)				
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences arising on translation of foreign operations (Note 18)	<u>10,757</u>	<u>1</u>	( 6,388 )	( 1 )
8300	Total other comprehensive incomes (losses) (Net)	<u>10,757</u>	<u>1</u>	( 6,388 )	( 1 )
8500	Total comprehensive incomes (losses) for the year	<u>\$ 122,646</u>	<u>9</u>	<u>\$ 22,476</u>	<u>2</u>
	Earnings per share (Note 23)				
9750	Basic	<u>\$ 1.89</u>		<u>\$ 0.49</u>	
9850	Diluted	<u>\$ 1.86</u>		<u>\$ 0.48</u>	

The accompanying notes constitute part of the parent-company-only financial statements.

Chairman: Yu-Kun Kao

Manager: Heng-Chung Chi

Accounting Manager: Shu-Wei Yu

**Leadtrend Technology Corporation**  
**Parent-company-only Statement of Changes in Equity for the years ended December 31, 2024 and 2023**

												Other Components of Equity		
Code		Common share capital		Capital reserve				Retained earnings				Exchange differences on translation of foreign operations' financial statements	Employees' unearned compensation	Total equity
		Number of shares (In Thousands)	Amount	Share premium	Donations received from shareholders	Employee restricted stock award shares	Others	Legal reserve	Special reserve	Unappropriated earnings	Total			
A1	Balance at January 1, 2023	56,883	\$ 568,838	\$ 258,027	\$ 84,732	\$ 47,567	\$ 106	\$ 199,793	\$ -	\$ 520,231	\$ 720,024	\$ 5,602	( \$ 31,945 )	\$ 1,652,951
	Distribution of 2022 retained earnings:													
B1	Legal reserve allocated	-	-	-	-	-	-	15,491	-	( 15,491 )	-	-	-	-
B5	Cash dividends to shareholders —\$0.550 per share	-	-	-	-	-	-	-	-	( 31,286 )	( 31,286 )	-	-	( 31,286 )
B9	Stock dividends to shareholders —\$0.300 per share	1,707	17,065	-	-	-	-	-	-	( 17,065 )	( 17,065 )	-	-	-
	Total distribution of retained earnings	1,707	17,065	-	-	-	-	15,491	-	( 63,842 )	( 48,351 )	-	-	( 31,286 )
C15	Capital reserve used for distribution of cash dividends —\$0.350 per share	-	-	( 19,909 )	-	-	-	-	-	-	-	-	-	( 19,909 )
C17	Changes in other capital surplus	-	-	-	-	-	19	-	-	-	-	-	-	19
D1	Net profit of 2023	-	-	-	-	-	-	-	-	28,864	28,864	-	-	28,864
D3	Other comprehensive incomes (losses) for 2023	-	-	-	-	-	-	-	-	-	-	( 6,388 )	-	( 6,388 )
D5	Total comprehensive incomes (losses) for 2023	-	-	-	-	-	-	-	-	28,864	28,864	( 6,388 )	-	22,476
N1	Issuance of employee restricted stock award shares	420	4,200	-	-	23,730	-	-	-	-	-	-	( 27,930 )	-
N1	Employee restricted stock award shares granted to employees	-	-	16,554	-	( 16,554 )	-	-	-	-	-	-	-	-
N1	Cancelled employee restricted stock award shares	( 92 )	( 925 )	-	-	925	-	-	-	-	-	-	-	-
N1	Compensation cost for employee restricted stock award shares	-	-	-	-	( 5,362 )	-	-	-	-	-	-	24,072	18,710
Z1	Balance at December 31, 2023	58,918	589,178	254,672	84,732	50,306	125	215,284	-	485,253	700,537	( 786 )	( 35,803 )	1,642,961
	Distribution of 2023 retained earnings :													
B1	Legal reserve allocated	-	-	-	-	-	-	2,887	-	( 2,887 )	-	-	-	-
B3	Special reserve allocated	-	-	-	-	-	-	-	786	( 786 )	-	-	-	-
B9	Stock dividends to shareholders —\$0.200 per share	1,164	11,638	-	-	-	-	-	-	( 11,638 )	( 11,638 )	-	-	-
	Total distribution of retained earnings	1,164	11,638	-	-	-	-	2,887	786	( 15,311 )	( 11,638 )	-	-	-
C15	Capital reserve used for distribution of cash dividends —\$0.400 per share	-	-	( 23,275 )	-	-	-	-	-	-	-	-	-	( 23,275 )
C17	Changes in other capital surplus	-	-	-	-	-	6	-	-	-	-	-	-	6
D1	Net profit of 2024	-	-	-	-	-	-	-	-	111,889	111,889	-	-	111,889
D3	Other comprehensive incomes (losses) for 2024	-	-	-	-	-	-	-	-	-	-	10,757	-	10,757
D5	Total comprehensive incomes (losses) for 2024	-	-	-	-	-	-	-	-	111,889	111,889	10,757	-	122,646
N1	Issuance of employee restricted stock award shares	420	4,200	-	-	32,928	-	-	-	-	-	-	( 37,128 )	-
N1	Employee restricted stock award shares granted to employees	-	-	18,815	-	( 18,815 )	-	-	-	-	-	-	-	-
N1	Cancelled employee restricted stock award shares	( 60 )	( 595 )	-	-	595	-	-	-	-	-	-	-	-
N1	Compensation cost for employee restricted stock award shares	-	-	-	-	( 3,796 )	-	-	-	-	-	-	27,250	23,454
Z1	Balance at December 31, 2024	60,442	\$ 604,421	\$ 250,212	\$ 84,732	\$ 61,218	\$ 131	\$ 218,171	\$ 786	\$ 581,831	\$ 800,788	\$ 9,971	( \$ 45,681 )	\$ 1,765,792

