

Leadtrend Technology Corporation

2024 Annual General Meeting

Meeting Handbook

Date: May 28, 2024

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Leadtrend Technology Corporation

2024 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 2024 Annual General Shareholders' Meeting

Meeting type : Physical shareholders' meeting

Time of Meeting : May 28, 2024(Tuesday) at 9:00 am

Location of Meeting: No. 3, Taiyuan 1st Street, Zhubei City, Hsinchu County (2nd Floor, Phase III Multi-functional meeting room)

AGENDA

1. Declare to Start Meeting

2. Chairman's Speech

3. Report Items :

- (1) Annual Business Report of the 2023.
- (2) Audit Report of Audit Committee of the 2023.
- (3) The report of distribution of remunerations to employees and directors for 2023.
- (4) The report of cash distributed from capital surplus for 2023.

4. Ratification Items :

- (1) The 2023 Business Report and Financial Statement
- (2) The distribution of earnings for 2023

5. Discussion Items :

- (1) The new restricted employee shares to be issued for 2024.
- (2) 2023 capital increase by retained earning.

6. Extemporary Motions

7. Adjournment

1. Report Items

Motion 1

Subject: Annual Business Report of the 2023 is presented for review.

Explanation:

For 2023 Business Report, please see Attachment 1 on pages 8 and 10 of the Handbook.

Motion 2

Subject: The 2023 Audit Report by Audit Committee is presented for review.

Explanation:

For 2023 Audit Report by Audit Committee, please see Attachment 2 on page 12 of the Handbook.

Motion 3

Subject: The report of distribution of remunerations to employees and directors for 2023 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 2023 is NT\$5,196,498, and the directors' remuneration, NT\$489,082, both of which are distributed in cash. The distributed amount is the same as the amount listed as expenses for 2023.

Motion 4

Subject: The report of cash distributed from capital surplus for 2023 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) An amount of NT\$ NT\$23,275,137 is withdrawn from the capital surplus generated from incomes of the shares issued in excess of face value, and is used to distribute NT\$0.4 per share (i.e. NT\$400 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.

- (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 2023 Business Report and financial statements are presented for recognition.
[Proposed by Board of Directors]

Explanation:

- (1) The financial statements of 2023 have been audited by Huang Yu-Fong and Tsai Mei-Chen, CPAs of Deloitte & Touche, who have also issued an auditors' report containing their unqualified opinion.
- (2) For the 2023 Business Report, Independent Auditor's Report and financial statements, please see Attachment 1 on pages 8 and 10 and Attachment 3 on pages 12 to 31 of the Handbook.

Resolution:

Motion 2

Subject: The distribution of earnings for 2023 is presented for recognition.

[Proposed by Board of Directors]

Explanation: For the 2023 Earnings Distribution Statement, please see Attachment 4 on page 32 of the Handbook.

Resolution:

Discussion Items

Motion 1

Subject: The new restricted employee shares to be issued for 2024 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\$47,040 thousand. The expensable amount to be amortized every year is estimated to be NT\$5,203 thousand for 2024, NT\$23,343 thousand for 2025, NT\$12,617 thousand for 2026, NT\$5,224 thousand for 2027, and NT\$635 thousand for 2028. (Because of gratuitous issuance, the current price is estimated temporarily based on NT\$112, the closing price on Feb. 27, 2024.)

- (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 2024, 2025, 2026, 2027 and 2028 will be probably reduced by NT\$0.06, NT\$0.28, NT\$0.15, NT\$0.06 and NT\$0.008 respectively (which are calculated based on 58,917,843 shares, issued on Feb. 27, 2024, 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 2024 are established. Please see Attachment 5 on pages 33 to 36 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: 2023 capital increase by retained earning.

[Proposed by Board of Directors]

Explanation:

- (1) We intend to withdraw NT\$11,637,570 from the earnings distributable for 2023 and increase capital by issuing 1,163,757 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 20 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:

Extemporary Motions

Adjournment

2023 Business Report

Ladies and gentlemen,

Although the global economic performance in 2023 has improved compared to that of the previous year, the overall economy recovery was still slow due to factors such as regional wars, geopolitics, inventory adjustments, and so on. Even with specific issues such as AI applications in the second half of the year, it still took time to growth, so the overall economy has shown no significant improvement. Leadtrend Technology has been focused on the development of various products for ACDC power management ICs, the application of which is subject to safety regulations in various countries, with a long product life and compliance with energy efficiency regulations in all countries. Despite being affected by the aforementioned factors, inventory levels have shown a quarterly downward trend in 2023. In recent years, the layout of new generation products has been recognized by brand customer groups, gradually showing results in various application fields. However, due to global economic factors, the consolidated revenue for the whole year of 2023 decreased by 30.0%.

2023 Business Results

(1) Results of the implementation of the operating plan

The strategy of Leadtrend Technology in the layout of Total Solution and highly-integrated products has gradually produced comprehensive effects in various application fields in 2023. Although various business plan indicators have not been met due to economy, the sales proportion of Total Solution and highly integrated products has gradually increased in the product portfolio. At the same time, due to one-stop services, the number of customers from various application brands that introduce Leadtrend solutions continues to increase. Continuing the previous strategy in product layout, the service solutions provided to the customer are still carried out in a full power range layout, so as to achieve the goal of providing customers with complete solutions for medium and high power. To cope with the irrational competition in mature processes in mainland China caused by the US-China technology war, and to lay out the development plan for new generation products, the introduction of AI Efficiency technology products in ACDC PWM has gradually become mainstream in the market, synchronous rectification products with optimized process technology have been successfully launched, and PD/Type-C products have been streamlined and put into mass production through Combo, which enable customers who have been using Leadtrend products for a long time to quickly upgrade their systems and meet the brand's energy-saving and efficient requirements. The design architecture of new generation products is presented in a platform style, which will save more power and improve efficiency in product applications. It not only conforms to the ESG spirit, but also makes future products more competitive in the market. In 2023, despite the global economic situation not yet fully recovering, we overcame all difficulties and invested resources in collaborating with many important brand customers to develop next-generation products. Application areas such as PD, Netcom, laptops, smart home appliances, E-bike, TV, IPC, and other power products have all gained opportunities for many brand customized products.

