

Leadtrend Technology Corporation

2023 Annual General Meeting

Meeting Handbook

Date: June 13, 2023

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Leadtrend Technology Corporation

2023 Annual General Meeting Procedure

- 1. Declare to Start Meeting**
- 2. Chairman's Speech**
- 3. Report Items**
- 4. Ratification Items**
- 5. Discussion Items**
- 6. Extemporaneous Motions**
- 7. Adjournment**

Leadtrend Technology Corporation

Notice of 2023 Annual General Shareholders' Meeting

Meeting type : Physical shareholders' meeting

Time of Meeting : June 13, 2023(Tuesday) at 9:00 am

Location of Meeting: 2F No. 3, Taiyuan 1st Street, Zhubei City,Hsinchu County
(Banquet hall)

AGENDA

1. Declare to Start Meeting

2. Chairman's Speech

3. Report Items :

- (1) Annual Business Report of the 2022
- (2) Audit Report of Audit Committee of the 2022
- (3) The report of distribution of remunerations to employees and directors for 2022
- (4) The report of both the cash dividends with respect to earning distribution and the cash distributed from capital surplus for 2022

4. Ratification Items :

- (1) The 2022 Business Report and Financial Statement
- (2) The distribution of earnings for 2022

5. Discussion Items :

- (1) The new restricted employee shares to be issued for 2023.
- (2) 2022 capital increase by retained earning.
- (3) The revised provisions the Corporation Bylaws of Leadtread.

6. Extemporary Motions

7. Adjournment

1. Report Items

Motion 1

Subject: Annual Business Report of the 2022 is presented for review.

Explanation:

For 2022 Business Report, please see Attachment 1 on pages 9 and 12 of the Handbook.

Motion 2

Subject: The 2022 Audit Report by Audit Committee is presented for review.

Explanation:

For 2022 Audit Report by Audit Committee, please see Attachment 2 on page 13 of the Handbook.

Motion 3

Subject: The report of distribution of remunerations to employees and directors for 2022 is presented for review.

Explanation:

- (1) In case of any profit (i.e. pretax profit less profit before deduction of employees' and directors' remunerations) for a year, no less than 5% of the profit for employees' remuneration and no more than 2% of the profit for directors' remuneration shall be distributed in accordance with Article 20 of the Articles of Incorporation.
- (2) The employees' remuneration distributed for 2022 is NT\$32,059,784, and the directors' remuneration, NT\$2,581,168, both of which are distributed in cash. The distributed amount is the same as the amount listed as expenses for 2022.

Motion 4

Subject: The report of both the cash dividends with respect to earning distribution and the cash distributed from capital surplus for 2022 is presented for review.

Explanation:

- (1) The board of directors, which has been authorized in accordance with Article 20-1 of the Articles of Incorporation, resolves to distribute all or part of the distributable dividends and bonuses or legal reserve and capital surplus in cash and reports the resolution at the shareholders' meeting.
- (2) The allocated shareholders' bonus is NT\$31,286,105. A cash dividend of NT\$0.55 per share (i.e. NT\$550 per 1,000 shares) is distributed to the shareholders, and based on their respective shares, listed in the register of shareholders as of the record date with respect to the dividend distribution. In addition, an amount of NT\$19,909,340 is withdrawn from the capital surplus generated from incomes of the shares issued in excess of face value, and is used to distribute NT\$0.35 per share in cash (i.e. NT\$350 per 1,000 shares) to the shareholders, and based on their respective shares, listed in the register of

shareholders as of the record date with respect to the cash distribution. As summarized above, a total of NT\$0.9 is distributed per share.

- (3) Cash dividends allocated and cash distributed are rounded to the whole number by unconditionally rounding off decimal digits. Any amount of less than NT\$1 will be allocated to other incomes of Leadtrend. Chairman is authorized to determine record date and date of allocation for allocation of dividends, distribution of cash, and relevant matters.
- (4) The board of directors is authorized to handle relevant matters if the number of outstanding shares is so impacted that the dividend allocation ratio changes due to any changes in legal requirements or any adjustments made by the competent authority, or any shares purchased back or cancelled, debentures converted or new shares issued by Leadtrend or other reasons that may influence changes in shares.

Ratification Items

Motion 1

Subject: The 2022 Business Report and financial statements are presented for recognition.
[Proposed by Board of Directors]

Explanation:

- (1) The financial statements of 2022 have been audited by Tsai Mei-Chen and Chung Ming-Yuan, CPAs of Deloitte & Touche, who have also issued an auditors' report containing their unqualified opinion.
- (2) For the 2022 Business Report, Independent Auditor's Report and financial statements, please see Attachment 1 on pages 9 and 12 and Attachment 3 on pages 14 to 33 of the Handbook.

Resolution:

Motion 2

Subject: The distribution of earnings for 2022 is presented for recognition.

[Proposed by Board of Directors]

Explanation: For the 2022 Earnings Distribution Statement, please see Attachment 4 on page 34 of the Handbook.

Resolution:

Discussion Items

Motion 1

Subject: The new restricted employee shares to be issued for 2023 are presented for discussion.

[Proposed by Board of Directors]

Explanation:

- (1) We intend to issue restricted stock awards in accordance with Article 267 of the Company Act and applicable provisions of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers.
- (2) With respect to the restricted stock awards to be issued this time, the total amount and the conditions of the issue are stated as follows:

A.Total amount for the issue: The total amount is NT\$4,200,000 and a total of 420,000 shares are issued, with par value of NT\$10 per share. The board of directors is authorized to issue them all or separately in accordance with applicable laws within a year from the date of resolution made at the shareholders' meeting.

B. Conditions of the issue:

(i)Expected issue price:The price for issuance is NT\$0 per share.

(ii)Vesting Conditions:

After new restricted stock awards are allocated to an employee, the employee must obtain an assessment grade of "Compliance" or above (i.e. a scale score ≥ 5.8) for the latest Individual Performance prior to the vesting date and is still working at Leadtrend upon expiration of any of the following vesting periods. Then the employee will receive such new restricted stock awards based on the ratio of vested portion for the concerned vesting period.

<u>Vesting Period</u>	<u>Ratio of Vested Portion</u>
From the vesting date to Oct. 11 of the next year	1/6
From the vesting date to Apr. 11 of the next 2 nd year	1/6
From the vesting date to Oct. 11 of the next 2 nd year	1/6
From the vesting date to Apr. 11 of the next 3 rd year	1/6
From the vesting date to Oct. 11 of the next 3 rd year	1/6
From the vesting date to Apr. 11 of the next 4 th year	1/6

(iii)The restricted stock awards issued to employees this time are common shares.

(iv)Measures to be taken when an employee fails to satisfy vesting conditions, or upon inheritance:

When an employee fails to satisfy vesting conditions, we will take back and cancel, without compensation payment and in accordance with the law, the restricted stock awards given to the employee. In case of occurrence of inheritance, the inheritance shall be dealt with in accordance with the Regulations for Issue of Restricted Stock Awards.

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

- (i) Full-time employees of Leadtrend and its subordinate companies who have reported for duty already as of the date on which new restricted stock awards are vested are eligible. The subordinate companies stated herein are defined in Article 369-2 of the Company Act.
- (ii) The actual employees in whom stock awards are vested and the quantity of the new restricted stock awards obtainable, which are determined based on years of service, rank, work performance, overall contribution, special achievement and other conditions to be taken into account for management, shall be approved by Chairman and then reported to the board of directors for its consent. However, if any of the employees also serves as a director and/or manager, the consent of the remuneration committee shall be obtained first. Non-managerial employees shall be reported to the audit committee.

D. Necessary reasons for issuance of restricted stock awards:

To attract, retain and motivate talents and enhance employees' centripetal force to develop Leadtrend's business consistently and stably and create the maximum benefits for Leadtrend and its shareholders.

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

- (i) Possible expensable amount: No more than 420,000 shares for restricted stock awards are issued this time, and a holder is not permitted to assign before satisfying vesting conditions. After the issuance, the possible expensable amount is estimated to be NT\$25,620 thousand. The expensable amount to be amortized every year is estimated to be NT\$2,834 thousand for 2023, NT\$12,713 thousand for 2024, NT\$6,872 thousand for 2025, NT\$2,845 thousand for 2026, and NT\$356 thousand for 2027. (Because of gratuitous issuance, the current price is estimated temporarily based on NT\$61, the closing price on Mar. 15, 2023.)

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

As for the impact of the vesting conditions and the amount amortized annually for the temporarily estimated expensable amount on earnings per share, the earnings per share for 2023, 2024, 2025, 2026 and 2027 will be probably reduced by NT\$0.03, NT\$0.16, NT\$0.08, NT\$0.03 and NT\$0.01 respectively (which are calculated based on 56,883,828 shares, issued on Mar. 15, 2023, plus restricted stock awards). The dilution of earnings per share is limited, so there is no significant impact on shareholders' equity.

- (3) The Regulations for Issue of Restricted Stock Awards for 2023 are established. Please see Attachment 5 on pages 35 to 38 of the Handbook. 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:

Motion 2

Subject: 2022 capital increase by retained earning.

[Proposed by Board of Directors]

Explanation:

- (1) We intend to withdraw NT\$17,065,150 from the earnings distributable for 2022 and increase capital by issuing 1,706,515 new shares, with par value of NT\$10 per share.
- (2) The new shares issued this time for capital increase based on the shareholding of each shareholder recorded in the register of shareholders as of the record date with respect to the share allocation (capital increase). Every shareholder is entitled to 30 new shares for every 1,000 shares.
- (3) In case of allocation of any fractional shares less than a share, a shareholder may request the stock agency of Leadtrend, within 5 days from the date of suspension of stock transfer upon ex-rights, to put the fractional shares held together. For all transaction shares held still less than a share, an amount calculated at par value (rounded to the whole number) is distributed in cash in accordance with Article 240 of the Company Act. Chairman is authorized to request specific persons to subscribe fractional shares at par value. Monies of fractional shares held by the shareholders participating in book-entry allocation of shares will be the funds to pay expenses of the book-entry operation.
- (4) Rights and obligations for the new shares issued for capital increase this time are the same as those for the common shares issued originally.
- (5) After the new shares to be issued for capital increase have been approved at the shareholders' meeting and reported to and approved by the competent authority, the board of director is authorized to determine record date for share allocation (capital increase) and relevant matters. The board of directors is authorized to handle relevant matters if the number of outstanding shares is so impacted that the share allocation ratio changes due to any changes in legal requirements or any adjustments made by the competent authority, or any shares purchased back or cancelled, debentures converted or new shares issued by Leadtrend or other reasons that may influence changes in shares.

Resolution:

Motion 3

Subject: The revised provisions the Corporation Bylaws of Leadtrend are presented for discussion.

[Proposed by Board of Directors]

Explanation:

- (1) Certain provisions of the Articles of Incorporation are revised for the need of business operation of Leadtrend.
- (2) For the comparison table for amendments to the Articles of Incorporation of Leadtrend, please see Attachment 6 on page 39 to 40 of the Handbook.

Resolution:

Extemporaneous Motions

Adjournment

2022 Business Report

Ladies and gentlemen,

In 2022, the global economy suffered several complex shocks due to the war, the China-USA trade war, inflation and interest rate rise, resulting in a rapid decline in overall demand after Q1, sluggish consumer market, and the elimination of high inventories in various electronics related sectors, which became immediate problems to be solved. Leadtrend focuses on the development of ACDC power management IC products, the application of which is subject to the safety regulations in various countries, and in compliance with national energy efficiency laws and regulations with their long service life. Although affected by the above factors, the inventory level is higher than ever, there is still an opportunity to gradually reduce it. In recent years, the layout of new-generation products has been recognized by business customers, gradually showing its results in various applications. However, due to the influence of global economic factors, the annual consolidated revenue was reduced by 23.55% in 2022.