The accompanying notes constitute part of the parent-company-only financial statements.

Chairman: Yu-Kun Kao

Manager: Heng-Chung Chi

Accounting Manager: Shu-Wei Yu

**Leadtrend Technology Corporation**  
**Parent-company-only Statement of Cash Flows**  
**For the years ended December 31, 2024 and 2023**

(In Thousands of New Taiwan Dollars)

Code		2024	2023
	Cash flows from operating activities		
A10000	Profit before tax	\$ 108,521	\$ 24,722
A20010	Incomes, expenses and losses:		
A20100	Depreciation expense	65,438	79,199
A20200	Amortization expense	6,588	10,516
A20900	Financial cost	380	338
A21200	Interest income	( 6,636 )	( 4,073 )
A21900	Compensation cost for employee restricted stock award shares	23,454	18,710
A22400	Share of profit or loss of subsidiaries accounted for using the equity method	( 85,263 )	( 38,080 )
A22500	Gains on disposal of property, plant and equipment	-	( 1,843 )
A23200	Gain on disposal of subsidiaries accounted for using equity method	-	( 1,139 )
A23700	Write-down of inventories	6,694	14,560
A23900	Unrealized profit on intercompany sales	26,243	28,146
A24000	Realized profit on intercompany sales	( 1,103 )	( 27,245 )
A24100	Net (gain) loss on foreign exchange	( 6,051 )	2,249
A30000	Net change in operating assets and liabilities		
A31150	Decrease (increase) in accounts receivable	15,750	( 7,819 )
A31160	Increase in accounts receivable — Related parties	( 46,781 )	( 11,165 )
A31200	(Increase) decrease in inventories	( 73,634 )	194,341
A31240	Decrease in other current assets	2,188	4,843
A32150	(Decrease) increase in accounts payable	( 45 )	37,091
A32200	Increase (decrease) in remunerations payable to employees and directors	3,827	( 18,293 )
A32230	Increase (decrease) in other current liabilities	7,027	( 17,316 )
A32240	Decrease in net defined benefit liabilities	-	( 4,840 )
A33000	Net cash provided by operations	46,597	282,902
A33300	Interest paid	( 380 )	( 338 )
A33500	Income tax paid	( 340 )	( 584 )
AAAA	Net cash generated by operating activities	<u>45,877</u>	<u>281,980</u>

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Code		2024	2023
	Cash flows from investing activities		
B00040	Acquisition of financial assets at amortized cost	(\$ 1,000 )	\$ -
B01900	Net cash generated from disposal of subsidiaries	-	3,555
B02700	Acquisition of property, plant and equipment	( 34,188 )	( 31,095 )
B02800	Proceeds from disposal of property, plant and equipment	-	10,395
B03700	(Increase) decrease in refundable deposits	( 139 )	15,227
B04500	Acquisition of intangible assets	( 5,153 )	( 7,819 )
B07500	Interest received	6,654	3,903
BBBB	Net cash used in investing activities	( <u>33,826</u> )	( <u>5,834</u> )
	Cash flows from financing activities		
C00100	Increase in short-term loans	30,000	-
C00200	Decrease in short-term loans	( 30,000 )	-
C03000	(Decrease) increase in guarantee deposits received	( 106 )	30
C01600	Proceeds from long-term debt	35,000	-
C04020	Payments of lease liabilities	( 9,089 )	( 8,561 )
C04500	Cash dividends paid	( 23,275 )	( 51,195 )
C09900	Other financing activities	<u>6</u>	<u>19</u>
CCCC	Net cash provided by (used in) financing activities	<u>2,536</u>	( <u>59,707</u> )
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>2,727</u>	( <u>519</u> )
EEEE	Increase in cash and cash equivalents for the year	17,314	215,920
E00100	Balance of cash and cash equivalents at the beginning of the year	<u>439,220</u>	<u>223,300</u>
E00200	Balance of cash and cash equivalents at the end of the year	<u>\$ 456,534</u>	<u>\$ 439,220</u>

The accompanying notes constitute part of the parent-company-only financial statements.