(2) Analysis of financial revenue and expenditure, and profitability

Leadtrend Technology's consolidated financial performance in 2023 is as follows: the annual revenue was NT \$1,142 million, a decrease of 30.0% from the previous year; The gross profit from sales was NT \$430 million (accounting for 37% of revenue), a decrease of 35.2% compared to the previous year; The net operating loss was NT \$ 5.7 million (-0.5% of revenue), a decrease of 103.7% compared to the previous year; After-tax net profit is NT \$29 million, earnings per share after tax (EPS) is NT \$0.5, and shareholder return on equity is 1.75%.

(3) Research and development status

Efficient and energy-saving technology advancement is a consistent strategy of Leadtrend Technology's product development. In 2023, the product development in our company comprehensively introduced patented technology, AI efficiency improvement, EMI optimization, and precise overcurrent protection technology into the ACDC PWM product line. At the same time, investment was made in the development of high energy efficiency and high-power products such as AHB and LLC based on quasi resonance and zero exchange technology. Based on the company's strategy of developing complete solutions, resources were simultaneously invested in the research and development of AHB SR IC. Together with FAB factory, process technology was optimized to double the pressure resistance capacity, so as to expand the application field. In high-wattage applications where power factor issues must be addressed, we have invested in the development of a series of high PFC/low THD power factor correction IC products for high wattage applications, ranging from single-stage to digital interleaved PFC, combined with the aforementioned AHB/LLC ACDC and integrated IC, to form a total solution for high-wattage applications. Meanwhile, in terms of product integration, the aforementioned new-generation PWM chip with integrated GaN/process-optimized SR integrated MOSFET/PD chip with integrated Type C switch forms a Total Combo Solution that can realize the miniaturization of the PD power supply, reduce the number of peripheral parts, and achieve the effect of carbon reduction and cost reduction. In the research and development of PD in 2023, we continued to invest in the development of PD3.1 EPR protocol chips, expanding the PD output voltage range to 48V output. Form a complete solution of 240W PD with the aforementioned AHB scheme. As of the end of 2023, Leadtrend Technology has applied for nearly 544 approved patents both domestically and internationally, with a cumulative number of applications exceeding 752 patents.

Leadtrend Technology's full range of product research and development is the main axis, constantly striving to achieve the vision of "Green your power, Green the World" and improving product technology. In terms of research and development, we also actively use digital and analog hybrid Mix mode technologies in conjunction with software and hardware development. Our products have been developed through cooperation with brands and power design industry manufacturers, and we have continued to conduct special research on new technologies with relevant industry and academia, so that the conversion efficiency of power systems can be improved year by year, showing that green innovation has always been the unchanging indicator direction of Leadtrend Technology.

Summary of the 2024 Business Plan

(1) Business Plan

Adhering to the business philosophy of innovation, service, quality, and sharing, Leadtrend Technology provides customers with instant and complete services; Based in Taiwan, deeply cultivating the Chinese market, and looking to the world to align with international brands will be the unchanged development strategy of Leadtrend Technology for a long time in the future.

(2) Expected sales quantity and its basis

The global power management IC market has experienced a comprehensive decline due to the depletion of high inventory for a whole year in 2023, resulting in a significant decrease in demand for power supplies for various terminal applications, such as 5G mobile phones, laptops, and connected TVs. It is expected that improvements will be made quarter by quarter in 2024 as demand slowly increases. Leadtrend Technology's products have gradually returned to normal inventory levels after a full year of de stocking in 2023, indicating that the number of safety stocks established by agents and customer demand will increase quarter by quarter.

The future operational growth of Leadtrend Technology is quite optimistic thanks to its low proportion of brand owners in the base period. With the increasing influence of existing brands and new product introductions from new brand customers, it is estimated that sales in 2024 will show significant growth compared to the previous year. In the development of new products and technologies, based on advanced processes, AI efficiency algorithms, high-frequency, high-voltage resistant, intelligent, high-power, and highly integrated Total Solution products have gradually been developed. At the same time, the fact that the new products meet the requirements of the EU ERP 7 will become the greatest support for future sales growth. In terms of operational strategy, we will continue to deeply cultivate brand customers and closely cooperate with major power plants to achieve comprehensive efficiency. We believe that following this direction and continuously investing in advanced technology talents and technology development in related power applications such as AI PC, 5G, NB, TV, and Netcom will further drive future revenue growth.

(3) Important Production and Sales Policies

Leadtrend Technology is an IC design company in Taiwan that has launched the most complete AC/DC Total Solution. Its complete solutions can be applied to various power system designs, and allows customers to quickly design solutions to meet market demand products; Through innovative product planning and collaborative development and integration with FAB factory processes, we aim to shorten the production cycle of our products, developing efficient, energy-saving, highly integrated, and cost optimized solutions. We will continue to invest in research and development resources for technological innovation in areas such as future AI applications, 5G, IoT, high-speed networks, smart home appliances/lighting, PD fast charging products, industrial control power supplies, medical power supplies, etc., and focus on the development of our industry.

The future development strategy of the company and the impact of external competitive environment, regulatory environment, and overall business environment

We firmly believe in focusing on product technology development, committed to sound corporate governance, fulfilling social responsibility, pursuing sustainable development, using innovative technology, chasing efficient power management IC products, assisting customers in complying with international regulations, reducing energy consumption, and maintaining a clean environment. Even in the face of rapid changes in the overall environment and fierce competition in the industry in the future, Leadtrend Technology can still construct technology and new product blueprints in response to market demand trends, seeking potential growth opportunities in the future, actively developing diversified and niche products, continuously innovating and improving technological energy, and moving towards the goal of increasing profits, creating higher value for customers and shareholders.

The board of directors of our company will continue to uphold the trust and long-term support of shareholders, strictly supervise the management team, and work hard with all colleagues to actively pursue the growth and strength of the company, in gratitude for the trust and encouragement of all shareholders. In the end, I would like to wish everyone good health and all the best. Thank you!

Kao Yu-kun, Chairman

Chi Heng-chung, 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 2023, 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

Apr. 11, 2024

Independent Auditors' Report

To: Leadtrend Technology Corporation

Opinion

We have audited the financial statements of Leadtrend Technology Corporation and its subsidiaries, which comprise the consolidated balance sheet as of Dec. 31, 2023 and 2022 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the years then ended, and the notes to the consolidated financial statements (including a summary of material accounting policies).