2022 Annual Operating Results

I、Business Plan Implementation Results

In the past few years, Leadtrend has been committed to the Total Solution and the strategy of highly integrated product layout. In 2022, there were solutions available in all applications to meet relevant needs. Although various business plan indicators failed to be achieved due to economic factors, it has been shown that, in terms of product portfolio for sale, the sales proportion of Total Solution and highly integrated products was gradually increasing. In addition, the number of the business customers with applications importing our solutions was continuously growing, and the proportion of imported products was also continuously rising. In terms of product layout, we continue the previous strategy, and provide service solutions to customers by means of full power segment layout, so as to achieve the goal of providing customers with complete high-power solutions. In order to cope with the re-occurrence of semiconductor supply chain imbalance and to prepare for the development of new-generation products, we developed the product dual-track system in ACDC PWM, synchronous rectifier, PD/Type_C, LLC and other power management ICs simultaneously, and cooperated with FAB factory to develop and optimize the process so as to maximize the production capacity and improve the density of integrated circuits, making products more power-saving and efficient, and making products more competitive in the market in future. The design framework of the new generation of products is presented in the form of a platform, which will quickly meet the needs of the manufacturers and business customers in the future. In the face of the global economic downturn in 2022, we still managed to invest resources and cooperated with many important business customers to develop new-generation products. In applications such as PD, network communication, laptop, home appliances and other power products, we have obtained many opportunities for cooperating with business customers.

II、Analysis on Financial Revenues and Expenditures and Profitability

Consolidated financial performance of Leadtrend in 2022: Revenues for the full year totaled NT \$1.632 billion, down 23.55% from the previous year. Gross profits on sales were NT \$663 million (accounting for 40% of the revenues), dropping 24.81% from the previous year. Net operating incomes were NT \$155 million (9% of

revenues), falling 57.82% from the previous year. Net incomes after tax were NT \$152 million, after-tax earnings per share (EPS) were NT \$2.74 and return on shareholders' equity was 9.23%.

III、 Research and Development Status

Leadtrend's product research and development continues to make progress towards efficient and energy-saving technology. In 2022, we expanded investment in the research and development of AI efficiency improvement technology in the product line, including technologies to meet the IEC62368 safety specifications without addition of external components and to reduce the power consumption in light loads and other related technologies, which will greatly improve the performance of EMI in the whole series of products. In the demand for power miniaturization, the products for high-frequency QR integrated GaN products in the power segment have also been developed. In addition, in order to reduce the peripheral parts and achieve the effect of carbon reduction and cost reduction, from PSR mixed mold products we have derived charging systems with CV/CC function, recognized by power tool manufacturer and available for various applications. In the PD research and development in 2022, in addition to investing in mobile phone fast chargers with private protocol, we developed PD3.1 EPR protocol chips to expand the output of PD transformer to 36V. The PFC+QR ACDC integration chips in new generation of process have been integrated by manufacturers into 140W PD products as a preferred solution. In addition, in the synchronous rectification, we made a major breakthrough in the process improvement in cooperation with FAB factory, improved the synchronous rectification process technology, and made the product more competitive and developmental. In the power segment elevation, we have introduced digital design in high power applications, the developed interleaved PFC are better than competitors' products in characteristics. By the end of 2022, Leadtrend had nearly 524 patents approved in Taiwan and abroad, and had applied for more than 725 patents in total.

The R&D focus of Leadtrend for the whole range of products has always put on improvement to the product technology with the vision of "Green your power, Green the World". In the research and development, Leadtrend also actively uses digital and analog Mix mode to match hardware and software development. Through the development of products in cooperation with industrial customers and manufacturers in the power design field, and the continuous research on new technology projects with related industries, institutions, and universities, we have improved the conversion efficiency of power system year by year, which shows that green innovation has always been the constant direction for Leadtrend.

2023 Business Plan Summary

I、 Business policy

Leadtrend adheres to the business philosophy of innovation, service, quality and sharing, providing customers with immediate and complete services. Based in Taiwan, Leadtrend will make in-depth expansion toward the mainland market, integrate with the international manufacturers' products, which is our long-term development strategy.

II、 Expected sales volume and basis

In the global power management IC market, due to the slowdown of the epidemic, the long-term saturated demand, the high-tech control in China-USA trade war, the continuous inflation pressure, and the high inventory caused by the

previous supply chain disorder and repeated orders, the demand for power supply devices in various terminal applications, such as 5G mobile phones/laptops/Internet-connected TV, has significantly reduced, showing an overall recession. In 2023, in the applications such as mobile phones/laptops, the operators expected that, due to inventory clearance in the first half of the year, market demand will continue to decline, and that there will be a chance for the demand to gradually and slowly rise up. Leadtrend's products are also affected by the above factors, and the inventory level is higher than before, but the products are subject to the safety regulations of various countries, has long service life, and the inventory can be gradually cleared up.

We are still optimistic about the future business growth, mainly because the proportion of our products in industrial manufacturers in the base period is still low, and in the influence of increased introduction of new products from existing and new business customers, the estimated sales in 2023 will show a growth compared with the previous year. In the development of new products and new technologies, based on advanced manufacturing process, we will gradually develop AI efficiency algorithm, high frequency, high pressure resistance, intelligence, high power, high integration and other Total Solution products, which will become the biggest boost for future sales growth. In terms of business strategy, we will continue to cultivate brand customers and cooperate closely with major power plants in order to obtain comprehensive results. We believe that in this direction, our continuous investment in advanced technical talents and technology development in AI, 5G Mobile, NB, TV, Netcom and other related power applications, will continue to drive the growth of future revenue.

III、 Important production and marketing policies

Leadtrend is the first IC designer to introduce complete AC/DC Total Solution in China. The complete solution provided by Leadtrend can be applied to all types of power system designs, and provide customers with rapid design solutions to meet the market demand for products. With innovative product planning and collaboration with FAB, we will develop energy-efficient, highly integrated and cost-optimized solutions in response to changing market application concepts. In addition to the new technology layout of high power density, Leadtrend will also invest R&D resources to carry out technological innovations in the future applications such as 5G, IoT, high-speed network, smart household appliances/lighting, PD fast charge products, digital power supply, consumer high power supply and high-frequency appliances, and continue to focus on the growth in this industry.

Future corporate development strategy and the impact of external competitive environment, regulatory environment and overall business environment

In addition to focusing on product technology development, we are committed to sound corporate governance, good social responsibility, seek for sustainable development, innovative technology, and efficient power management IC products, so as to help customers comply with international regulations, reduce energy consumption, and to maintain a clean planet. In the face of rapid changes in the environment and fierce competition in the industry in future, Leadtrend will construct a blueprint of technology and new products based on the future demand trend in the market, so as to seek potential growth opportunities in the future, actively develop diversified and profitable products, continue to innovate and enhance technological power, advance towards the goal of increasing profits, and create higher value for customers and shareholders.

The board of directors of will still uphold the trust and long-term support of shareholders, conduct strict supervision on the management, and work together with all colleagues to actively pursue the growth and boom of Leadtrend, in order to repay all shareholders' trust and encouragement. I would like to wish you good health and all the best. Thank you!

Kao Yu-kun, Chairman

Kao Yu-kun, the Manager

Huang Ya-ching, Accounting Supervisor

Audit Report of Audit Committee

The Board of Directors prepared the Company's business report, financial statements and disposition of net profit for 2022, among which the financial statements were audited by Deloitte & Touche, and the audit report was issued. The above-mentioned business report, financial statements and disposition of net profit have been checked by the Audit Committee, and it is found that there is no discrepancy. According to Article 14-4 of the Securities Exchange Act and Article 219 of the Company Law, we hereby submit this report.

Leadtrend Technology Corporation

Convenor of Audit Committee:

Jian Guo, Yang

May 02, 2023

INDEPENDENT AUDITORS' REPORT

To LEADTREND TECHNOLOGY CO. LTD.,

Opinion

We have finished the audit of the consolidated balance sheets respectively as of December 31, 2022 and as of December 31, 2021, and the consolidated composite income statement, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements, including summary of significant accounting policies, for the periods from January 1 to December 31, 2022 and from January 1 to December 31, 2021, with respect to LEADTREND TECHNOLOGY CO. LTD. ("the Company") and its subsidiaries (hereinafter collectively referred to as "Affiliated Companies").

In our opinion, the aforesaid consolidated financial statements have been prepared in all material respects in accordance with the financial reporting standards of the securities issuers and International Financial Reporting Standards, International Accounting Standards, interpretations and explanatory announcements approved and issued by the Financial Supervisory Commission, and are sufficient to express the consolidated financial position of the affiliated companies as of December 31, 2022 and as of December 31, 2021 respectively, and the consolidated financial performance and consolidated cash flows during the period from January 1 through December 31, 2022 and the period from January 1 through December 31, 2021 respectively.

Basis for Opinion

The audit is carried out in accordance with the Rules for Audit of Certified Financial Statements and Auditing Standards. Our responsibility under these standards is further explained in the section "Responsibility" of the report. The staff of our CPA firm who are subject to the standards of independence have maintained their independence from Affiliated Companies in accordance with the code of professional ethics for accountants, and performed other responsibilities under the code. We believe that we have obtained sufficient and appropriate evidence on which the audit opinion is given properly.

Key Audit Matters

Key audited matters refer to the most important matters audited in individual financial statements of Affiliated Companies during 2022 based on our professional knowledge. Such matters have been taken into account in the audit of the consolidated financial statements as a whole and in the formation of the audit opinion, and we express no opinion on such matters separately.

The audited matters in consolidated financial statements of Affiliated Companies during 2022 are described below:

Recognition of sales revenue

1. The sales revenue of Affiliated Companies is in large amount as detailed in Note 19. The sales revenue for Affiliated Companies are mainly from sales of its power management chips. Such revenues are recognized through such process - the production management staff prepare goods based on the customer's shipping order provided by the business section, and inform the QA staff to inspect the goods when they are prepared, and then ship

the goods after the inspection is approved and the shipping order and finish products delivery not are signed, affixed with seal, and reviewed and approved by the supervisor, and update the inventory details in the operating system at the same time. The accountant recognizes sales revenue based on the shipping receipt signed by the customer or carrier.

2. Because the aforementioned transaction involves manual control, there is a risk that any revenue may be recognized by error without a shipment receipt signed by the customer or freight forwarder.
3. We consider the revenue recognition policy of Affiliated Companies, evaluate the appropriateness of revenue recognition, including understanding and testing the effectiveness of internal control on approved orders and shipment procedures, and sampling and checking relevant vouchers of sales receipts and cash collection or after-date collection to verify the existence and actual occurrence of the sale transaction, and check whether there are any abnormal situations in the purchaser and the payer.

Evaluation of inventory

Refer to Note 9 of consolidated financial statements for details. The inventory balance of Affiliated Companies accounts for 43% of the total assets as of December 31, 2022 and is in large amount, and the evaluation of the inventory allowance is a significant accounting estimate. In addition, because Affiliated Companies are engaged in the design and development and subsequent sales of integrated circuits after outsourcing production, and this type of products is subject to fast upgrading and updating, and in a highly competitive industry, there may be the risk of inventory price decline and stagnation loss.

We have performed the following major audit procedures in respect of the specific level described as one of the most important matters in this year's audit.