Chairman: Yu-Kun Kao

Manager: Heng-Chung Chi

Accounting Manager: Shu-Wei Yu

## Attachment 4

## Leadtrend Technology Corporation

### Proposal for Distribution of Earnings

Unit : NT\$

Item	Amount
Beginning balance of unappropriated retained earnings	469,941,951
Reversal of special reserve	<u>786,216</u>
Adjusted unappropriated earnings	<u>470,728,167</u>
Net profit after tax for the period	111,888,532
Legal reserve appropriated	<u>(11,188,853)</u>
Earnings available for distribution	<u>100,699,679</u>
Cumulative earnings available for distribution	<u><u>571,427,846</u></u>
Distribution Items:	
Shareholder Dividends –Cash (NT\$0.8 per Share)	(47,623,280)
Shareholder Dividends –Stock (NT\$0.2 per Share)	<u>(11,905,820)</u>
Ending balance of unappropriated retained earnings	<u><u>511,898,746</u></u>

Note1 : The dividend distribution was calculated based on the 59,529,100 outstanding shares available for distribution as of April 10, 2005, when the Board of Directors approved the distribution.

Note 2: Pursuant to Article 20-1 of the Company's Articles of Incorporation, the Board of Directors is authorized to determine that all or a portion of the dividends, bonuses, legal reserves, and capital surplus to be distributed shall be in the form of cash payments.

Chairman: Yu-kun Kao

Manager: Heng-Chung Chi

Accounting Manager: Shu-Wei Yu

## Leadtrend Technology Corporation

### Comparison Table Illustrating the Original and Amended Text of the “Articles of Incorporation”

Article No.	Original Article	Amended Article	Description
Article 20	<p>If the company reports a profit for the year (defined as pre-tax profit before deducting remuneration for employees and directors), it is required to allocate <u>a minimum of 5%</u> of the profit for employee compensation and a maximum of 2% for director remuneration. However, if the company has accumulated losses (including adjustments to unappropriated earnings), it must set aside an amount in advance to cover those losses.</p> <p>Employee remuneration <u>for the aforementioned compensation</u> may be provided in the form of shares or cash and can be awarded to employees of the company's subsidiaries who meet the conditions established by the Board of Directors. However, remuneration for directors <u>under this compensation plan</u> may only be disbursed in cash.</p> <p>The Board of Directors will address the <u>two items</u> mentioned above and report the outcomes to the shareholders at the upcoming shareholders' meeting.</p> <p>When the Company issues stock options to employees, creates new shares with restricted rights for employees, offers new shares for purchase by employees, or repurchases shares to transfer to employees in accordance with the law, the recipients of these issuances or transfers may include employees of the Company's subsidiaries who meet the criteria established by the Board of Directors.</p>	<p>If the company reports a profit for the year (defined as pre-tax profit before deducting remuneration for employees and directors), it is required to allocate <u>a minimum of 10%</u> of the profit for employee compensation and a maximum of 2% for director remuneration. However, if the company has accumulated losses (including adjustments to unappropriated earnings), it must set aside an amount in advance to cover those losses.</p> <p><u>A minimum of 40% of the aforementioned compensation for non-managerial employees should be allocated to them.</u></p> <p>Employees' remuneration, <u>including that of non-managerial employees</u>, may be provided in the form of shares or cash and can be awarded to employees of the company's subsidiaries who meet the conditions established by the Board of Directors. However, remuneration for directors may only be disbursed in cash.</p> <p>The Board of Directors will address the <u>three items</u> mentioned above and report the outcomes to the shareholders at the upcoming shareholders' meeting.</p> <p>When the Company issues stock options to employees, creates new shares with restricted rights for employees, offers new shares for purchase by employees, or repurchases shares to transfer to employees in accordance with the law, the recipients of these issuances or transfers may include employees of the Company's subsidiaries who meet the criteria established by the Board of Directors.</p>	FSC No. 1130385442