In our opinion, the said consolidated financial statements are prepared, in all material respects, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations recognized and published into effect by the Financial Supervisory Commission, and present fairly the consolidated financial conditions of Leadtrend Technology Corporation and its subsidiaries as of Dec. 31, 2023 and 2022 and the consolidated financial performance and consolidated cash flows for the years then ended.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Delegated Certified Public Accountants and the Auditing Standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit section below. We and our accounting firm are independent of Leadtrend Technology Corporation and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant and have fulfilled our other responsibilities under the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are the matters that, in our professional judgment, were most important in our audit of the consolidated financial statements of Leadtrend Technology Corporation and its subsidiaries for the year ended Dec. 31, 2023. These matters were addressed in the process of our audit of the consolidated financial statements and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters with respect to the consolidated financial statements of Leadtrend Technology Corporation and its subsidiaries for the year ended Dec. 31, 2023 are stated as follows:

Recognition of Sales Revenue

1. For the significant sales revenue amounts of Leadtrend Technology Corporation and its subsidiaries, please refer to Note 19. Proceeds from sale of power management integrated circuits are the main revenue of Leadtrend Technology Corporation and its subsidiaries. To initiate the process of recognizing such revenue, the production management personnel provide the delivery order to get the products ready for the customer as instructed by the business segment. After the products to be shipped are ready, quality assurance personnel are informed and requested to inspect the products. After products are inspected and qualified, production management personnel sign and affix the official seal to the delivery order and the

finished goods outbound order, have the products shipped after the approval of the authorized supervisor, and update the stock details in the operating system. Then the accountant recognizes the sales revenue based on the delivery order signed by the customer or the shipping company.

2. As the aforementioned transaction involves manual control, the risk of recognizing revenue by mistake or without obtaining the delivery order signed by the customer or the shipping company exists.
3. We consider the revenue recognition policy of Leadtrend Technology Corporation and its subsidiaries and evaluate appropriateness of the revenue recognition by understanding and testing the effectiveness of the internal controls on the approval of orders and the shipment procedures, sampling the vouchers relevant to sales revenue, reviewing the amounts received in cash or subsequent cash receipts in order to verify the existence and occurrence of the sales, and also check whether any abnormality about the entity to which products have been sold and the entity receiving payments exists.

Inventory Evaluation

Refer to Note 9 of the consolidated financial statements. It is significant that the inventory balance of Leadtrend Technology Corporation and its subsidiaries accounted for 32% of the total assets as of Dec. 31, 2023. Valuation allowance for inventories is a material accounting estimate. Leadtrend Technology Corporation and its subsidiaries engage in design and development of integrated circuits, and sell products after outsourcing manufacturing. As such products can be replaced fast in the highly competitive industry, inventory depreciation and obsolescence risks may exist.

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

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

Other Matters

We have audited the financial statements of Leadtrend Technology Corporation for the years ended Dec. 31, 2023 and 2022 on which we have issued the auditors' report containing an unqualified opinion for reference.

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

Management is responsible for preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting

Standards, IFRIC Interpretations and SIC Interpretations, which have been endorsed and issued into effect by the Financial Supervisory Commission, and also responsible for maintenance of the internal controls associated with the preparation of the consolidated financial statements, to ensure the consolidated financial statements free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, management is also responsible for assessing the ability of Leadtrend Technology Corporation and its subsidiaries to continue, as a going concern, disclosing any and all relevant matters and using the going concern basis of accounting unless management either intends to liquidate Leadtrend Technology Corporation and its subsidiaries or cease operations, or has no feasible alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for the one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
2. Obtain an understanding of the internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of Leadtrend Technology Corporation and its subsidiaries.
3. Evaluate the appropriateness of accounting policies used, and the reasonableness of accounting estimates and related disclosures made, by management.
4. Conclude, based on the audit evidence obtained, on the appropriateness of the management's use of the going concern basis of accounting, and whether a material uncertainty exists that is associated with any events or conditions casting significant doubt on the ability of Leadtrend Technology Corporation and its subsidiaries to continue as a going concern. If we believe that a material uncertainty exists, we are required to draw attention in our auditors' report to the relevant disclosures in the consolidated financial statements, or to modify our opinion if such disclosures are inadequate. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Leadtrend Technology Corporation and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including the notes thereof) and whether the consolidated financial statements appropriately represent the underlying transactions and events.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We

are responsible for the direction, supervision and performance of the audit conducted for the Group, and also responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we have determined the key audit matters in the audit of the consolidated financial statements of Leadtrend Technology Corporation and its subsidiaries for the year ended Dec. 31, 2023. We have described these matters in our auditors' report unless any law or regulation prohibits the matters from being disclosed or when, in extremely rare circumstances, we decide that the matters should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interests to be facilitated.