1. Understand and evaluate the reasonableness of inventory appraisal policies adopted by management.
2. Obtain the assessment data on the inventory cost and net realized value, whichever is the lower, conduct sampling to check the data on the latest selling price of inventory to verify the net realized value of inventory and compare the net realized value with the book cost of inventory, so as to test the correctness of the inventory loss provision amount; Obtain the inventory age statement, check the inventory entry information to test whether the inventory age classification, inventory quantity and amount are consistent, so as to verify the correctness and completeness of the inventory age statement, and then audit the correctness of withdrawn amount of the inventory stagnation loss based on the inventory evaluation policy.
3. Perform a retrospective inventory test to examine the inventory obsolescence situation compared with the stagnation loss provision policy to check whether proper provisions have been made against the stagnation inventory loss in the current period.

Other matters

The Company has prepared the individual financial statements as of 2022 and 2021 respectively, and we have issued audit report with clear opinion for filing and for reference.

Responsibility of Management and Governance for Consolidated Financial Statements

The responsibility of the management is to prepare financial statements with fair representation in accordance with the financial reporting standards of the securities issuers and

International Financial Reporting Standards, International Accounting Standards, interpretations and explanatory announcements approved and issued by the Financial Supervisory Commission, and maintain necessary internal control related to preparation of financial statements, to ensure that the financial statements are free from material misrepresentation due to fraud or error.

In the preparation of consolidated financial statements, the responsibility of the management also includes assessment of Affiliated Companies' ability to continue as a going concern, disclosure of relevant issues, and adoption of going-concern accounting basis, unless the management intends to liquidate or shut down Affiliated Companies, or there is no practical solution except liquidation or shutdown.

The governance units (including the audit committee) of Affiliated Companies shall be responsible for supervising the financial reporting process.

Responsibility of Accountant to Audit Consolidated Financial Statements

The purpose of accountant's audit of consolidated financial statements is to obtain reasonable assurance that the consolidated financial statements as a whole are free of material misrepresentations due to fraud or error, and to issue an audit report. Reasonable assurance means a high degree of confidence, provided that an audit carried out in accordance with auditing standards cannot guarantee that any material misrepresentation in consolidated financial statements will be detected. Misrepresentation may result from fraud or error. If a misrepresentation of individual amounts or sums can reasonably be expected to influence economic decisions made by users of the consolidated financial statements, it will be deemed as material misstatement.

We will use professional judgment and professional doubt when checking in accordance with auditing standards. We have also performed the following:

1. Identify and assess risks of material misrepresentation resulting from fraud or error in the financial statements; Design and implement appropriate actions against the assessed risks; Obtain sufficient and appropriate evidence to serve as the basis for the opinion. Since fraud may involve collusion, forgery, intentional omission, misrepresentation, or breach of internal control, the risk of undetected material misrepresentation due to fraud is higher than that due to error.
2. Obtain necessary understanding of the internal controls relevant to the audit in order to design the appropriate audit procedures under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of Affiliated Companies.
3. Assess the appropriateness of accounting policies adopted by the management and the reasonableness of accounting estimates and disclosures.
4. Based on the evidence obtained, draw a conclusion on whether there is material uncertainty about the appropriateness of the management's use of a going-concern accounting basis and about events or circumstances that may cast significant doubt on the ability of Affiliated Companies to continue as a going concern. If the accountant considers such events or circumstances to be materially uncertain, he/she shall, in the audit report, alert the users of the consolidated financial statements to relevant disclosures in the consolidated financial statements or amend the audit opinion if such disclosures are inappropriate. Our conclusion is based on the evidence obtained as of the date of this audit report. However,

future events or circumstances may result in Affiliated Companies' disability to continue as a going concern.

5. Assess the overall presentation, structure and content of the consolidated financial statements, including relevant notes, and whether the consolidated financial statements fairly and appropriately present relevant transactions and events.
6. Obtain sufficient and appropriate verification evidence of the financial information on the Group's affiliates to express an opinion on the consolidated financial statements. We are responsible for providing instructions on, supervising and executing the Group's audit case and giving audit opinions.

Communication between accountant and the governance includes planned scope and scheduling of the audit, as well as major audit findings (including significant deficiencies in internal control identified during the audit).

We also provide the governance with the statement that the staff of our firm subject to the independence standard have complied with the professional ethics code of accountants regarding independence, and communicated with the governance about all relationships and other matters that may be considered to affect the independence of the accountants (including relevant protective measures).

Among the matters discussed with the management, we decide the key matters for the audit of the 2022 consolidated financial statements of Affiliated Companies. We disclose such matters in the audit report, unless these matters are not permitted to be disclosed publicly under relevant laws, or in very rare circumstances, we decide not to communicate such matters in the audit report because it is reasonably expected that the negative impact of such communication would outweigh the public interest made thereby.

Deloitte & Touche

Cai Meizhen, Accountant

Zhong Mingyuan, Accountant

FSC Approval No.
FSC-A-1010028123

FSC Approval No.
FSC-A-1050024633

March 16, 2023

LEADTREND TECHNOLOGY CO. LTD. AND SUBSIDIARIES

Consolidated Balance Sheet

As of December 31, 2022 and December 31, 2021

(In Thousands of New Taiwan Dollars)

Code	Asset	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
	Current asset				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 250,680	13	\$ 729,431	34
1110	Financial Assets measured at fair value through profit and loss - Current (Notes 4 and 7)	55,634	3	110,093	5
1170	Notes and Accounts Receivable (Notes 4, 5, 8 and 19)	169,644	9	322,377	15
130X	Inventory (Notes 4, 5 and 9)	808,004	43	458,221	21
1470	Other current assets (Note 14)	<u>36,407</u>	<u>2</u>	<u>23,317</u>	<u>1</u>
11XX	Total current assets	<u>1,320,369</u>	<u>70</u>	<u>1,643,439</u>	<u>76</u>
	Non-Current Assets				
1600	Real estate, plant and equipment (Notes 4 and 11)	529,530	28	471,671	22
1755	Right-of-use assets (Notes 4 and 12)	19,712	1	28,256	1
1780	Intangible assets (Notes 4 and 13)	13,829	1	9,504	-
1840	Deferred income tax assets (Notes 4 and 21)	91	-	23	-
1990	Other non-current assets (Notes 4 and 14)	<u>8,871</u>	<u>-</u>	<u>19,403</u>	<u>1</u>
15XX	Total non-current assets	<u>572,033</u>	<u>30</u>	<u>528,857</u>	<u>24</u>
1XXX	Total assets	<u>\$ 1,892,402</u>	<u>100</u>	<u>\$ 2,172,296</u>	<u>100</u>
	Liabilities and Equity				
	Current liability				
2170	Payable account	\$ 63,567	3	\$ 255,436	12
2200	Remuneration payable to staff and directors (Note 20)	37,508	2	78,321	4
2230	Current income tax liabilities (Notes 4 and 21)	15,120	1	59,187	3
2280	Lease liabilities - current (Notes 4 and 12)	12,415	1	11,138	-
2399	Other current liabilities (Note 15)	<u>97,519</u>	<u>5</u>	<u>92,454</u>	<u>4</u>
21XX	Total current liabilities	<u>226,129</u>	<u>12</u>	<u>496,536</u>	<u>23</u>
	Non-current liability				
2580	Lease liabilities - non-current (Notes 4 and 12)	7,568	1	17,267	1
2640	Net defined benefit liabilities - non-current (Notes 4 and 16)	4,840	-	9,694	-
2645	Deposits received	<u>914</u>	<u>-</u>	<u>1,246</u>	<u>-</u>
25XX	Total non-current liabilities	<u>13,322</u>	<u>1</u>	<u>28,207</u>	<u>1</u>
2XXX	Total liabilities	<u>239,451</u>	<u>13</u>	<u>524,743</u>	<u>24</u>
	Equity (Notes 4, 17 and 18)				
	Share capital				
3110	Common stock	568,838	30	528,646	24
	Capital reserve				
3210	Share premium	258,027	14	273,131	13
3251	Donations received from shareholders	84,732	4	84,732	4
3273	Stocks with restricted employee's option	47,567	3	51,708	2
3280	Other	106	-	98	-
	Retained earnings				
3310	Statutory surplus reserves	199,793	11	166,987	8
3350	Undistributed earnings	520,231	27	582,957	27
	Other equity				
3410	Exchange difference in conversion of financial statements by foreign operating institutions	5,602	-	1,867	-
3491	Remuneration not gained by staff	<u>(31,945)</u>	<u>(2)</u>	<u>(42,573)</u>	<u>(2)</u>
3XXX	Total equity	<u>1,652,951</u>	<u>87</u>	<u>1,647,553</u>	<u>76</u>
	Total liabilities and equity	<u>\$ 1,892,402</u>	<u>100</u>	<u>\$ 2,172,296</u>	<u>100</u>

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

Chairman: Gao Yukun Manager: Gao Yukun Accounting manager: Huang Yaqing

LEADTREND TECHNOLOGY CO. LTD. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE
YEARS ENDED DECEMBER 31, 2022 AND 2021

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

Code		2022		2021	
		Amount	%	Amount	%
	Operating revenues (Notes 4 and 19)				
4110	Sales revenue	\$ 1,665,321	102	\$ 2,147,428	101
4170	Sales returns and allowances	(33,444)	(2)	(12,945)	(1)
4000	Net operating revenue	1,631,877	100	2,134,483	100
	Operating costs (Notes 9, 16 and 20)				
5110	Cost of goods sold	968,729	60	1,252,524	59
5900	Operating margin	663,148	40	881,959	41
	Operating expenses (Notes 16 and 20)				
6100	Amortization cost	87,577	5	92,716	4
6200	Management costs	107,549	7	116,903	6
6300	Research and development expenses	312,978	19	304,800	14
6000	Total operating expenses	508,104	31	514,419	24
6900	Net operating profit	155,044	9	367,540	17
	Non-operating income and expenditure (Note 20)				
7100	Interest incomes	3,472	-	3,475	-
7010	Other Income	15,514	1	12,700	-
7020	Other interests and losses	16,735	1	(5,977)	-
7050	Financial Costs	(564)	-	(235)	-
7000	Total non-operating incomes and expenses	35,157	2	9,963	-
7900	Pre-tax net profit	190,201	11	377,503	17

7950	Income tax expense (Notes 4 and 21)	<u>37,838</u>	<u>2</u>	<u>48,526</u>	<u>2</u>
8200	Net profit for the year	<u>152,363</u>	<u>9</u>	<u>328,977</u>	<u>15</u>
	Other composite gains and losses				
8310	Items not reclassified as profit or loss:				
8311	Revaluation of identified benefit plan (Note 16)	\$ 2,552	-	(\$ 925)	-
8360	Items that may be subsequently reclassified as profit or loss:				
8361	Exchange difference in conversion of financial statements by foreign operating institutions (Note 17)	<u>3,735</u>	<u>1</u>	(<u>1,079</u>)	<u>-</u>
8300	Total other comprehensive net profit and loss	<u>6,287</u>	<u>1</u>	(<u>2,004</u>)	<u>-</u>
8500	Total consolidated profit and loss for the year	<u>\$ 158,650</u>	<u>10</u>	<u>\$ 326,973</u>	<u>15</u>
	Earnings per share (Note 22)				
9750	Basic	<u>2.74</u>		<u>\$ 5.97</u>	
9850	Dilutive	<u>2.66</u>		<u>\$ 5.80</u>	