Article No.	Original Article	Amended Article	Description
Article 24	<p>These Articles of Incorporation were established on September 10, 2002.</p> <p>The first amendment was made on March 6, 2003.</p> <p>The second amendment was made on June 23, 2003.</p> <p>The third amendment was made on May 13, 2004.</p> <p>The fourth amendment was made on April 1, 2005.</p> <p>The fifth amendment was made on November 18, 2005.</p> <p>The sixth amendment was made on June 20, 2006.</p> <p>The seventh amendment was made on June 28, 2006.</p> <p>The eighth amendment was made on May 29, 2007.</p> <p>The ninth amendment was made on June 24, 2008.</p> <p>The tenth amendment was made on November 25, 2008.</p> <p>The eleventh amendment was made on May 27, 2009.</p> <p>The twelfth amendment was made on June 17, 2010.</p> <p>The thirteenth amendment was made on June 2, 2011.</p> <p>The fourteenth amendment was made on June 21, 2016.</p> <p>The fifteenth amendment was made on June 21, 2016.</p> <p>The sixteenth amendment was made on June 27, 2017.</p> <p>The seventeenth amendment was made on June 26, 2018.</p> <p>The eighteenth amendment was made on June 27, 2019.</p> <p>The nineteenth amendment was made on June 9, 2022.</p> <p>The twentieth amendment was made on June 13, 2023.</p>	<p>These Articles of Incorporation were established on September 10, 2002.</p> <p>The first amendment was made on March 6, 2003.</p> <p>The second amendment was made on June 23, 2003.</p> <p>The third amendment was made on May 13, 2004.</p> <p>The fourth amendment was made on April 1, 2005.</p> <p>The fifth amendment was made on November 18, 2005.</p> <p>The sixth amendment was made on June 20, 2006.</p> <p>The seventh amendment was made on June 28, 2006.</p> <p>The eighth amendment was made on May 29, 2007.</p> <p>The ninth amendment was made on June 24, 2008.</p> <p>The tenth amendment was made on November 25, 2008.</p> <p>The eleventh amendment was made on May 27, 2009.</p> <p>The twelfth amendment was made on June 17, 2010.</p> <p>The thirteenth amendment was made on June 2, 2011.</p> <p>The fourteenth amendment was made on June 21, 2016.</p> <p>The fifteenth amendment was made on June 21, 2016.</p> <p>The sixteenth amendment was made on June 27, 2017.</p> <p>The seventeenth amendment was made on June 26, 2018.</p> <p>The eighteenth amendment was made on June 27, 2019.</p> <p>The nineteenth amendment was made on June 9, 2022.</p> <p>The twentieth amendment was made on June 13, 2023.</p> <p><u>The twenty-first amendment was made on May 29, 2025.</u></p>	Adding revision date and number to the Articles of Incorporation

## Attachment 6

**Leadtrend Technology Corporation****Regulations for the Issuance of Restricted Employee Shares for the Year 2025**

## Article 1: Purpose

The Company aims to attract and retain the professional talent essential for its success, motivate employees, and enhance employee engagement to collaboratively generate greater benefits for both the Company and its shareholders. In accordance with Article 267 of the Company Law and the “Guidelines for Issuers to Raise and Issue Securities” (hereinafter referred to as the “Guidelines for Raising and Issuing Securities”) issued by the Financial Supervisory Commission, as well as other relevant regulations, the Company has established regulations for the issuance of restricted employee shares.

## Article 2: Issue Period

Within two years from the date of the approval notice issued by the relevant authorities, the shares may be issued in one or multiple times, depending on actual needs. The specific date of issuance shall be determined by the Chairman of the Board of Directors, as authorized by the Board.

## Article 3: Conditions for Granting

- (1) Full-time employees of Leadtrend and its subsidiary companies who have reported for duty as of the date the restricted employee shares are granted are eligible. The subsidiary companies referenced herein are defined in Article 369-2 of the Company Act.
- (2) The employees who are granted restricted employee shares, along with the quantity of shares allocated, will be determined based on factors such as years of service, rank, work performance, overall contributions, special achievements, and other criteria deemed relevant by management. These awards must receive approval from the Chairman and subsequently be reported to the board of directors for their consent. However, if any of the employees also serves as a director and/or manager, the approval of the remuneration committee must be obtained first. Non-managerial employees will be reported to the audit committee.
- (3) The cumulative number of shares subscribed by the Company in connection with the issuance of employee stock options to a single employee, as stipulated in Paragraph 1 of Article 56-1 of the Regulations Governing Share Offerings, along with the cumulative number of new shares acquired through restricted employee shares, shall not exceed three times the total number of shares issued. Furthermore, the cumulative number of shares subscribed by



the Company for employee stock options, as specified in Paragraph 1 of Article 56-1 of the Regulations Governing Share Offerings, shall not exceed one percent of the total number of shares issued. The number of shares that a single employee may subscribe to shall not exceed one percent of the total number of issued shares. However, if approved by the competent authority of the central government, the total number of new shares acquired by a single employee from employee stock option certificates and new shares from restricted employee shares shall not be subject to the aforementioned limitations.