Deloitte & Touche
Huang Yu-Feng, CPA

Tsai Mei-Chen, CPA

Securities and Futures Bureau Approval
No.:
Tai-Cai-Zheng-6-Zi-0920123784

Financial Supervisory Commission Approval
No.:
Jin-Guan-Zheng-Shen-Zi-1010028123

Feb. 29, 2024

Leadtrend Technology Corporation and Subsidiaries

Consolidated Balance Sheet

Dec. 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

Code	Assets	Dec. 31, 2023		Dec. 31, 2022	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 457,745	24	\$ 250,680	13
1110	Financial assets at fair value through profit or loss - Current (Notes 4 and 7)	83,823	5	55,634	3
1170	Notes and accounts receivable (Notes 4 and 8)	191,426	10	169,644	9
130X	Inventories (Notes 4, 5 and 9)	607,755	32	808,004	43
1470	Other current assets (Note 14)	<u>19,210</u>	<u>1</u>	<u>36,407</u>	<u>2</u>
11XX	Total current assets	<u>1,359,959</u>	<u>72</u>	<u>1,320,369</u>	<u>70</u>
	Non-current assets				
1600	Property, plant and equipment (Notes 4 and 11)	477,962	26	529,530	28
1755	Right-of-use assets (Notes 4 and 12)	20,748	1	19,712	1
1780	Intangible assets (Notes 4 and 13)	11,132	1	13,829	1
1840	Deferred income tax assets (Notes 4 and 21)	541	-	91	-
1990	Other non-current assets (Notes 4 and 14)	<u>7,747</u>	<u>-</u>	<u>8,871</u>	<u>-</u>
15XX	Total non-current assets	<u>518,130</u>	<u>28</u>	<u>572,033</u>	<u>30</u>
1XXX	Total assets	<u>\$ 1,878,089</u>	<u>100</u>	<u>\$ 1,892,402</u>	<u>100</u>
	Liabilities and Equity				
	Current liabilities				
2170	Accounts payable	\$ 107,636	6	\$ 63,567	3
2200	Remunerations payable to employees and directors (Note 20)	19,215	1	37,508	2
2230	Current tax liabilities (Notes 4 and 21)	10,844	-	15,120	1
2280	Lease liabilities - Current (Notes 4 and 12)	11,785	1	12,415	1
2399	Other current liabilities (Note 15)	<u>75,259</u>	<u>4</u>	<u>97,519</u>	<u>5</u>
21XX	Total current liabilities	<u>224,739</u>	<u>12</u>	<u>226,129</u>	<u>12</u>
	Non-current liabilities				
2580	Lease liabilities - Non-current (Notes 4 and 12)	9,529	1	7,568	1
2640	Net defined benefit liabilities - Non-current (Notes 4 and 16)	-	-	4,840	-
2645	Guarantee deposits received	<u>860</u>	<u>-</u>	<u>914</u>	<u>-</u>
25XX	Total non-current liabilities	<u>10,389</u>	<u>1</u>	<u>13,322</u>	<u>1</u>
2XXX	Total liabilities	<u>235,128</u>	<u>13</u>	<u>239,451</u>	<u>13</u>
	Equity (Notes 4, 17 and 18)				
	Share capital				
3110	Ordinary share	589,178	31	568,838	30
	Capital reserve				
3210	Share premium	254,672	14	258,027	14
3251	Donations received from shareholders	84,732	4	84,732	4
3273	Employee restricted stock award shares	50,306	3	47,567	3
3280	Others	125	-	106	-
	Retained earnings				
3310	Legal reserve	215,284	11	199,793	11
3350	Unappropriated earnings	485,253	26	520,231	27
	Other equity				
3410	Exchange differences on translation of foreign operations' financial statements	(786)	-	5,602	-
3491	Employees' unearned compensation	<u>(35,803)</u>	<u>(2)</u>	<u>(31,945)</u>	<u>(2)</u>
3XXX	Total equity	<u>1,642,961</u>	<u>87</u>	<u>1,652,951</u>	<u>87</u>
	Total liabilities and equity	<u>\$ 1,878,089</u>	<u>100</u>	<u>\$ 1,892,402</u>	<u>100</u>

The accompanying notes constitute part of the consolidated financial statements.

Chairman: Kao Yu-Kun

Manager: Chi Heng-Chung

Accounting Manager: Huang Ya-Ching

Leadtrend Technology Corporation and Subsidiaries

Consolidated Statement of Comprehensive Income

for the years ended Dec. 31, 2023 and 2022

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

Code		2023		2022	
		Amount	%	Amount	%
	Operating revenue (Notes 4, 19 and 30)				
4110	Sales revenue	\$ 1,168,764	102	\$ 1,665,321	102
4170	Sales return and allowance	(27,170)	(2)	(33,444)	(2)
4000	Net operating revenue	1,141,594	100	1,631,877	100
	Operating cost (Notes 9, 16 and 20)				
5110	Cost of goods sold	712,066	63	968,729	60
5900	Gross profit	429,528	37	663,148	40
	Operating expenses (Notes 16 and 20)				
6100	Selling expense	69,935	6	87,577	5
6200	Management expense	97,927	9	107,549	7
6300	Research and development expense	267,371	23	312,978	19
6000	Total operating expenses	435,233	38	508,104	31
6900	Net operating profit (loss)	(5,705)	(1)	155,044	9
	Non-operating incomes and expenses (Note 20)				
7100	Interest income	4,207	1	3,472	-
7010	Other incomes	22,772	2	15,514	1
7020	Other gains and losses	3,909	-	16,735	1
7050	Financial cost	(461)	-	(564)	-
7000	Total non-operating incomes and expenses	30,427	3	35,157	2
7900	Profit before tax	24,722	2	190,201	11

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Code		2023		2022	
		Amount	%	Amount	%
7950	Tax (income) expense (Notes 4 and 21)	(\$ 4,142)	(1)	\$ 37,838	2
8200	Net profit of the year	28,864	3	152,363	9
	Other comprehensive incomes (losses)				
8310	Items not reclassified subsequently to profit or loss:				
8311	Remeasurement for defined employee benefit plan (Note 16)	-	-	2,552	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of foreign financial statements (Note 17)	(6,388)	(1)	3,735	1
8300	Total other comprehensive incomes (losses) (Net)	(6,388)	(1)	6,287	1
8500	Total comprehensive incomes (losses) for the year	\$ 22,476	2	\$ 158,650	10
	Earnings per share (Note 22)				
9750	Basic	\$ 0.50		\$ 2.66	
9850	Diluted	\$ 0.49		\$ 2.59	

The accompanying notes constitute part of the consolidated financial statements.

Chairman: Kao Yu-Kun Manager: Chi Heng-Chung Accounting Manager: Huang Ya-Ching

Leadtrend Technology Corporation and Subsidiaries
Consolidated Statement of Changes in Equity for the years ended Dec. 31, 2023 and 2022

(In thousands of New Taiwan Dollars, except as otherwise indicated herein)