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

Chairman: Gao Yukun Manager: Gao Yukun Accounting manager: Huang Yaqing

LEADTREND TECHNOLOGY CO. LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

		Capital on issued common shares		Capital reserve				Retained earnings			Other equity items		Total equity
		Number of Holdings (Shares In Thousands)	Amount	Share premium	Donations received from shareholders	Restricted employee employee's option	Other	Statutory surplus reserves	Undistributed earnings	Total	Foreign operators Exchange difference in conversion of financial statements	Remuneration not gained by staff	
Code													
A1	Balance as of January 1, 2021	47,774	\$ 477,742	\$ 289,560	\$ 84,732	\$ 25,894	\$ 90	\$ 160,966	\$ 313,738	\$ 474,704	\$ 2,946	(\$ 26,704)	\$ 1,328,964
	Distribution of annual earnings for 2020:												
B1	Statutory surplus reserves	-	-	-	-	-	-	6,021	(6,021)	-	-	-	-
B5	Cash dividend to shareholders - \$0.603 per share	-	-	-	-	-	-	-	(28,814)	(28,814)	-	-	(28,814)
B9	Stock dividend to shareholders - \$0.503 per share	2,401	24,012	-	-	-	-	-	(24,012)	(24,012)	-	-	-
	Total distribution of earnings	2,401	24,012	-	-	-	-	6,021	(58,847)	(52,826)	-	-	(28,814)
C13	Capital reserve distributed stock dividend - \$0.503 per share	2,401	24,012	(24,012)	-	-	-	-	-	-	-	-	-
C17	Changes in other capital reserves	-	-	-	-	-	8	-	-	-	-	-	8
D1	Net profit for 2021	-	-	-	-	-	-	-	328,977	328,977	-	-	328,977
D3	Other consolidated profit/loss for 2021	-	-	-	-	-	-	-	(925)	(925)	(1,079)	-	(2,004)
D5	Total consolidated profit/loss for 2021	-	-	-	-	-	-	-	328,052	328,052	(1,079)	-	326,973
N1	Issued stocks with restricted employee's option	300	3,000	-	-	33,600	-	-	-	-	-	(36,600)	-
N1	Acquired stocks with restricted employee's option	-	-	7,583	-	(7,583)	-	-	-	-	-	-	-
N1	Canceled stocks with restricted employee's option	(12)	(120)	-	-	120	-	-	-	-	-	-	-
N1	Compensation cost on stocks with restricted employee's option	-	-	-	-	(323)	-	-	14	14	-	20,731	20,422
Z1	Balance as of December 31, 2021	52,864	528,646	273,131	84,732	51,708	98	166,987	582,957	749,944	1,867	(42,573)	1,647,553
	Distribution of annual earnings for 2021:												
B1	Statutory surplus reserves	-	-	-	-	-	-	32,806	(32,806)	-	-	-	-
B5	Cash dividend to shareholders - \$2.800 per share	-	-	-	-	-	-	-	(147,868)	(147,868)	-	-	(147,868)
B9	Stock dividend to shareholders - \$0.700 per share	3,697	36,967	-	-	-	-	-	(36,967)	(36,967)	-	-	-
	Total distribution of earnings	3,697	36,967	-	-	-	-	32,806	(217,641)	(184,835)	-	-	(147,868)
C15	Capital reserve distributed stock dividend - \$0.500 per share	-	-	(26,405)	-	-	-	-	-	-	-	-	(26,405)
C17	Changes in other capital reserves	-	-	-	-	-	8	-	-	-	-	-	8
D1	Net profit for 2022	-	-	-	-	-	-	-	152,363	152,363	-	-	152,363
D3	Other consolidated profit/loss for 2022	-	-	-	-	-	-	-	2,552	2,552	3,735	-	6,287
D5	Total consolidated profit/loss for 2022	-	-	-	-	-	-	-	154,915	154,915	3,735	-	158,650
N1	Issued stocks with restricted employee's option	420	4,200	-	-	15,582	-	-	-	-	-	(19,782)	-
N1	Acquired stocks with restricted employee's option	-	-	11,301	-	(11,301)	-	-	-	-	-	-	-
N1	Canceled stocks with restricted employee's option	(98)	(975)	-	-	975	-	-	-	-	-	-	-
N1	Compensation cost on stocks with restricted employee's option	-	-	-	-	(9,397)	-	-	-	-	-	30,410	21,013
Z1	Balance as of December 31, 2022	56,883	\$ 568,838	\$ 258,027	\$ 84,732	\$ 47,567	\$ 106	\$ 199,793	\$ 520,231	\$ 720,024	\$ 5,602	(\$ 31,945)	\$ 1,652,951

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

Chairman: Gao Yukun

Manager: Gao Yukun

Accounting manager: Huang Yaqing

LEADTREND TECHNOLOGY CO. LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED
DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

Code		2022	2021
	Cash flow from operating activities		
A10000	Pre-tax net profit	\$ 190,201	\$ 377,503
A20010	Revenue expense loss items:		
A20100	Depreciation expense	89,102	68,470
A20200	Amortization cost	13,194	17,360
A20400	Net benefit of financial assets and liabilities measured at fair value through profit and loss	(1,227)	(1,892)
A20900	Financial Costs	564	235
A21200	Interest incomes	(3,472)	(3,475)
A21900	Compensation cost on stocks with restricted employee's option	21,013	20,422
A22500	Loss in disposal and abandonment of real estate, plant and equipment	151	-
A24100	Net gain/loss on foreign currency exchange	(1,854)	1,371
A29900	Benefit from lease modification	(20)	(3)
A30000	Net changes in operating assets and liabilities		
A31150	Decrease/increase in notes and accounts receivable	151,993	(119,311)
A31200	Inventory increase	(349,783)	(119,568)
A31240	Decrease/increase in other current assets	1,832	(11,736)
A32150	Increase/decrease in notes payable and accounts	(191,586)	99,788
A32200	Increase/decrease in compensation payable to staff and directors	(40,813)	65,793
A32230	Increase in other current liabilities	6,831	22,975
A32240	Decrease in net defined benefit liability	(2,302)	(1,901)
A33000	Cash inflow to/outflow from operations	(116,176)	416,031
A33300	Interest paid	(564)	(235)
A33500	Income tax paid	(81,973)	(16,240)
AAAA	Net cash inflow to/outflow from operating activities	(198,713)	399,556

Cash flow from investment activities			
B00100	Acquisition of financial assets measured at fair value through profit and loss	(57,304)	(91,224)
B00200	Dispose of financial assets measured at fair value through profit and loss	114,608	25,195
B02700	Acquisition of real estate, plant and equipment	(124,711)	(112,541)
B03700	Increase in deposit margin	(14,486)	(1,250)
B04500	Acquisition of intangible assets	(17,519)	(10,614)
B07500	Interest received	<u>3,550</u>	<u>3,459</u>
BBBB	Net cash outflows from investment activities	(<u>95,862</u>)	(<u>186,975</u>)
Cash flows from financing activities			
C03000	Increase/decrease in deposits received	(\$ 332)	\$ 380
C04020	Repayment of lease principal	(13,417)	(13,340)
C04500	Cash dividends distributed	(174,273)	(28,814)
C09900	Other financing activities	<u>8</u>	<u>8</u>
CCCC	Net cash outflow to financing activities	(<u>188,014</u>)	(<u>41,766</u>)
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>3,838</u>	(<u>2,407</u>)
EEEE	Current net increase/decrease in cash and cash equivalents in current year	(478,751)	168,408
E00100	Balance of cash and cash equivalents at the beginning of the year	<u>729,431</u>	<u>561,023</u>
E00200	Balance of cash and cash equivalents at the end of the year	<u>\$ 250,680</u>	<u>\$ 729,431</u>

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

Chairman: Gao Yukun Manager: Gao Yukun Accounting manager: Huang Yaqing

INDEPENDENT AUDITORS' REPORT

To LEADTREND TECHNOLOGY CO. LTD.,

Opinion

We have finished the audit of your balance sheets respectively as of December 31, 2022 and as of December 31, 2021, and the individual composite income statement, individual statement of changes in equity, individual statement of cash flows and notes to the individual financial statements, including summary of significant accounting policies, for the periods from January 1 to December 31, 2022 and from January 1 to December 31, 2021.

In our opinion, the above individual financial statements are prepared in all material respects in accordance with the financial reporting standards of securities issuer and are sufficient to express your individual financial position of as of December 31, 2022 and December 31, 2021, and individual financial performance and individual cash flows from January 1 to December 31, 2022 and from January 1 to December 31, 2021.

Basis for Opinion

The audit is carried out in accordance with the Rules for Audit of Certified Financial Statements and Auditing Standards. Our responsibility under these standards is further explained in the section "Responsibility" of the report. The staff of our CPA firm who are subject to the standards of independence have maintained their independence from LEADTREND TECHNOLOGY CO. LTD. ("the Company") in accordance with the code of professional ethics for accountants, and performed other responsibilities under the code. We believe that we have obtained sufficient and appropriate evidence on which the audit opinion is given properly.

Key Audit Matters

Key audited matters refer to the most important matters audited in individual financial statements of the Company during 2022 based on our professional knowledge. Such matters have been taken into account in the audit of the individual financial statements as a whole and in the formation of the audit opinion, and we express no opinion on such matters separately.

The audited matters in individual financial statements of the Company during 2022 are described below:

Recognition of sales revenue

1. The sales revenue of the Company is in large amount as detailed in Note 18. The sales revenue for the Company are mainly from sales of its power management chips. Such revenues are recognized through such process - the production management staff prepare goods based on the customer's shipping order provided by the business section, and inform the QA staff to inspect the goods when they are prepared, and then ship the goods after the inspection is approved and the shipping order and finish products delivery not are signed, affixed with seal, and reviewed and approved by the supervisor, and update the inventory details in the operating system at the same time. The accountant recognizes sales revenue based on the shipping receipt signed by the customer or carrier.

2. Because the aforementioned transaction involves manual control, there is a risk that any revenue may be recognized by error without a shipment receipt signed by the customer or freight forwarder.
3. We consider the revenue recognition policy of the Company, evaluate the appropriateness of revenue recognition, including understanding and testing the effectiveness of internal control on approved orders and shipment procedures, and sampling and checking relevant vouchers of sales receipts and cash collection or after-date collection to verify the existence and actual occurrence of the sale transaction, and check whether there are any abnormal situations in the purchaser and the payer.

Evaluation of inventory

Refer to Note 8 of individual financial statements for details. The inventory balance of the Company accounts for 40% of the total assets as of December 31, 2022 and is in large amount, and the evaluation of the inventory allowance is a significant accounting estimate. In addition, because the Company is engaged in the design and development and subsequent sales of integrated circuits after outsourcing production, and this type of products is subject to fast upgrading and updating, and in a highly competitive industry, there may be the risk of inventory price decline and stagnation loss.

We have performed the following major audit procedures in respect of the specific level described as one of the most important matters in this year's audit.

1. Understand and evaluate the reasonableness of inventory appraisal policies adopted by management.
2. Obtain the assessment data on the inventory cost and net realized value, whichever is the lower, conduct sampling to check the data on the latest selling price of inventory to verify the net realized value of inventory and compare the net realized value with the book cost of inventory, so as to test the correctness of the inventory loss provision amount; Obtain the inventory age statement, check the inventory entry information to test whether the inventory age classification, inventory quantity and amount are consistent, so as to verify the correctness and completeness of the inventory age statement, and then audit the correctness of withdrawn amount of the inventory stagnation loss based on the inventory evaluation policy.
3. Perform a retrospective inventory test to examine the inventory obsolescence situation compared with the stagnation loss provision policy to check whether proper provisions have been made against the stagnation inventory loss in the current period.