#### Article 4: Total amount for this issue

The total amount to be issued is NT\$4,200,000, with a total of 420,000 shares issued, each having a par value of NT\$10.

#### Article 5: Conditions Related to the Issue

- (1) Anticipated Issue Price: The issuance price is set at NT\$0 per share.
- (2) The shares issued and granted to employees are common shares, and their rights and obligations are the same as those of other outstanding common shares, except for the provisions of paragraph (7).

#### (3) Conditions for Granting:

After the restricted employee shares are allocated to an employee, the employee must achieve an assessment grade of "Compliance" or higher (i.e., a scale score of  $\geq 5.8$ ) in their most recent Individual Performance evaluation prior to the granting date. Additionally, the employee must still be remain employed at Leadtrend when any of the following granting periods expire. The employee will then receive the restricted employee shares based on the ratio of the granted portion for the relevant granting period.

<u>Granting Period</u>	<u>Granting Ratio</u>
From the date of the grant until October 11 of the subsequent year.	1/6
From the date of the grant until April 11 of the second year.	1/6
From the date of the grant until October 11 of the second year.	1/6
From the date of the grant until April 11 of the third year.	1/6
From the date of the grant until October 11 of the third year.	1/6
From the date of the grant until April 11 of the fourth year.	1/6

#### (4) Handling Employees Who Have Not Met Grant Conditions:

1. From the date of the grant until the expiration of the granting period, the Company shall reclaim any ungranted shares from employees without compensation. This policy applies to employees who voluntarily leave

the Company, are dismissed, repatriated, retire, pass away, take a leave of absence without pay, or are transferred to an affiliate.

2. If the Company fails to meet the most recent individual performance metrics prior to the grant date, it shall reclaim the ungranted shares from the employees without compensation.
- (5) In the event of any of the following circumstances, the unallocated restricted employee shares shall be managed as follows::
1. In the event that an individual becomes physically disabled due to an occupational disaster and is unable to continue working, any restricted employee shares that have not yet been granted shall be considered granted at the time of employment termination.
  2. In the event of death resulting from an occupational disaster, any restricted employee shares that have not been granted at the time of the employee's death shall be considered fully granted. The successor may apply to receive the inherited shares, along with the associated rights and interests, after completing the necessary legal procedures and submitting the relevant documentation.
- (6) The Company will cancel the new shares, as well as the restricted employee shares that are withdrawn by the Company without compensation.
- (7) The restricted employee shares are subject to specific conditions that must be met before they can be granted:
1. Employees may not sell, pledge, transfer, give to another person, set up, or otherwise dispose of the restricted employee shares until the expiration of the granting period.
  2. The restricted employee shares issued under the Act shall not entitle the holder to any stock, cash bonuses, or rights to capital surplus until the granting period has expired. All other rights of shareholders shall be equivalent to those of the company's outstanding common shares.
  3. After the issuance of restricted employee shares, the shares shall be immediately delivered to the trustee. Employees may not request the trustee to return the restricted stock for any reason or in any manner until the granting conditions have been fulfilled.
  4. If the employee terminates or revokes the Company's proxy authorization in violation of paragraph (8) of this Article before the granting conditions are fulfilled, the Company shall recover the proxy authorization from the employee without compensation.
  5. In the event of a cash refund resulting from a cash capital reduction by

the Company during the granting period, any ungranted capital reduction refund from the allotment shall be deposited in a trust and delivered to the employee, without interest, along with the granted shares upon the fulfillment of the granting conditions and the expiration of the granting period. However, the Company shall reclaim such shares if the granting conditions have not been fulfilled by the expiration of the granting period. If the granting conditions are not met by the expiration date, the Company will recover the cash.

(8) Other Agreed Matters:

During the delivery period of the new shares to the Trust, which includes the restricted employee shares, the Company shall have exclusive authority to act on behalf of the employees and the Stock Trust Organization. This authority encompasses, but is not limited to, the negotiation, execution, amendment, extension, release, and termination of the Trust Deed, as well as the instructions for the delivery, use, and disposition of the Trust Property.

Article 6: Contract and Confidentiality

Employees who have been allocated restricted employee shares must adhere to confidentiality provisions and refrain from disclosing the number of shares allotted or any related information, unless required by law or a competent authority. If an employee breaches these provisions in a manner deemed material by the Company, the employee will be immediately disqualified from receiving any restricted employee shares for which the granting conditions have not yet been met. The Company reserves the right to reclaim the employee's shares without compensation and to cancel them.

Article 7: Implementation Rules:

The Company's contractors shall inform the Company of the procedures and detailed operating hours associated with the list of assigned employees and their signatures.