Code		Common share capital		Capital reserve				Retained earnings			Other equity		Total equity
		Number of shares (In Thousands)	Amount	Share premium	Donations received from shareholders	Employee restricted stock award shares	Others	Legal reserve	Unappropriated earnings	Total	Exchange differences on translation of financial statements of foreign operations	Employees' unearned compensation	
A1	Balance at Jan. 1, 2022	52,864	\$ 528,646	\$ 273,131	\$ 84,732	\$ 51,708	\$ 98	\$ 166,987	\$ 582,957	\$ 749,944	\$ 1,867	(\$ 42,573)	\$ 1,647,553
	Earnings distributed for 2021:												
B1	Legal reserve allocated	-	-	-	-	-	-	32,806	(32,806)	-	-	-	-
B5	Cash dividends to shareholders — NTD 2.800 per share	-	-	-	-	-	-	-	(147,868)	(147,868)	-	-	(147,868)
B9	Stock dividends to shareholders— NTD 0.700 per share	<u>3,697</u>	<u>36,967</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(36,967)</u>	<u>(36,967)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total earnings distributed	<u>3,697</u>	<u>36,967</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,806</u>	<u>(217,641)</u>	<u>(184,835)</u>	<u>-</u>	<u>-</u>	<u>(147,868)</u>
C15	Capital reserve used for distribution of stock dividends —NTD 0.500 per share	-	-	(26,405)	-	-	-	-	-	-	-	-	(26,405)
C17	Other changes in capital reserve	-	-	-	-	-	8	-	-	-	-	-	8
D1	Net profit of 2022	-	-	-	-	-	-	-	152,363	152,363	-	-	152,363
D3	Other comprehensive incomes (losses) for 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,552</u>	<u>2,552</u>	<u>3,735</u>	<u>-</u>	<u>6,287</u>
D5	Total comprehensive incomes (losses) for 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>154,915</u>	<u>154,915</u>	<u>3,735</u>	<u>-</u>	<u>158,650</u>
N1	Issuance of employee restricted stock award shares	420	4,200	-	-	15,582	-	-	-	-	-	(19,782)	-
N1	Employee restricted stock award shares granted to employees	-	-	11,301	-	(11,301)	-	-	-	-	-	-	-
N1	Cancelled employee restricted stock award shares	(98)	(975)	-	-	975	-	-	-	-	-	-	-
N1	Compensation cost for employee restricted stock award shares	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,397)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,410</u>	<u>21,013</u>
Z1	Balance at Dec. 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
	Earnings distributed for 2022:												
B1	Legal reserve allocated	-	-	-	-	-	-	15,491	(15,491)	-	-	-	-
B5	Cash dividends to shareholders — NTD 0.550 per share	-	-	-	-	-	-	-	(31,286)	(31,286)	-	-	(31,286)
B9	Stock dividends to shareholders— NTD 0.300 per share	<u>1,707</u>	<u>17,065</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,065)</u>	<u>(17,065)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total earnings distributed	<u>1,707</u>	<u>17,065</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,491</u>	<u>(63,842)</u>	<u>(48,351)</u>	<u>-</u>	<u>-</u>	<u>(31,286)</u>
C15	Capital reserve used for distribution of cash dividends —NTD 0.350 per share	-	-	(19,909)	-	-	-	-	-	-	-	-	(19,909)
C17	Other changes in capital reserve	-	-	-	-	-	19	-	-	-	-	-	19
D1	Net profit of 2023	-	-	-	-	-	-	-	28,864	28,864	-	-	28,864
D3	Other comprehensive incomes (losses) for 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,388)</u>	<u>-</u>	<u>(6,388)</u>
D5	Total comprehensive incomes (losses) for 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,864</u>	<u>28,864</u>	<u>(6,388)</u>	<u>-</u>	<u>22,476</u>
N1	Issuance of restricted stock award shares	420	4,200	-	-	23,730	-	-	-	-	-	(27,930)	-
N1	Employee restricted stock award shares granted to employees	-	-	16,554	-	(16,554)	-	-	-	-	-	-	-
N1	Cancelled employee restricted stock award shares	(92)	(925)	-	-	925	-	-	-	-	-	-	-
N1	Compensation cost for employee restricted stock award shares	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,362)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,072</u>	<u>18,710</u>
Z1	Balance at Dec. 31, 2023	<u>58,918</u>	<u>\$ 589,178</u>	<u>\$ 254,672</u>	<u>\$ 84,732</u>	<u>\$ 50,306</u>	<u>\$ 125</u>	<u>\$ 215,284</u>	<u>\$ 485,253</u>	<u>\$ 700,537</u>	<u>(\$ 786)</u>	<u>(\$ 35,803)</u>	<u>\$ 1,642,961</u>

The accompanying notes constitute part of the consolidated financial statements.

Chairman: Kao Yu-Kun

Manager: Chi Heng-Chung

Accounting Manager: Huang Ya-Ching

Leadtrend Technology Corporation and Subsidiaries

Consolidated Statement of Cash Flows

for the years ended Dec. 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

<u>Code</u>		<u>2023</u>	<u>2022</u>
	Cash flows from operating activities		
A10000	Profit before tax	\$ 24,722	\$ 190,201
A20010	Incomes, expenses and losses:		
A20100	Depreciation expense	87,235	89,102
A20200	Amortization expense	10,516	13,194
A20400	Net gain on financial assets at fair value through profit or loss	(1,102)	(1,227)
A20900	Financial cost	461	564
A21200	Interest income	(4,207)	(3,472)
A21900	Compensation cost for employee restricted stock award shares	18,710	21,013
A22500	Net loss (gain) on disposal of property, plant and equipment	(1,843)	151
A29900	Profit from lease modification	-	(20)
A24100	Net exchange loss (gain)	3,378	(1,854)
A30000	Net change in operating assets and liabilities		
A31150	Decrease (increase) in notes and accounts receivable	(24,531)	151,993
A31200	Decrease (increase) in inventories	200,249	(349,783)
A31240	Decrease in other current assets	2,367	1,832
A32150	Increase (decrease) in accounts payable	45,099	(191,586)
A32200	Decrease in remunerations payable to employees and directors	(18,293)	(40,813)
A32230	Increase (decrease) in other current liabilities	(18,978)	6,831
A32240	Decrease in net defined benefit liabilities	(4,840)	(2,302)
A33000	Net cash provided by (used in) operations	318,943	(116,176)
A33300	Interest paid	(461)	(564)
A33500	Income tax paid	(584)	(81,973)
AAAA	Net cash generated by operating activities	<u>317,898</u>	<u>(198,713)</u>