Responsibility of Management and Governance for Individual Financial Statements

It is the responsibility of the management to prepare fairly presented individual financial statements in accordance with the financial reporting standards of securities issuer and to maintain any internal controls necessary for preparation of the individual financial statements, so as to ensure that they are free from any material misrepresentations resulting from fraud or error.

In the preparation of individual financial statements, the responsibility of the management also includes assessment of the Company's ability to continue as a going concern, disclosure of relevant issues, and adoption of going-concern accounting basis, unless the management intends to liquidate or shut down the Company, or there is no practical solution except liquidation or shutdown.

The governance unit (including the audit committee) of the Company shall be responsible for supervising the financial reporting process.

Responsibility of Accountant to Audit Individual Financial Statements

The purpose of accountant's audit of individual financial statements is to obtain reasonable assurance that the individual financial statements as a whole are free of material

misrepresentations due to fraud or error, and to issue an audit report. Reasonable assurance means a high degree of confidence, provided that an audit carried out in accordance with auditing standards cannot guarantee that any material misrepresentation in individual financial statements will be detected. Misrepresentation may result from fraud or error. If a misrepresentation of individual amounts or sums can reasonably be expected to influence economic decisions made by users of the individual financial statements, it will be deemed as material misstatement.

We will use professional judgment and professional doubt when checking in accordance with auditing standards. We have also performed the following:

1. Identify and assess risks of material misrepresentation resulting from fraud or error in the individual financial statements; Design and implement appropriate actions against the assessed risks; Obtain sufficient and appropriate evidence to serve as the basis for the opinion. Since fraud may involve collusion, forgery, intentional omission, misrepresentation, or breach of internal control, the risk of undetected material misrepresentation due to fraud is higher than that due to error.
2. Obtain necessary understanding of the internal controls relevant to the audit in order to design the appropriate audit procedures under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of your internal controls.
3. Assess the appropriateness of accounting policies adopted by the management and the reasonableness of accounting estimates and disclosures.
4. Based on the evidence obtained, draw a conclusion on whether there is material uncertainty about the appropriateness of the management's use of a going-concern accounting basis and about events or circumstances that may cast significant doubt on the ability of the Company to continue as a going concern. If the accountant considers such events or circumstances to be materially uncertain, he/she shall, in the audit report, alert the users of the individual financial statements to relevant disclosures in the individual financial statements or amend the audit opinion if such disclosures are inappropriate. The accountant's conclusion is based on the evidence obtained as of the date of this audit report. However, future events or circumstances may result in the Company's disability to continue as a going concern.
5. Assess the overall presentation, structure and content of individual the financial statements, including relevant notes, and whether the individual financial statements fairly and appropriately present relevant transactions and events.
6. To obtain sufficient and appropriate verification evidence of the financial information on the constituent individuals of the Company to express opinions on the individual financial statements. We are responsible for the guidance, supervision and execution of inspection cases, and are responsible for making audit opinions on the Company.

Communication between accountant and the governance includes planned scope and scheduling of the audit, as well as major audit findings (including significant deficiencies in internal control identified during the audit).

We also provide the governance with the statement that the staff of our firm subject to the independence standard have complied with the professional ethics code of accountants regarding independence, and communicated with the governance about all relationships and other matters that may be considered to affect the independence of the accountants (including relevant protective measures).

Among the matters discussed with the management, we decide the key matters for the audit of the 2022 individual financial statements of the Company. We disclose such matters in the audit report, unless these matters are not permitted to be disclosed publicly under relevant laws, or in very rare circumstances, we decide not to communicate such matters in the audit report because it is reasonably expected that the negative impact of such communication would outweigh the public interest made thereby.

Deloitte & Touche
Chua Meizhen, Accountant

Zhong Mingyuan, Accountant

FSC Approval No.
FSC-A-1010028123

FSC Approval No.
FSC-A-1050024633

March 16, 2023

LEADTREND TECHNOLOGY CO. LTD.
PARENT COMPANY ONLY BALANCE SHEETS DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

Code	Asset	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
	Current asset				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 223,300	12	\$ 697,081	32
1170	Accounts receivable (Notes 4, 5, 7 and 18)	103,592	5	223,806	11
1180	Accounts receivable - interested parties (Notes 4, 5, 7, 18 and 25)	29,074	2	93,633	4
130X	Inventory (Notes 4, 5 and 8)	750,880	40	427,991	20
1470	Other current assets (Notes 13 and 25)	<u>34,071</u>	<u>2</u>	<u>22,515</u>	<u>1</u>
11XX	Total current assets	<u>1,140,917</u>	<u>61</u>	<u>1,465,026</u>	<u>68</u>
	Non-current assets				
1550	Investments by equity method (Notes 4 and 9)	207,124	11	211,578	10
1600	Real estate, plant and equipment (Notes 4 and 10)	480,674	26	425,407	20
1755	Right-of-use assets (Notes 4 and 11)	14,897	1	26,570	1
1780	Intangible assets (Notes 4 and 12)	13,829	1	9,504	-
1840	Deferred income tax assets (Notes 4 and 20)	91	-	23	-
1990	Other non-current assets (Notes 4 and 13)	<u>7,788</u>	<u>-</u>	<u>18,315</u>	<u>1</u>
15XX	Total non-current assets	<u>724,403</u>	<u>39</u>	<u>691,397</u>	<u>32</u>
1XXX	Total assets	<u>\$ 1,865,320</u>	<u>100</u>	<u>\$ 2,156,423</u>	<u>100</u>
	Liabilities and Equity				
	Current liability				
2170	Payable account	\$ 58,122	3	\$ 248,012	12
2200	Remuneration payable to staff and directors (Note 19)	37,508	2	78,321	4
2230	Current income tax liabilities (Notes 4 and 20)	15,120	1	59,187	3
2280	Lease liabilities - current (Notes 4 and 11)	7,878	1	10,101	-
2399	Other current liabilities (Note 14)	<u>81,510</u>	<u>4</u>	<u>86,860</u>	<u>4</u>
21XX	Total current liabilities	<u>200,138</u>	<u>11</u>	<u>482,481</u>	<u>23</u>
	Non-current liability				
2580	Lease liabilities - non-current (Notes 4 and 11)	7,189	-	16,504	1
2640	Net defined benefit liabilities - non-current (Notes 4 and 15)	4,840	-	9,694	-
2645	Deposits received	<u>202</u>	<u>-</u>	<u>191</u>	<u>-</u>
25XX	Total non-current liabilities	<u>12,231</u>	<u>-</u>	<u>26,389</u>	<u>1</u>
2XXX	Total liabilities	<u>212,369</u>	<u>11</u>	<u>508,870</u>	<u>24</u>
	Equity (Notes 4, 16 and 17)				
	Share capital				
3110	Common stock	568,838	30	528,646	24
	Capital reserve				
3210	Share premium	258,027	14	273,131	13
3251	Donations received from shareholders	84,732	4	84,732	4
3273	Restricted employee entitlement stock	47,567	3	51,708	2
3280	Other	106	-	98	-
	Retained earnings				
3310	Statutory surplus reserves	199,793	11	166,987	8
3350	Undistributed earnings	520,231	28	582,957	27
	Other equity				
3410	Exchange difference in conversion of financial statements by foreign operating institutions	5,602	1	1,867	-
3491	Remuneration not gained by staff	<u>(31,945)</u>	<u>(2)</u>	<u>(42,573)</u>	<u>(2)</u>
3XXX	Total equity	<u>1,652,951</u>	<u>89</u>	<u>1,647,553</u>	<u>76</u>
	Total liabilities and equity	<u>\$ 1,865,320</u>	<u>100</u>	<u>\$ 2,156,423</u>	<u>100</u>

The notes below are an integral part of these individual financial statements.

Chairman: Gao Yukun Manager: Gao Yukun Accounting manager: Huang Yaqing

LEADTREND TECHNOLOGY CO. LTD.**PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

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

Code		2022		2021	
		Amount	%	Amount	%
	Operating revenues (Notes 4, 18 and 25)				
4110	Sales revenue	\$ 1,581,314	102	\$ 2,042,248	101
4170	Sales returns and allowances	(25,452)	(2)	(12,196)	(1)
4000	Net operating revenue	1,555,862	100	2,030,052	100
	Operating costs (Notes 8, 15 and 19)				
5110	Cost of goods sold	949,915	61	1,241,692	61
5900	Operating margin	605,947	39	788,360	39
5910	Unrealized profit on sales (Note 4)	(55,786)	(4)	(22,703)	(1)
5920	Realized profit on sales (Note 4)	24,080	2	1,662	-
5950	Realized operating margin	574,241	37	767,319	38
	Operating expenses (Notes 15 and 19)				
6100	Amortization cost	56,751	3	70,517	4
6200	Management costs	107,524	7	116,882	6
6300	Research and development expenses	275,685	18	272,720	13
6000	Total operating expenses	439,960	28	460,119	23
6900	Net operating profit	134,281	9	307,200	15
	Non-operating income and expenditure (Note 19)				
7100	Interest incomes	3,354	-	3,401	-
7010	Other income (Note 22)	12,991	1	9,901	-
7020	Other benefits and losses (Note 25)	16,491	1	(5,232)	-
7050	Financial costs	(433)	-	(152)	-
7070	Share of profits and losses in subsidiaries recognized by equity method (Notes 4 and 9)	23,517	1	62,385	3
7000	Total non-operating incomes and expenses	55,920	3	70,303	3

(See next page)

(See previous page)

Code		2022		2021	
		Amount	%	Amount	%
7900	Pre-tax net profit	\$ 190,201	12	\$ 377,503	18
7950	Income tax expense (Notes 4 and 20)	<u>37,838</u>	<u>2</u>	<u>48,526</u>	<u>2</u>
8200	Net profit for the year	<u>152,363</u>	<u>10</u>	<u>328,977</u>	<u>16</u>
	Other composite gains and losses				
8310	Items not reclassified as profit or loss:				
8311	Revaluation of identified benefit plan (Note 15)	2,552	-	(925)	-
8360	Items that may be subsequently reclassified as profit or loss:				
8361	Exchange difference in conversion of financial statements by foreign operating institutions (Note 16)	<u>3,735</u>	<u>-</u>	<u>(1,079)</u>	<u>-</u>
8300	Total other comprehensive net profit and loss	<u>6,287</u>	<u>-</u>	<u>(2,004)</u>	<u>-</u>
8500	Total consolidated profit and loss for the year	<u>\$ 158,650</u>	<u>10</u>	<u>\$ 326,973</u>	<u>16</u>
	Earnings per share (Note 21)				
9750	Basic	<u>\$ 2.74</u>		<u>\$ 5.97</u>	
9850	Dilution	<u>\$ 2.66</u>		<u>\$ 5.80</u>	

The notes below are an integral part of these individual financial statements.