Article 8: Taxation

Taxes related to the restricted employee shares allocated under these regulations shall comply with the laws and regulations of the Republic of China in effect at the time of allocation.

Article 9: Other Important Matters

- (1) These Regulations have been approved by the Board of Directors. Should there be a need to amend these Regulations in the future due to changes in laws and regulations, requests for review by the competent authorities, or shifts in the

objective environment, the Board of Directors intends to authorize the Chairman to address such matters at his or her sole discretion.

- (2) Before meeting the vesting requirements, employees shall authorize the trust custodian organization to exercise their rights to attend, propose, speak, and vote at the Company's shareholders' meetings, as well as to address other matters related to shareholders' interests on their behalf.
- (3) Any matters not addressed in these Regulations shall be managed in accordance with the applicable laws and regulations.
- (4) The determination of the under this Act shall be in accordance with the provisions of Accounting Research and Development Foundation Statement No. 139: Handling of Doubts Regarding Restricted Employee Shares.

Attachment 7

## **Leadtrend Technology Corporation**

### **Rules for Election of Directors**

#### **Article 1: Purpose and Basis of the Act**

For the purpose of electing directors of the Company in a fair, just and open manner, I hereby promulgate this method in accordance with Article 21 of the "Code of Corporate Governance Practices for Listed Companies".

#### **Article 2: Scope of Application**

The election of directors of the Company shall be in accordance with these Regulations unless otherwise provided by law or the Articles of Incorporation.

**Article 3:** The selection of directors of the Company shall take into consideration the overall configuration of the Board of Directors. The composition of the Board of Directors shall be diversified, and appropriate diversification guidelines shall be formulated with respect to the Company's operations, business model and development needs, which shall include but not limited to the following two major criteria :

- I. Basic Requirements and Values: Gender, Age, Nationality, Culture, etc.
- II. Professional Knowledge and Skills: Professional background (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

Members of the Board of Directors should generally possess the knowledge, skills and qualities necessary for the performance of their duties, and their overall competencies are set forth below:

- I. Operational Judgment.
- II. Accounting and financial analysis skills.
- III. Operational management capacity.
- IV. Crisis management capacity.
- V. Industrial Knowledge.
- VI. International Market View.
- VII. Leadership.
- VIII. Decision-making capacity.

A majority of the directors shall be elected by the board of directors, and the directors shall not be related to each other by marriage or consanguinity or affinity.

The Company shall hold a by-election at the most recent shareholders' meeting if the number of directors is less than five due to the termination of the directors' terms of office. However, if the number of directors reaches one-third of the number of seats stipulated in the Articles of Incorporation, the Company shall, within 60 days from the date of occurrence of the event, convene a shareholders' meeting to hold a by-election.

Article 4: Delete.

Article 5: The qualifications of independent directors of the Company shall comply with the provisions of Articles 2, 3 and 4 of the "Regulations Governing the Establishment of Independent Directors of Public Companies and Matters to be Followed".

The selection of independent directors of the Company shall comply with Articles 5, 6, 7, 8 and 9 of the "Regulations Governing the Establishment of Independent Directors of Public Companies and Matters to be Followed" and shall be conducted in accordance with Article 24 of the "Code of Corporate Governance Practices for Listed OTC Companies".

If the number of independent directors is insufficient to meet the requirement of the first proviso of Article 14-2 of the Securities and Exchange Act, the independent directors shall be elected at the most recent shareholders' meeting; if all the independent directors are dismissed, an extraordinary shareholders' meeting shall be held within 60 days from the date of the occurrence of the event to hold a by-election.

Article 6: The election of directors of the Company shall be conducted in accordance with the procedures of the candidate nomination system stipulated in Article 192-1 of the Company Act.

Article 7: The Company's election of directors shall be by means of a single-member cumulative election method. Unless otherwise provided by law, each share shall have the same number of voting rights as the number of directors to be elected, and each share may elect one person in a centralized election or allocate the election to several persons.

Article 8: The Board of Directors shall prepare election ballots equal to the number of directors to be elected, fill in their weightings, and distribute them to the shareholders attending the shareholders' meeting. The names of the electors

may be substituted by the attendance card numbers printed on the election ballots.

Article 9: The directors of the Company shall, in accordance with the quotas set forth in the Company's Articles of Incorporation, be counted as independent directors and non-independent directors, and the directors shall be elected by the persons whose election ballots represent the greater number of election rights in order of precedence, and in the event that two or more persons receive the same number of election rights and the number of election rights exceeds the quota provided for, the persons who have received the same number of election rights will draw lots to determine the winner, with the Chairman of the Board of Directors drawing the lot on behalf of the person who is not present. The foregoing election rights are calculated by adding the election rights cast at the shareholders' meeting and the election rights cast by electronic voting.

