

Meeting Notice

For

2023 Annual General Shareholders' Meeting

(Summary Translation)

I. Information of the 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)

II. Meeting agenda

1. 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.

2. Ratification Items

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

3. 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 Leadtrend.

4. Extemporary Motions

5. Adjournment

III. The Board of Directors have approved the following dividends:

- A. Cash dividends to common shareholders: Totaling NT\$31,286,105. Each common share holder will be entitled to receive a cash dividend of NT\$0.55 per share (i.e. NT\$550 per 1,000 shares)
- B. Issuance cash of Capital reserve to common shareholders: Totaling NT\$19,909,340 and is used to distribute NT\$0.35 per share in cash (i.e. NT\$350 per 1,000 shares) to the shareholders

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.

- C. 2022 capital increase by retained earning to common share holders:

Totaling NT\$17,065,150 . Each common shareholder will be entitled to receive a share dividend of NT\$0.3 by retained earning. The record date will be decided by the Chairman.

IV. The new restricted employee shares to be issued for 2023.

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:

- 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 Leadtread'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 Leadtread'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.

V. If the Company decides to hold a meeting under Article 172 of the Company Law, electronic files will be posted to the Market Observation Post System at <https://emops.twse.com.tw>. Please select "Shareholders' Meetings" under the "Electronic Books" tab, enter the year, and click "GO" to find the meeting files corresponding to Company code.

VI. Pursuant to Article 165 of the Company Act, the Company hereby closes the share transfer registration from April 15, 2023 to June 13, 2023.

VII. Please find enclosed the "Notice of Attendance" and "Proxy Statement." If you intend to personally attend the meeting, please sign or place your seal in the "Registration Card" column. Shareholders may sign or place their seal in the "Proxy Statement" column to appoint a proxy to attend the meeting on his or her behalf and execute power of attorney in writing. Please fill in the "Proxy Statement" and deliver to the Company's stock agency, Grand Fortune Securities Co., Ltd. Transfer Agent, by June 07, 2023, 5 days prior to the meeting date.

- VIII. The company will compile a summary statement of the relevant information provided by shareholders through solicitation of the proxy and disclose the content in the website of Securities & Futures Institute (SFI) by May 12, 2023. Shareholders can navigate to SFI's web page (<https://free.sfi.org.tw>) to view relevant information. (TWSE code:3588)
- IX. Shareholders may exercise his/her/its voting rights by electronic transmission during the period from April 1, 2023 to May 2, 2023. Please log in the “Stockvote” of Taiwan Depository & Clearing Corporation (TDCC) and vote. (<https://www.stockvote.com.tw>)
- X. The Transfer Agency Department of Capital Securities Co., Ltd. is the proxy tallying and verification institution for this Annual meeting.

Sincerely,

Board of Directors
Leadtrend Technology Corp.