Chairman: Gao Yukun Manager: Gao Yukun Accounting manager: Huang Yaqing

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

Code		Capital on issued common shares		Capital reserve				Retained earnings			Other equity items		Total equity
		Number of Holdings (Shares In Thousand)	Amount	Share premium	Donations received from shareholders	Stocks with restricted employee's option	Other	Statutory surplus reserves	Undistributed earnings	Total	Foreign operators Exchange difference in conversion of financial statements	Remuneration not gained by staff	
A1	Balance as of January 1, 2021	47,774	\$ 477,742	\$ 289,560	\$ 84,732	\$ 25,894	\$ 90	\$ 160,966	\$ 313,738	\$ 474,704	\$ 2,946	(\$ 26,704)	\$ 1,328,964
	Distribution of annual earnings for 2020:												
B1	Statutory surplus reserves	-	-	-	-	-	-	6,021	(6,021)	-	-	-	-
B5	Cash dividend to shareholders - \$0.603 per share	-	-	-	-	-	-	-	(28,814)	(28,814)	-	-	(28,814)
B9	Stock dividend to shareholders - \$0.503 per share	2,401	24,012	-	-	-	-	-	(24,012)	(24,012)	-	-	-
	Total distribution of earnings	2,401	24,012	-	-	-	-	6,021	(58,847)	(52,826)	-	-	(28,814)
C13	Capital reserve distributed stock dividend - \$0.503 per share	2,401	24,012	(24,012)	-	-	-	-	-	-	-	-	-
C17	Changes in other capital reserves	-	-	-	-	-	8	-	-	-	-	-	8
D1	Net profit for 2021	-	-	-	-	-	-	-	328,977	328,977	-	-	328,977
D3	Other consolidated profit/loss for 2021	-	-	-	-	-	-	-	(925)	(925)	(1,079)	-	(2,004)
D5	Total consolidated profit/loss for 2021	-	-	-	-	-	-	-	328,052	328,052	(1,079)	-	326,973
N1	Issued stocks with restricted employee's option	300	3,000	-	-	33,600	-	-	-	-	-	(36,600)	-
N1	Acquired stocks with restricted employee's option	-	-	7,583	-	(7,583)	-	-	-	-	-	-	-
N1	Canceled stocks with restricted employee's option	(12)	(120)	-	-	120	-	-	-	-	-	-	-
N1	Compensation cost on stocks with restricted employee's option	-	-	-	-	(323)	-	-	14	14	-	20,731	20,422
Z1	Balance as of December 31, 2021	52,864	528,646	273,131	84,732	51,708	98	166,987	582,957	749,944	1,867	(42,573)	1,647,553
	Distribution of annual earnings for 2021:												
B1	Statutory surplus reserves	-	-	-	-	-	-	32,806	(32,806)	-	-	-	-
B5	Cash dividend to shareholders - \$2.800 per share	-	-	-	-	-	-	-	(147,868)	(147,868)	-	-	(147,868)
B9	Stock dividend to shareholders - \$0.700 per share	3,697	36,967	-	-	-	-	-	(36,967)	(36,967)	-	-	-
	Total distribution of earnings	3,697	36,967	-	-	-	-	32,806	(217,641)	(184,835)	-	-	(147,868)
C15	Cash dividend on capital reserves - \$0.500 per share	-	-	(26,405)	-	-	-	-	-	-	-	-	(26,405)
C17	Changes in other capital reserves	-	-	-	-	-	8	-	-	-	-	-	8
D1	Net profit for 2022	-	-	-	-	-	-	-	152,363	152,363	-	-	152,363
D3	Other consolidated profit/loss for 111	-	-	-	-	-	-	-	2,552	2,552	3,735	-	6,287
D5	Total consolidated profit/loss for 111	-	-	-	-	-	-	-	154,915	154,915	3,735	-	158,650
N1	Issued stocks with restricted employee's option	420	4,200	-	-	15,582	-	-	-	-	-	(19,782)	-
N1	Acquired stocks with restricted employee's option	-	-	11,301	-	(11,301)	-	-	-	-	-	-	-
N1	Canceled stocks with restricted employee's option	(98)	(975)	-	-	975	-	-	-	-	-	-	-
N1	Compensation cost on stocks with restricted employee's option	-	-	-	-	(9,397)	-	-	-	-	-	30,410	21,013
Z1	Balance as of December 31, 2022	56,883	\$ 568,838	\$ 258,027	\$ 84,732	\$ 47,567	\$ 106	\$ 199,793	\$ 520,231	\$ 720,024	\$ 5,602	(\$ 31,945)	\$ 1,652,951

The notes below are an integral part of these individual financial statements.

Chairman: Gao Yukun

Manager: Gao Yukun

Accounting manager: Huang Yaqing

**PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS
ENDED DECEMBER 31, 2022 AND 2021**

(In Thousands of New Taiwan Dollars)

Code		2022	2021
	Cash flow from operating activities		
A10000	Pre-tax net profit	\$ 190,201	\$ 377,503
A20010	Revenue expense loss items:		
A20100	Depreciation expense	81,204	61,961
A20200	Amortization cost	13,194	17,360
A20900	Financial Costs	433	152
A21200	Interest incomes	(3,354)	(3,401)
A21900	Compensation cost on stocks with restricted employee's option	21,013	20,422
A22400	Share of profits and losses in subsidiaries recognized by equity method	(23,517)	(62,385)
A23900	Unrealized profit in sales between affiliates	55,786	22,703
A24000	Realized profit in sales between affiliates	(24,080)	(1,662)
A24100	Net loss on foreign currency exchange	340	1,022
A29900	Benefit from lease modification	(20)	(1)
A30000	Net changes in operating assets and liabilities		
A31150	Decrease/increase in accounts receivable	119,474	(60,634)
A31160	Accounts Receivable - Decrease/increase in parties	64,033	(41,751)
A31200	Inventory increase	(322,889)	(98,524)
A31240	Decrease/increase in other current assets	3,892	(12,450)
A32150	Decrease/increase in trade payable	(189,607)	93,306
A32200	Increase/decrease in compensation payable to staff and directors	(40,813)	65,793
A32230	Decrease/increase in other current liabilities	(3,911)	23,168
A32240	Decrease in net defined benefit liability	(2,302)	(1,901)
A33000	Cash inflow to/outflow from operations	(60,923)	400,681
A33300	Interest paid	(433)	(152)
A33500	Income tax paid	(81,973)	(16,240)
AAAA	Net cash inflow to/outflow from operating activities	(143,329)	384,289
	Cash flow from investment activities		
B02200	Obtained net cash outflow from subsidiaries	-	(85,080)
B02700	Acquisition of real estate, plant and equipment	(118,835)	(99,597)
B03700	Increase in deposit margin	(14,520)	(1,132)
B04500	Acquisition of intangible assets	(17,519)	(10,614)

B07500	Interest received	<u>3,432</u>	<u>3,385</u>
BBBB	Net cash outflows from investment activities	(<u>147,442</u>)	(<u>193,038</u>)
	Cash flows from financing activities		
C03000	Increase in deposits received	\$ 11	\$ 104
C04020	Repayment of lease principal	(8,859)	(8,824)
C04500	Cash dividends distributed	(174,273)	(28,814)
C09900	Other financing activities	<u>8</u>	<u>8</u>
CCCC	Net cash outflow to financing activities	(<u>183,113</u>)	(<u>37,526</u>)
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>103</u>	(<u>1,328</u>)
EEEE	Current net increase/decrease in cash and cash equivalents in current year	(473,781)	152,397
E00100	Balance of cash and cash equivalents at the beginning of the year	<u>697,081</u>	<u>544,684</u>
E00200	Balance of cash and cash equivalents at the end of the year	<u>\$ 223,300</u>	<u>\$ 697,081</u>

The notes below are an integral part of these individual financial statements.

Chairman: Gao Yukun Manager: Gao Yukun Accounting manager: Huang Yaqing

Leadtrend Technology Corporation
Earnings Distribution Statement for 2022

Unit: NT\$

Item	Amount
Undistributed earnings at the beginning of the year	365,315,078
Remeasurements of defined benefit plan recognized in retained earnings	2,551,502
Undistributed earnings after adjustment	367,866,580
Net profit after tax this year	152,363,396
Allocated 10% of legal reserve	(15,491,490)
Distributable earnings this year	136,871,906
Accumulated distributable earnings	504,738,486
Allocation	
Dividends to shareholders — Cash (NT\$0.55 per share)	(31,286,105)
Dividends to shareholders — Stocks (NT\$0.3 per share)	(17,065,150)
Undistributed earnings at the end of the year	456,387,231
Note 1: The allocated dividends are calculated based on the number of shares issued already for participation in allocation of rights, i.e. 56,852,828 shares, upon resolution at the board meeting of May 2, 2023.	
Note 2: The board of directors, which has been authorized in accordance with Article 20-1 of the Articles of Incorporation, resolves to distribute all or part of the distributable dividends and bonuses or legal reserve and capital surplus in cash.	

Chairman:
Kao Yu-Kun

Manager:
Kao Yu-Kun

Accounting Supervisor:
Huang Ya-Ching

Leadtrend Technology Corporation

Regulations for Issue of Restricted Stock Awards 2023

Article 1. Purpose

To attract and retain the talents required by Leadtrend and facilitate and enhance employees' centripetal force to create the maximum benefits for Leadtrend and its shareholders, the Regulations for Issue of Restricted Stock Awards 2023 are hereby established in accordance with Article 267 of the Company Act and the applicable provisions of Regulations Governing the Offering and Issuance of Securities by Securities Issuers (hereinafter referred to as the RGOISSI) published by Financial Supervisory Commission.

Article 2. Issuance Period

Stock awards are issued in full or separately within 2 years from the date of receipt of the notice of effective registration sent by the competent authority. The date of actual issue date shall be determined by Chairman, who is authorized by the board of directors.

Article 3. Qualifications and Conditions for Share Allocation

- (1) Full-time employees of Leadtrend and its subordinate companies who have reported for duty already as of the date on which new restricted stock awards are vested are eligible. The subordinate companies stated herein are defined in Article 369-2 of the Company Act.
- (2) The actual employees in whom stock awards are vested and the quantity of the new restricted stock awards obtainable, which are determined based on years of service, rank, work performance, overall contribution, special achievement and other conditions to be taken into account for management, shall be approved by Chairman and then reported to the board of directors for its consent. However, if any of the employees also serves as a director and/or manager, the consent of the remuneration committee shall be obtained first. Non-managerial employees shall be reported to the audit committee.
- (3) The sum of the accumulated shares subscribable by a single employee per stock warrant that are vested by Leadtrend and issued in accordance with Subparagraph 1 of Article 56-1 (1) of the RGOISSI, plus the new restricted stock awards obtained accumulatively, shall not exceed 0.3% of the total shares issued already. In addition, the sum plus the accumulated shares subscribable by a single employee per stock warrant that are vested by Leadtrend and issued in accordance with Article 56 (1) of the RGOISSI shall not exceed 1% of the total shares issued already. However, with special approval from the central competent authority governing the industry, the total number of employee stock warrants and new restricted stock awards obtained by a single employee shall be exempted from the aforementioned restriction.

Article 4. Total Amount of the Issue

The total amount is NT\$4,200,000 and a total of 420,000 shares are issued, with par value of NT\$10 per share.

Article 5. Vesting Conditions for New Restricted Stock Awards and the Content of Restriction

(1) Issue Price:

New restricted stock awards are issued for free to eligible employees, who may obtain stock awards at NT\$0 per share.

(2) The restricted stock awards issued to employees this time are common shares. Relevant rights and obligations, except those provided in Paragraph (7), are the same as those for other outstanding shares.

(3) Vesting Conditions:

After new restricted stock awards are allocated to an employee, the employee must obtain an assessment grade of “Compliance” or above (i.e. a scale score ≥ 5.8) for the latest Individual Performance prior to the vesting date and is still working at Leadtrend upon expiration of any of the following vesting periods. Then the employee will receive such new restricted stock awards based on the ratio of vested portion for the concerned vesting period.