Article 10: Prior to the commencement of the election, the chairman shall designate a number of scrutineers and tellers to perform the relevant duties, provided that the scrutineers shall have the status of shareholders. Ballot boxes shall be prepared by the Board of Directors and opened by the scrutineers in public before the voting.

Article 11: The elector shall fill in the name of the elector in the elector's column of the ballot paper. However, if a government or a corporate shareholder is an elector, the name of the government or the corporation shall be entered in the elector's household name column of the ballot, and the name of the government or the corporation and the name of its representative(s) may also be entered; if there are more than one representative(s), the names of the representative(s) shall be entered separately.

Article 12: An election ballot is invalid if it contains one of the following conditions:

- I. Not using the ballot prepared by the convening authority.
- II. Those who cast a blank ballot paper into the ballot box.
- III. The handwriting is illegible or has been altered.
- IV. If there is any inconsistency between the names of the nominees and the list of candidates for the election of directors.
- V. Inclusion of words other than the name of the person to be elected or the name of the household.
- VI. If two or more electors are listed on the same election ballot.

Article 13: The votes shall be cast on the spot after the polls are completed and the results of the polls shall be announced by the chairman of the meeting on the spot, including the list of directors elected and their election rights.

Election ballots for the preceding election shall be sealed and signed by the scrutineers and kept in a safe place for at least one year. However, if a shareholder files a lawsuit in accordance with Article 189 of the Company Act, the ballot shall be kept until the lawsuit is terminated.

Article 14: Deletion.

Article 15: Deletion.

Article 16: Bylaws

The establishment and amendment of this Act shall be approved by the Board of Directors of the Company and shall come into effect after it has been approved by the shareholders at the shareholders' meeting.

Article 17: These operating procedures are established on January 12, 2007, in the Republic of China.

The first amendment was made on June 28, 2013.

The second amendment was made on June 16, 2015.

The third amendment was made on June 21, 2016.

The fourth amendment was made on June 27, 2017.

The fifth amendment was made on June 27, 2019.

The sixth amendment was made on August 3, 2021.



## List of Director and Independent Director Candidates

Title	Name	Education and Professional Qualifications	Experiences	Concurrent Position and Title of another Company	Shareholdings (Unit: share)
Director	Yu-Kun Kao	<ul style="list-style-type: none"> <li>Master of Management, Cheng-chi University</li> </ul>	<ul style="list-style-type: none"> <li>Vice General Manager of Product Development Department of Leader Electronics Inc.</li> </ul>	<ul style="list-style-type: none"> <li>Chairman of Leadtrend Technology Corp.</li> </ul>	96,202
Director	Representatives from Power Investments Limited: Heng- Chung, Chi	<ul style="list-style-type: none"> <li>Master of Electrical engineering, Yuanzhi University</li> </ul>	<ul style="list-style-type: none"> <li>Monolithic Power Systems Senior business manager</li> </ul>	<ul style="list-style-type: none"> <li>General Manager of Leadtrend Technology Corp.</li> </ul>	4,880,227
Director	Representatives from Power Investments Limited: Ming-Nan Zhuang.	<ul style="list-style-type: none"> <li>Master of Electrical Engineering, Tsinghua University</li> </ul>	<ul style="list-style-type: none"> <li>Research and Development Manager, Analog Integrations Corp.</li> </ul>	<ul style="list-style-type: none"> <li>Deputy General Manager of Leadtrend Technology Corp.</li> </ul>	4,880,227
Independent Director	Ding-Ren Liu	<ul style="list-style-type: none"> <li>PhD Program, Institute of Electrical Engineering, State University of New York, Stony Brook (PhD candidate)</li> <li>Institute of Electronics Jiaotong University Master Degree</li> <li>Department of Electronic Physics, Jiaotong University Bachelor Degree</li> </ul>	<ul style="list-style-type: none"> <li>Director of Mediatek Technology</li> <li>Executive Vice General Manager of Mediatek Technology</li> <li>Manager of IC Design Department of UMC Electronics Memory Products Business Division, Communication Products Business Division, and Multimedia R&amp;D Team</li> <li>Legal director representative of Egis Technology Inc.</li> </ul>	<ul style="list-style-type: none"> <li>Senior consultant of Vincera Capital</li> <li>Representative of corporate directors of Algotek, Inc.</li> <li>Representative of corporate directors of Alcor Micro, Corp.</li> <li>Supervisor of H&amp;J Management Corp.</li> <li>Director of Chenyuan Investment Co., Ltd.</li> </ul>	0
Independent Director	Chien-Kuo Yang	<ul style="list-style-type: none"> <li>Bachelor of International Trade, Tamkang University</li> </ul>	<ul style="list-style-type: none"> <li>Partner of Ernst &amp; Young</li> <li>Director of Spirox Corporation</li> <li>Supervisor of Spirox Corporation</li> <li>Independent Director of Spirox Corporation</li> <li>Independent Director of M31 Technology Corporation</li> <li>Supervisor of YoungTek Electronics Corp.</li> </ul>	<ul style="list-style-type: none"> <li>Chairman of Diwan &amp; Company</li> <li>Chairman of Diwan International Management Consulting Inc.</li> <li>Independent Director of Andes Technology Corp.</li> <li>Chairman of Tien Da Investment Co., Ltd.</li> <li>Independent Director of Macronix International Co., Ltd.</li> <li>Independent Director of YoungTek Electronics Corp.</li> </ul>	0