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Code		2023	2022
	Cash flows from investing activities		
B00100	Acquisition of financial assets at fair value through profit or loss	(\$ 103,848)	(\$ 57,304)
B00200	Disposal of financial assets at fair value through profit or loss	75,723	114,608
B02700	Acquisition of property, plant and equipment	(34,380)	(124,711)
B02800	Proceeds from disposal of property, plant and equipment	10,395	-
B03700	Increase (decrease) in refundable deposits	15,289	(14,486)
B04500	Acquisition of intangible assets	(7,819)	(17,519)
B07500	Interest received	4,037	3,550
BBBB	Net cash used in investing activities	(40,603)	(95,862)
	Cash flows from financing activities		
C03000	Decrease in guarantee deposits received	(54)	(332)
C04020	Payments of lease liabilities	(12,762)	(13,417)
C04500	Allocated cash dividends	(51,195)	(174,273)
C09900	Other financing activities	19	8
CCCC	Net cash used in financing activities	(63,992)	(188,014)
DDDD	Effect of exchange rate changes on cash and cash equivalents	(6,238)	3,838
EEEE	Increase (decrease) in cash and cash equivalents for the year	207,065	(478,751)
E00100	Balance of cash and cash equivalents at the beginning of the year	<u>250,680</u>	<u>729,431</u>
E00200	Balance of cash and cash equivalents at the end of the year	<u>\$ 457,745</u>	<u>\$ 250,680</u>

The accompanying notes constitute part of the consolidated financial statements.

Chairman: Kao Yu-Kun Manager: Chi Heng-Chung Accounting Manager: Huang Ya-Ching

Independent Auditors' Report

To: Leadtrend Technology Corporation

Opinion

We have audited the financial statements of Leadtrend Technology Corporation, which comprise the parent-company-only balance sheet as of Dec. 31, 2023 and 2022 and the parent-company-only statement of comprehensive income, parent-company-only statement of changes in equity and parent-company-only statement of cash flows for the years then ended, and the notes to the parent-company-only financial statements (including a summary of material accounting policies).

In our opinion, the said parent-company-only financial statements are prepared, in all material respects, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and present fairly the parent-company-only financial conditions of Leadtrend Technology Corporation as of Dec. 31, 2023 and 2022 and the parent-company-only financial performance and parent-company-only cash flows for the years then ended.

Basis of Opinion

We conducted our audit of the parent-company-only financial statements in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Delegated Certified Public Accountants and the Auditing Standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit section below. We and our accounting firm are independent of Leadtrend Technology Corporation in accordance with the Norm of Professional Ethics for Certified Public Accountant and have fulfilled our other responsibilities under the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are the matters that, in our professional judgment, were most important in our audit of the parent-company-only financial statements of Leadtrend Technology Corporation for the year ended Dec. 31, 2023. These matters were addressed in the process of our audit of the parent-company-only financial statements and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters with respect to the parent-company-only financial statements of Leadtrend Technology Corporation for the year ended Dec. 31, 2023 are stated as follows:

Recognition of Sales Revenue

1. For the significant sales revenue amount of Leadtrend Technology Corporation, please refer to Note 18. Proceeds from sale of power management integrated circuits are the main revenue of Leadtrend Technology Corporation. To initiate the process of recognizing such revenue, the production management personnel provide the delivery order to get the products ready for the customer as instructed by the business segment. After the products to be shipped are ready, quality assurance personnel are informed and requested to inspect

the products. After products are inspected and qualified, production management personnel sign and affix the official seal to the delivery order and the finished goods outbound order, have the products shipped after the approval of the authorized supervisor, and update the stock details in the operating system. Then the accountant recognizes the sales revenue based on the delivery order signed by the customer or the shipping company.

2. As the aforementioned transaction involves manual control, the risk of recognizing revenue by mistake or without obtaining the delivery order signed by the customer or the shipping company exists.
3. We consider the revenue recognition policy of Leadtrend Technology Corporation and evaluate appropriateness of the revenue recognition by understanding and testing the effectiveness of the internal controls on the approval of orders and the shipment procedures, sampling the vouchers relevant to sales revenue, reviewing the amounts received in cash or subsequent cash receipts in order to verify the existence and occurrence of the sales, and also check whether any abnormality about the entity to which products have been sold and the entity receiving payments exists.

Inventory Evaluation

Refer to Note 8 of the parent-company-only financial statements. It is significant that the inventory balance of Leadtrend Technology Corporation accounted for 29% of the total assets as of Dec. 31, 2023. Valuation allowance for inventories is a material accounting estimate. Leadtrend Technology Corporation engages in design and development of integrated circuits, and sells products after outsourcing manufacturing. As such products can be replaced fast in the highly competitive industry, inventory depreciation and obsolescence risks may exist.

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

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

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

Management is responsible for preparation and fair presentation of the parent-company-only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and also responsible for maintenance of the internal controls associated with the preparation of the parent-company-only financial statements, to ensure the parent-company-only financial statements free from material misstatement, whether due to fraud or error.

In preparing the parent-company-only financial statements, management is also responsible for assessing the ability of Leadtrend Technology Corporation to continue, as a going concern,

disclosing any and all relevant matters and using the going concern basis of accounting unless management either intends to liquidate Leadtrend Technology Corporation or cease operations, or has no feasible alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Parent-company-only Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the parent-company-only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for the one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
2. Obtain an understanding of the internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of Leadtrend Technology Corporation.
3. Evaluate the appropriateness of accounting policies used, and the reasonableness of accounting estimates and related disclosures made, by management.
4. Conclude, based on the audit evidence obtained, on the appropriateness of the management's use of the going concern basis of accounting, and whether a material uncertainty exists that is associated with any events or conditions casting significant doubt on the ability of Leadtrend Technology Corporation to continue as a going concern. If we believe that a material uncertainty exists, we are required to draw attention in our auditors' report to the relevant disclosures in the parent-company-only financial statements, or to modify our opinion if such disclosures are inadequate. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Leadtrend Technology Corporation to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent-company-only financial statements (including the notes thereof) and whether the parent-company-only financial statements appropriately represent the underlying transactions and events.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities in Leadtrend Technology Corporation to express an opinion on the parent-company-only financial statements. We are responsible for the direction, supervision and performance of the audit, and also responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we have determined the key audit matters in the audit of the parent-company-only financial statements of Leadtrend Technology Corporation for the year ended Dec. 31, 2023. We have described these matters in our auditors' report unless any law or regulation prohibits the matters from being disclosed or when, in extremely rare circumstances, we decide that the matters should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interests to be facilitated.