<u>Vesting Period</u>	<u>Ratio of Vested Portion</u>
From the vesting date to Oct. 11 of the next year	1/6
From the vesting date to Apr. 11 of the next 2 nd year	1/6
From the vesting date to Oct. 11 of the next 2 nd year	1/6
From the vesting date to Apr. 11 of the next 3 rd year	1/6
From the vesting date to Oct. 11 of the next 3 rd year	1/6
From the vesting date to Apr. 11 of the next 4 th year	1/6

(4) Measures Taken When Employees Fail to Meet Vesting Conditions:

- A. When an employee resigns voluntarily, is dismissed or laid off, retires, passes away, takes unpaid leave or is transferred to a related enterprise during the period between the vesting date and the expiration of the vesting period, Leadtrend shall take back, without compensation payment, from the employee the stock awards that have been allocated to, but not been vested in, the employee.
- B. When an employee fails to achieve the threshold of the latest individual performance prior to the vesting date, Leadtrend will take back, without compensation payment, the restricted stock awards that have not been vested in the employee yet.

- (5) Under the following circumstances, the new restricted stock awards not vested yet shall be handled in the following manners:
- A. If an employee resigns because an occupational injury causes him/her to be disabled physically so that he/she becomes incapable of performing his/her duties, then for the new restricted stock awards for which he/she has not satisfied vesting conditions, all vesting conditions shall be deemed to have been satisfied upon his/her resignation.
 - B. If an employee dies from an occupational injury, the new restricted stock awards not vested in the employee yet shall be deemed to have been vested upon death of the employee. Inheritors shall complete legal necessary procedures and provide relevant supporting documents to apply for receipt of the stocks to be inherited or the interests been disposed.
- (6) The new restricted stock awards taken back, without compensation payment, by Leadtrend will be cancelled by Leadtrend.
- (7) Restrictions of the Rights to Stock Awards Prior to Satisfaction of Vesting Conditions:
- A. Before the expiration of the vesting period, an employee shall not sell, pledge, assign, give as gifts, set for mortgage or dispose any new restricted stock awards.
 - B. Before satisfying vesting conditions for the new restricted stock awards issued under the Regulations, employees do not have the right to enjoy allocation of shares, cash bonuses and capital reserve. Other rights of a shareholder are the same as those for the common shares issued already by Leadtrend.
 - C. After the issue of new restricted stock awards, the new restricted stock awards shall be entrusted in trust immediately. Before satisfying vesting conditions, an employee shall not give any reason or use any method to request the trustee to return the new restricted stock awards to him/her.
 - D. If an employee violates Paragraph (8) of this article by terminating or cancelling, before the satisfaction of vesting conditions, the proxy authorization granted to Leadtrend, then Leadtrend shall take back, without compensation payment, the stock awards from the employee.
 - E. During the vesting period, in case that Leadtrend return some capital in cash for capital reduction, the amount returned in cash for capital reduction which is allocated to but not vested in an employee shall be entrusted in trust. After the satisfaction of vesting conditions by the deadline, the amount and the vested stocks shall be given to the employee without interest payment. However, if vesting conditions are not satisfied by the deadline, Leadtrend shall take back the said amount in cash.

(8) Other Agreed Matters:

During the period in which the new restricted stock awards have been entrusted in trust, Leadtrend shall act on behalf of its employees to handle, together with the stock trust institution, the negotiation, execution, revision, extension, cancelation and termination of, for example, a trust deed and the delivery, use and disposal-related instructions for trust property.

Article 6. Contract Execution and Non-disclosure

Employees to whom new restricted stock awards are allocated shall comply with non-disclosure rules and shall not divulge the number of shares allocated or relevant content unless otherwise requested by the law or the competent authority. If an employee violates and such violation is deemed by Leadtrend to be material, the employee shall be disqualified from obtaining the new restricted stock awards for which the employee has not satisfied vesting conditions, and Leadtrend has the right to take back, without compensation payment, and cancel such stock awards.

Article 7. Implementation Rules:

The list of employees to whom new restricted stock awards are allocated, procedures relevant to execution and other matters, and timeframes of relevant operations under the Regulations will be informed separately by Leadtrend's unit in charge of such matters.

Article 8. Taxation

Taxes imposed on the new restricted stock awards allocated in accordance with the Regulations shall be paid in accordance with the law of the Republic of China.

Article 9. Other Important Matters

- (1) The board of directors agrees that in case the Regulations need to be revised due to changes in laws, upon request by the competent authority, or based on any change of the objective environment, the board of director shall authorize Chairman to fully deal with all relevant matters.
- (2) Before an employee satisfies vesting conditions, a custodian trust institution shall be commissioned to attend a Leadtrend meeting of shareholders and propose, speak and vote at the meeting for the employee, and deal with all matters relevant to the shareholder's equity.
- (3) Matters not provided for in the Regulations shall be handled in accordance with applicable laws.
- (4) The vesting date stated in the Regulations shall be determined pursuant to the document No. (101)-Ji-Mi-Zi-139 "Dealing with Issues about New Restricted Stock Awards" sent by Accounting Research and Development Foundation.

Attachment VI

Leadtrend Technology Corporation
The Comparison Table for Corporation Bylaws

Article	Before amendment	After amendment	Explanation
Article 20-1	<p>When Leadtrend has net profit after tax for a fiscal year based on its general final accounts, Leadtrend shall distribute the profit in the following order:</p> <ol style="list-style-type: none"> (1) To make up accumulated loss (including the adjustment amount for undistributed earnings); (2) To allocate 10% to be legal reserve; however, no amount shall be allocated when legal reserve has equaled or exceeded Leadtrend's paid-in capital; (3) To allocate or reverse special reserve in accordance with the law or as requested by the competent authority; (4) To have the board of directors prepare a proposal for distribution of earnings based on the rest of the profit together with the earnings undistributed at the beginning of the year (including the adjustment amount for undistributed earnings) and, upon determination of distribution in the form of issuance of new shares, present the proposal at the shareholders' meeting for resolution. <p>If Leadtrend intends to distribute all or part of dividends and bonuses or legal reserve and capital surplus in cash, it shall only do so pursuant to a resolution adopted by a majority vote of a board meeting attended by two-thirds or more of all directors, and then report such distribution at the shareholders' meeting.</p> <p>Dividends are allocated by Leadtrend in consistence with the status of the current year's earnings pursuant to the principle of stable dividends. The proportion of allocation shall not be less than 30% of the current year's profit after tax. Cash dividends allocated a year shall not be less than 10% of the sum of the cash dividends and stock dividends allocated for the year.</p>	<p>When Leadtrend has net profit after tax for a fiscal year based on its general final accounts, Leadtrend shall distribute the profit in the following order:</p> <ol style="list-style-type: none"> (1) To make up accumulated loss (including the adjustment amount for undistributed earnings); (2) To allocate 10% to be legal reserve; however, no amount shall be allocated when legal reserve has equaled or exceeded Leadtrend's paid-in capital; (3) To allocate or reverse special reserve in accordance with the law or as requested by the competent authority; (4) To have the board of directors prepare a proposal for distribution of earnings based on the rest of the profit together with the earnings undistributed at the beginning of the year (including the adjustment amount for undistributed earnings) and, upon determination of distribution in the form of issuance of new shares, present the proposal at the shareholders' meeting for resolution. <p>If Leadtrend intends to distribute all or part of dividends and bonuses or legal reserve and capital surplus in cash, it shall only do so pursuant to a resolution adopted by a majority vote of a board meeting attended by two-thirds or more of all directors, and then report such distribution at the shareholders' meeting.</p> <p>Dividends are allocated by Leadtrend in consistence with the status of the current year's earnings, including distributable earnings, capital surplus and such distributable sources as provided by the law. The <u>total</u> proportion of allocation shall not be less than 30% of the current year's profit after tax. Cash dividends allocated a year shall not be less than 10% of the sum of the cash dividends and stock dividends allocated for the year.</p>	To meet the requirements for business practice

Article	Before amendment	After amendment	Explanation
Article 24	<p>These Articles of Association were established on 2002/09/10.</p> <p>The first amendment was made on 2003/03/06.</p> <p>The second amendment was made on 2003/06/ 23.</p> <p>The third amendment was made on 2004/05/13.</p> <p>The fourth amendment was made on 2005/04/01.</p> <p>The fifth amendment was made on 2005/11/18.</p> <p>The sixth amendment was made on 2006/06/20.</p> <p>The seventh amendment was made on 2006/06/28.</p> <p>The eight amendment was made on 2007/05/29.</p> <p>The ninth amendment was made on 2008/06/24.</p> <p>The tenth amendment was made on 2008/11/25.</p> <p>The eleventh amendment was made on 2009/05/27.</p> <p>The twelfth amendment was made on 2010/06/17.</p> <p>The thirteenth amendment was made on 2011/06/02.</p> <p>The fourteenth amendment was made on 2016/06/21.</p> <p>The fifteenth amendment was made on 2016/06/ 21.</p> <p>The sixteenth amendment was made on 2017/06/27.</p> <p>The seventeenth amendment was made on 2018/06/26.</p> <p>The eighteenth amendment was made on 2019/06/27.</p> <p>The nineteenth amendment was made on 2021/06/09.</p>	<p>These Articles of Association were established on 2002/09/10.</p> <p>The first amendment was made on 2003/03/06.</p> <p>The second amendment was made on 2003/06/ 23.</p> <p>The third amendment was made on 2004/05/13.</p> <p>The fourth amendment was made on 2005/04/01.</p> <p>The fifth amendment was made on 2005/11/18.</p> <p>The sixth amendment was made on 2006/06/20.</p> <p>The seventh amendment was made on 2006/06/28.</p> <p>The eight amendment was made on 2007/05/29.</p> <p>The ninth amendment was made on 2008/06/24.</p> <p>The tenth amendment was made on 2008/11/25.</p> <p>The eleventh amendment was made on 2009/05/27.</p> <p>The twelfth amendment was made on 2010/06/17.</p> <p>The thirteenth amendment was made on 2011/06/02.</p> <p>The fourteenth amendment was made on 2016/06/21.</p> <p>The fifteenth amendment was made on 2016/06/ 21.</p> <p>The sixteenth amendment was made on 2017/06/27.</p> <p>The seventeenth amendment was made on 2018/06/26.</p> <p>The eighteenth amendment was made on 2019/06/27.</p> <p>The nineteenth amendment was made on 2021/06/09.</p> <p>The twentieth amendment was made on 2023/06/13.</p>	Revision date and frequency.

Corporation Bylaws of Leadtrend Technology Corporation

Chapter 1 General

Article 1: The Company is organized in accordance with the Company Act and is named Leadtrend Technology Corporation.

Article 2: The Company operates the following businesses:

1. CC01080 Electronics Components Manufacturing.
2. I301010 Information Software Services.
3. I501010 Product Designing.
4. I599990 Other Designing
5. F601010 Intellectual Property Rights.

Article 3: The Company has its headquarters in Hsinchu County and may set up domestic and overseas branches through board resolutions as required.

Article 4: The Company makes public announcements in accordance with the Company Act, applicable laws and regulations of the competent authority.

Article 4-1: The Company may invest in other companies as required for business and may become other companies' limited liability shareholder through board resolutions. The total amount of investment may exceed the limit under Article 13 of the Company Act.

Chapter 2 Shares

Article 5: The Company's total capital is NT\$2,000,000,000, divided into 200,000,000 shares with face value of NT\$10 per share. The board of directors is authorized to issue such shares through multiple issuances.

Among the capital amount under the previous paragraph, NT\$78,000,000 is reserved for issuance of employee stock options for a total of 7,800,000 shares with face value of NT\$10 per share. The board of directors is authorized to issue such shares through multiple issuances.

Article 6: All of the Company's shares are registered shares and shall be issued after affixation of signatures or seals of directors on behalf of the Company and certification by the bank that may serve as a share issuance certifying party in accordance with the law. The Company may also issue shares without printing share certificates, provided that registration shall be made with a securities custodian institution.