Title	Name	Education and Professional Qualifications	Experiences	Concurrent Position and Title of another Company	Shareholdings (Unit: share)
Independent Director	Chih-Chun Tsai	<ul style="list-style-type: none"> <li>• M.S., Computer Science, Utah State University</li> <li>• National Chiao Tung University, Bachelor of Computer Science</li> </ul>	<ul style="list-style-type: none"> <li>• Senior Director, Asia/Pacific Business, Taiwan Semiconductor Manufacturing Company Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Director of Coretech Optical Co., Ltd.</li> <li>• Chairman of Hua Jieh Investment Co., Ltd.</li> <li>• Director of Egis Technology Inc.</li> <li>• Independent Director of Daxin Materials Corp.</li> </ul>	0
Independent Director	Hsiang-Ju Liao	<ul style="list-style-type: none"> <li>• Master, National Tsing-Hua University</li> </ul>	<ul style="list-style-type: none"> <li>• Deputy Manager, United Microelectronics Corp.</li> <li>• Director, Davicom Semiconductor Inc.</li> <li>• Vice President, Powervision Inc.</li> <li>• Managing Partner, Paralink Asset Management Corp.</li> <li>• Managing Director-Investment, H&amp;Q Asia Pacific</li> <li>• Managing Partner, Riselink</li> <li>• Co-founder, NTHU Garage</li> </ul>	<ul style="list-style-type: none"> <li>• Independent Director of Novatek Microelectronics Corp.</li> <li>• Representative of corporate directors of Azion Corp.</li> <li>• Chairman of TEN Incubation Corp.</li> <li>• Chairman of TEN Angel Investment Corp.</li> <li>• Chairman of Cornerstone Venture Capital Corp.</li> <li>• Director and General Manager of TsingHua Culture Media Co., Ltd.</li> <li>• Director of TsingHua Investment Corp.</li> <li>• Director of TsingHua Management Consultant Corp.</li> <li>• Director of iMT Co., Ltd.</li> <li>• Director of JelloX Biotech Inc.</li> <li>• Director of MedFluid Co., Ltd.</li> <li>• Supervisor of Buynearby Co., Ltd.</li> <li>• Supervisor of Xcelerator</li> <li>• Supervisor of Alliance Capital Managing Corp.</li> <li>• Supervisor of Across Films Company</li> <li>• Supervisor of Adamas Technology Co., Ltd.</li> </ul>	0

## Reasons for Nomination of Independent Directors for a Term of Three Years

Name	Reasons for Nomination for Three Terms
Ding-Ren Liu	<p>Mr. Ding- Jen, Liu is the convenor of the Company's Compensation Committee. He has extensive practical experience and expertise in the semiconductor design services industry in which the Company operates, is familiar with the industry chain and has cross-disciplinary industry experience, and is capable of making forward-looking proposals on the Company's research and development strategies and product development. Based on his discussions and votes in the Board of Directors and the Functional Committee, the Board of Directors believes that Mr. Ding-Jen, Liu still possesses the necessary independence and ability to make fair judgments in the performance of his duties and judgments, and has therefore decided to re-nominate him.</p>
Chien-Kuo Yang	<p>Mr.CHIENT-KUO,YANG is the convenor of the audit committee of the Company. He has extensive experience and expertise in the semiconductor design service industry in which the Company operates and is able to provide professional accounting, auditing and corporate governance advice, in addition to making important recommendations for the Company's operational management to enhance operational efficiency. The Company is also capable of providing professional accounting, auditing and corporate governance advice. Based on his discussions and votes in the Board of Directors and the Functional Committee, the Board of Directors believes that Mr. CHIEN-KUO,YANG still possesses the necessary independence and ability to exercise fair judgment in the performance of his duties and judgments, and has therefore decided to re-nominate him.</p>