Deloitte & Touche
Huang Yu-Feng, CPA

Tsai Mei-Chen, CPA

Securities and Futures Bureau Approval
No.:
Tai-Cai-Zheng-6-Zi-0920123784

Financial Supervisory Commission Approval
No.:
Jin-Guan-Zheng-Shen-Zi-1010028123

Feb. 29, 2024

Leadtrend Technology Corporation
Parent-company-only Balance Sheet
Dec. 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

Code	Assets	Dec. 31, 2023		Dec. 31, 2022	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 439,220	24	\$ 223,300	12
1170	Accounts receivable (Notes 4, 5, 7 and 18)	108,662	6	103,592	5
1180	Accounts receivable – Related parties (Notes 4, 5, 7 and 25)	40,266	2	29,074	2
130X	Inventories (Notes 4, 5 and 9)	541,979	29	750,880	40
1470	Other current assets (Notes 13 and 25)	14,360	1	34,071	2
11XX	Total current assets	<u>1,144,487</u>	<u>62</u>	<u>1,140,917</u>	<u>61</u>
	Non-current assets				
1550	Investments accounted for using equity method (Notes 4 and 9)	235,499	13	207,124	11
1600	Property, plant and equipment (Notes 4 and 10)	431,913	23	480,674	26
1755	Right-of-use assets (Notes 4 and 11)	12,165	1	14,897	1
1780	Intangible assets (Notes 4 and 12)	11,132	1	13,829	1
1840	Deferred income tax assets (Notes 4 and 20)	541	-	91	-
1990	Other non-current assets (Notes 4 and 13)	5,272	-	7,788	-
15XX	Total non-current assets	<u>696,522</u>	<u>38</u>	<u>724,403</u>	<u>39</u>
1XXX	Total assets	<u>\$ 1,841,009</u>	<u>100</u>	<u>\$ 1,865,320</u>	<u>100</u>
	Liabilities and Equity				
	Current liabilities				
2170	Accounts payable	\$ 94,183	5	\$ 58,122	3
2200	Remunerations payable to employees and directors (Note 19)	19,215	1	37,508	2
2230	Current tax liabilities (Notes 4 and 20)	10,844	1	15,120	1
2280	Lease liabilities – Current (Notes 4 and 11)	8,430	1	7,878	1
2399	Other current liabilities (Note 14)	60,912	3	81,510	4
21XX	Total current liabilities	<u>193,584</u>	<u>11</u>	<u>200,138</u>	<u>11</u>
	Non-current liabilities				
2580	Lease liabilities – Non-current (Notes 4 and 11)	4,232	-	7,189	-
2640	Net defined benefit liabilities – Non-current (Notes 4 and 15)	-	-	4,840	-
2645	Guarantee deposits received	232	-	202	-
25XX	Total non-current liabilities	<u>4,464</u>	<u>-</u>	<u>12,231</u>	<u>-</u>
2XXX	Total liabilities	<u>198,048</u>	<u>11</u>	<u>212,369</u>	<u>11</u>
	Equity (Notes 4, 16 and 17)				
	Share capital				
3110	Ordinary share	589,178	32	568,838	30
	Capital reserve				
3210	Share premium	254,672	14	258,027	14
3251	Donations received from shareholders	84,732	4	84,732	4
3273	Employee restricted stock award shares	50,306	3	47,567	3
3280	Others	125	-	106	-
	Retained earnings				
3310	Legal reserve	215,284	12	199,793	11
3350	Unappropriated earnings	485,253	26	520,231	28
	Other equity				
3410	Exchange differences on translation of foreign operations' financial statements	(786)	-	5,602	1
3491	Employees' unearned compensation	(35,803)	(2)	(31,945)	(2)
3XXX	Total equity	<u>1,642,961</u>	<u>89</u>	<u>1,652,951</u>	<u>89</u>
	Total liabilities and equity	<u>\$ 1,841,009</u>	<u>100</u>	<u>\$ 1,865,320</u>	<u>100</u>

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

Chairman: Kao Yu-Kun

Manager: Chi Heng-Chung

Accounting Manager: Huang Ya-Ching

Leadtrend Technology Corporation
Parent-company-only Statement of Comprehensive Income
for the years ended Dec. 31, 2023 and 2022

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

Code		2023		2022	
		Amount	%	Amount	%
	Operating revenue (Notes 4, 18 and 25)				
4110	Sales revenue	\$ 1,053,091	103	\$ 1,581,314	102
4170	Sales return and allowance	(25,955)	(3)	(25,452)	(2)
4000	Net operating revenue	1,027,136	100	1,555,862	100
	Operating cost (Notes 9, 15 and 19)				
5110	Cost of goods sold	677,439	66	949,915	61
5900	Gross profit	349,697	34	605,947	39
5910	Unrealized profit from sales (Note 4)	(28,146)	(3)	(55,786)	(4)
5920	Realized profit from sales (Note 4)	27,245	3	24,080	2
5950	Realized gross profit	348,796	34	574,241	37
	Operating expenses (Notes 15 and 19)				
6100	Selling expense	49,596	5	56,751	3
6200	Management expense	93,067	9	107,524	7
6300	Research and development expense	244,386	23	275,685	18
6000	Total operating expenses	387,049	37	439,960	28
6900	Net operating profit (loss)	(38,253)	(3)	134,281	9
	Non-operating incomes and expenses (Note 19)				
7100	Interest income	4,073	-	3,354	-
7010	Other incomes (Note 22)	18,377	2	12,991	1
7020	Other gains and losses	2,783	-	16,491	1
7050	Financial cost	(338)	-	(433)	-
7070	Share of profit or loss of subsidiaries accounted for using the equity method (Notes 4 and 9)	38,080	4	23,517	1
7000	Total non-operating incomes and expenses	62,975	6	55,920	3

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Code		2023		2022	
		Amount	%	Amount	%
7900	Profit before tax	\$ 24,722	3	\$ 190,201	12
7950	Tax (income) expense (Notes 4 and 20)	(4,142)	-	37,838	2
8200	Net profit of the year	28,864	3	152,363	10
	Other comprehensive incomes (losses)				
8310	Items not reclassified subsequently to profit or loss:				
8311	Remeasurement for defined employee benefit plan (Note 15)	-	-	2,552	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of foreign financial statements (Note 16)	(6,388)	(1)	3,735	-
8300	Total other comprehensive incomes (losses) (Net)	(6,388)	(1)	6,287	-
8500	Total comprehensive incomes (losses) for the year	\$ 22,476	2	\$ 158,650	10
	Earnings per share (Note 21)				
9750	Basic	\$ 0.50		\$ 2.66	
9850	Diluted	\$ 0.49		\$ 2.59	