Article 7: Registration of share transfer is suspended during a period of 60 days before a general shareholders' meeting, 30 days before a special shareholders' meeting and 5 days before the record date for the Company's decision to distribute dividend, bonus or other interest.

Chapter 3 Shareholders' Meeting

Article 8: Shareholders' meetings are divided into general meetings and special meetings.

General meetings shall be held at least once a year and shall be convened by the board of directors within 6 months from the end of each accounting year in accordance with the law.

The Company may hold shareholders' meeting by video conference or in other manners announced by the central competent authority. Regulations about the conditions required of shareholders' meetings by video conference, the procedures and other compliance matters shall be subject to further regulations by the competent authority, if any.

Article 9: Any shareholder who cannot attend a shareholders' meeting may issue a proxy printed by the Company, specifying the scope of authorization and affixed with its signature or seal, to designate a representative to attend the meeting on its behalf.

Article 10: Each shareholder of the Company is entitled to one voting right per share, except restricted shares or shares with no voting right listed under the second paragraph, Article 179 of the Company Act. Shareholders of the Company may also exercise their voting rights in electronic manners. Shareholders exercising voting rights in electronic manners are deemed to have attended the meeting in person. Relevant matters shall be in accordance with the law.

Article 11: Unless otherwise provided by the Company Act, shareholders' resolutions shall be approved by the majority of voting rights held by shareholders who attend a meeting that is attended by shareholders representing the majority of all outstanding shares.

Article 12: If the Company has one single corporate shareholder, the duties of the shareholders' meeting of the Company shall be exercised by the board of directors and the provisions about shareholders' meetings in this Articles of Association shall not be applicable.

Chapter 4 Board of Directors

Article 13: The Company has 5 to 9 directors. All directors are elected under the candidate nomination system by the shareholders' meeting from a list of candidates to serve terms of 3 years. The same person may be re-elected upon expiry of the term. Following election, the Company may purchase liability for insurance for its directors through board resolution.

Article 13-1: The Company has an audit committee in accordance with Article 14-4 of the Securities and Exchange Act, which is formed by all independent directors and which is responsible for performing the duties to be performed by supervisors in accordance with the Company Act, the Securities and Exchange Act and other legislations.

Article 14: The board of directors is formed by directors. One chairman shall be elected from among the directors by the majority of directors attending a meeting that is attended by 2/3 of all directors. The chairman is the Company's representative.

Article 14-1: To convene a board meeting of the Company, the agenda shall be specified and a notice shall be given to each director in writing, by email or by fax 7 days in advance. In case of emergency, the Company may hold a board meeting at any time in writing, by email or by fax.

Article 15: Among the number of directors under Article 13 of these Articles of Association, there shall be at least 3 independent directors. The professional qualifications, shareholding, restriction on other positions served, nomination and election manners

and other compliance matters in relation to independent directors shall be in accordance with applicable regulations of the securities competent authority.

Article 16: When the chairman is on leave or cannot perform his duties for any reason, the representation shall be in accordance with Article 208 of the Company Act.

Article 16-1: Directors may give written authorizations for other directors to attend board meetings and exercise voting rights on all matters in the meeting on their behalf, provided that a representative shall represent no more than one other person.

Article 17: The board of directors is authorized to determine the remuneration of the chairman and directors in accordance with the level of participation in the Company's operation, the value of their contribution and in reference to the industry level.

Chapter 5 Officers

Article 18: The Company may have officers, the hiring, dismissal and remuneration of which shall be in accordance with Article 29 of the Company Act.

Chapter 6 Accounting

Article 19: At the end of each of the Company's accounting years, the board of directors shall prepare statements such as (1) business report, (2) financial report and (3) profit distribution or loss compensation proposal to be submitted to the general shareholders' meeting in accordance with the law for approval.

Article 20: If the Company is profit-making in a year ("profit-making" refers to pre-tax profit before deduction for distribution of employee remuneration and director remuneration), no less than 5% shall be provisioned as employee remuneration and no more than 2% as director remuneration. However, if the Company still has accumulated losses (including adjustment of non-distributed profit amount), compensation amount shall first be provisioned.

Employee remuneration under the previous paragraph may be paid in stock or in cash and the recipients may include employees of subsidiaries who meet the conditions established by the board of directors. Director remuneration under the previous paragraph shall only be paid in cash.

The previous two paragraphs shall be done through board resolutions and shall be reported to the shareholders' meeting.

When the Company issues employee stock options, restricted employee new shares, new shares for employee subscription or transfers to employees shares bought back in accordance with the law, the targets of issuance or transfer include employees of subsidiaries who meet the conditions established by the board of directors.

Article 20-1: If the Company's annual closing shows after-tax net profit in the current period, it shall be distributed in the following order:

- (1) Compensation of accumulated losses (including adjustment of non-distributed profit amount).
- (2) 10% legal reserve, except if the legal reserve already reached the Company's paid-in capital.
- (3) Provision or recycling of special reserve in accordance with laws or regulations of the competent authority.

(4) For the remaining profit, together with non-distributed profit in the beginning of same period (including adjustment of non-distributed profit amount), the board of director shall prepare a profit distribution proposal. If done through issuance of new shares, the proposal shall be submitted to the shareholders' meeting for resolution and distribution.

If all or part of the dividend, bonus, legal or capital reserve is issued in cash by the Company, the board of directors is authorized to do so through the majority of directors attending a meeting that is attended by 2/3 or more of all directors, with a report to the shareholders' meeting.

The distribution of the Company's dividend shall be consistent with the profitability status of the current period and shall be in accordance with the principle of stable dividend. The distribution ratio shall not be less than 30% of the after-tax profit of the current year. Cash dividend distributed every year shall not be less than 10% of the total distribution in cash and in stock in the current year.

Chapter 7 Miscellaneous

Article 21: After the Company's stock is listed in the market, the listing shall not be cancelled unless there is a shareholders' resolution. This clause shall not be amended during the period of the Company's trading on the OTC market or during its listing period.

Article 22: Deleted.

Article 23: Anything that is not stipulated in these Articles of Association shall be governed by the Company Act.

Article 24: These Articles of Association were established on 10 September 2002.

The first amendment was made on 6 March 2003.

The second amendment was made on 23 June 2003.

The third amendment was made on 13 May 2004.

The fourth amendment was made on 1 April 2005.

The fifth amendment was made on 18 November 2005.

The sixth amendment was made on 20 June 2006.

The seventh amendment was made on 28 June 2006.

The eighth amendment was made on 29 May 2007.

The ninth amendment was made on 24 June 2008.

The tenth amendment was made on 25 November 2008.

The eleventh amendment was made on 27 May 2009.

The twelfth amendment was made on 17 June 2010.

The thirteenth amendment was made on 2 June 2011.

The fourteenth amendment was made on 21 June 2016.

The fifteenth amendment was made on 21 June 2016.

The sixteenth amendment was made on 27 June 2017.

The seventeenth amendment was made on 26 June 2018.

The eighteenth amendment was made on 27 June 2019.

The nineteenth amendment was made on 9 June 2021.

Leadtrend Technology Corporation
Rules of Procedure for Shareholders Meetings

Article 1: Purpose and Legislative Basis

To establish a strong governance system and sound supervisory capabilities for the Company's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2: Scope of Application

The rules of procedures for the Company's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 3: Convening shareholders meetings and shareholders meeting notices

Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors.

The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the company, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

Where re-election of all directors and supervisors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the

completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the company to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4: Attending shareholders' meeting through proxy and authorization

For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment. After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before two days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5: Principles determining the time and place of a shareholders meeting

The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

Article 6: Preparation of documents such as the attendance book

The Company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.

Shareholders or proxy holders (hereinafter “shareholders”) shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

Article 7: The chair and non-voting participants of a shareholders meeting

If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair.

It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

Article 8: Documentation of a shareholders meeting by audio or video

The Company shall make an audio and video recording of the full proceedings of the shareholders meeting. The recorded materials shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 9: Counting of shares attending shareholders' meeting and proceeding with the meeting

Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 10: Discussion of proposals

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

Article 11: Shareholder speech

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the

speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 12: Calculation of voting shares and recusal system

Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13: Voting on agenda, vote monitoring and vote calculation manners

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be

specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

Article 14: Election Matters

The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of directors not elected and number of votes they received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If,

however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15: Meeting minutes and signature matters

Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of the Company.

Article 16: Public disclosure

On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange Market) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17: Maintaining order at the meeting place

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor".

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18: Recess and resumption of a shareholders meeting

When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the

shareholders meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

Article 19: Miscellaneous

These Rules shall be implemented following resolution by the board of directors of the Company and approval by its shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.

Article 20: These Rules were established on 12 January 2007.

The first amendment was made on 27 June 2012.

The second amendment was made on 16 June 2015.

The third amendment was made on 21 June 2016.

The fourth amendment was made on 23 June 2020.

The fifth amendment was made on 3 August 2021.

Leadtrend Technology Corporation
Statement of directors' shareholdings

Base Day: April.15, 2023

Title	Name	Number of Current Shareholding	
		Number of Shares	Number of Share Percentage of Issuance at that time
Chairman	Power Investments Limited Representative Name : Yu Kun,Kao	4,644,186	8.17%
Director	Power Investments Limited Representative Name : Ming-Nan, Chuang		
Director	Power Investments Limited Representative Name : Chuei-Hua, Chiou		
Independent Director	Chong-Yu, Wu	0	0.00%
Independent Director	Ding- Ren, Liu	0	0.00%
Independent Director	Jian Guo, Yang	0	0.00%
Independent Director	Jr Chiun, Tsai	0	0.00%
Total		4,644,186	8.17%

Note: The total number of shares issued by the Company on April.15, 2023: 56,852,828 shares.

As more than one half of the Company's directors are independent directors, and the Company has established the Audit Committee, the minimum shareholding requirements for directors and supervisors do not apply.

Appendix IV

Leadtrend Technology Corporation

Impact of the Issuance of Bonus Shares Proposed at the Shareholders' Meeting on Leadtread's Business Performance and Earnings Per Share

Item		Year	2023 (Estimated)
Paid-in capital at the beginning of the year (NT\$)			568,528,280
Status of shares and dividends distributed this year	Cash dividends per share (NT\$(Note 1))		0.9
	Number of shares allocated for the capital increase through capitalization of retained earnings (NT\$(Note 2))		0.3
	Number of shares allocated for the capital increase through capital surplus (NT\$)		0
Changes in business performance	Operating profit		N/A (Note 3)
	Ratio of increase (decrease) of operating profit as compared with the same period last year		
	Net profit after tax		
	Ratio of increase (decrease) of net profit after tax as compared with the same period last year		
	Earnings per share		
	Ratio of increase (decrease) of earnings per share as compared with the same period last year		
	Average rate of return on investment (Reciprocal of average price-to-earning ratio)		
Pro forma earnings per share and price-to-earning ratio	In case that the capital increase through capitalization of retained earnings is changed to allocation of cash dividends	Pro forma earnings per share (NT\$)	N/A (Note 3)
		Pro forma average rate of return on investment	
	In case of no capital increase through capital surplus	Pro forma earnings per share (NT\$)	
		Pro forma average rate of return on investment	
	In case of no capital increase through capital surplus and in case that the capital increase through capitalization of retained earnings is changed to allocation of cash dividends	Pro forma earnings per share (NT\$)	
		Pro forma average rate of return on investment	

Note 1: The earning distribution and the cash distributed from capital surplus for 2022 was reserved and approved at the board meeting of May 2, 2023.

Note 2: It has not been resolved at the general meeting of shareholders in 2023.

Note 3: It is not applicable because Leadtread has not published its financial forecast for 2023.