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

Chairman: Kao Yu-Kun

Manager: Chi Heng-Chung

Accounting Manager: Huang Ya-Ching

Leadtrend Technology Corporation												
Parent-company-only Statement of Changes in Equity for the years ended Dec. 31, 2023 and 2022										(In thousands of New Taiwan Dollars, except as otherwise indicated herein)		
Code		Common share capital		Capital reserve				Retained earnings			Other equity	
		Number of shares (In Thousands)	Amount	Share premium	Donations received from shareholders	Employee restricted stock award shares	Others	Legal reserve	Unappropriated earnings	Total	Exchange differences on translation of financial statements of foreign operations	Employees' unearned compensation
A1	Balance at Jan. 1, 2022	52,864	\$ 528,646	\$ 273,131	\$ 84,732	\$ 51,708	\$ 98	\$ 166,987	\$ 582,957	\$ 749,944	\$ 1,867	(\$ 42,573)
	Earnings distributed for 2021:											
B1	Legal reserve allocated	-	-	-	-	-	-	32,806	(32,806)	-	-	-
B5	Cash dividends to shareholders – NTD 2.800 per share	-	-	-	-	-	-	-	(147,868)	(147,868)	-	-
B9	Stock dividends to shareholders – NTD 0.700 per share	3,697	36,967	-	-	-	-	-	(36,967)	(36,967)	-	-
	Total earnings distributed	3,697	36,967	-	-	-	-	32,806	(217,641)	(184,835)	-	-
C15	Capital reserve used for distribution of cash dividends – NTD 0.500 per share	-	-	(26,405)	-	-	-	-	-	-	-	-
C17	Other changes in capital reserve	-	-	-	-	-	8	-	-	-	-	-
D1	Net profit of 2022	-	-	-	-	-	-	-	152,363	152,363	-	-
D3	Other comprehensive incomes (losses) for 2022	-	-	-	-	-	-	-	2,552	2,552	3,735	-
D5	Total comprehensive incomes (losses) for 2022	-	-	-	-	-	-	-	154,915	154,915	3,735	-
N1	Issuance of employee restricted stock award shares	420	4,200	-	-	15,582	-	-	-	-	-	(19,782)
N1	Employee restricted stock award shares granted to employees	-	-	11,301	-	(11,301)	-	-	-	-	-	-
N1	Cancelled employee restricted stock award shares	(98)	(975)	-	-	975	-	-	-	-	-	-
N1	Compensation cost for employee restricted stock award shares	-	-	-	-	(9,397)	-	-	-	-	-	30,410
Z1	Balance at Dec. 31, 2022	56,883	568,838	258,027	84,732	47,567	106	199,793	520,231	720,024	5,602	(31,945)
	Earnings distributed for 2022:											
B1	Legal reserve allocated	-	-	-	-	-	-	15,491	(15,491)	-	-	-
B5	Cash dividends to shareholders – NTD 0.550 per share	-	-	-	-	-	-	-	(31,286)	(31,286)	-	-
B9	Stock dividends to shareholders – NTD 0.300 per share	1,707	17,065	-	-	-	-	-	(17,065)	(17,065)	-	-
	Total earnings distributed	1,707	17,065	-	-	-	-	15,491	(63,842)	(48,351)	-	-
C15	Capital reserve used for distribution of cash dividends – NTD 0.350 per share	-	-	(19,909)	-	-	-	-	-	-	-	-
C17	Other changes in capital reserve	-	-	-	-	-	19	-	-	-	-	-
D1	Net profit of 2023	-	-	-	-	-	-	-	28,864	28,864	-	-
D3	Other comprehensive incomes (losses) for 2023	-	-	-	-	-	-	-	-	-	(6,388)	-
D5	Total comprehensive incomes (losses) for 2023	-	-	-	-	-	-	-	28,864	28,864	(6,388)	-
N1	Issuance of restricted stock award shares	420	4,200	-	-	23,730	-	-	-	-	-	(27,930)
N1	Employee restricted stock award shares granted to employees	-	-	16,554	-	(16,554)	-	-	-	-	-	-
N1	Cancelled employee restricted stock award shares	(92)	(925)	-	-	925	-	-	-	-	-	-
N1	Compensation cost for employee restricted stock award shares	-	-	-	-	(5,362)	-	-	-	-	-	24,072
Z1	Balance at Dec. 31, 2023	58,918	\$ 589,178	\$ 254,672	\$ 84,732	\$ 50,306	\$ 125	\$ 215,284	\$ 485,253	\$ 700,537	(\$ 786)	(\$ 35,803)

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

Chairman: Kao Yu-Kun

Manager: Chi Heng-Chung

Accounting Manager: Huang Ya-Ching

Leadtrend Technology Corporation
Parent-company-only Statement of Cash Flows
for the years ended Dec. 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

Code		2023	2022
	Cash flows from operating activities		
A10000	Profit before tax	\$ 24,722	\$ 190,201
A20010	Incomes, expenses and losses:		
A20100	Depreciation expense	79,199	81,204
A20200	Amortization expense	10,516	13,194
A20900	Financial cost	338	433
A21200	Interest income	(4,073)	(3,354)
A21900	Compensation cost for employee restricted stock award shares	18,710	21,013
A22400	Share of profit or loss of subsidiaries accounted for using the equity method	(38,080)	(23,517)
A23200	Proceeds from disposal of subsidiaries recognized by using equity method	(1,139)	-
A22500	Net gain on disposal of property, plant and equipment	(1,843)	-
A23900	Unrealized profit on intercompany sales	28,146	55,786
A24000	Realized profit on intercompany sales	(27,245)	(24,080)
A29900	Profit from lease modification	-	(20)
A24100	Net exchange loss	2,249	340
A30000	Net change in operating assets and liabilities		
A31150	Decrease (increase) in accounts receivable	(7,819)	119,474
A31160	Decrease (increase) in accounts receivable – Related parties	(11,165)	64,033
A31200	Decrease (increase) in inventories	208,901	(322,889)
A31240	Decrease in other current assets	4,843	3,892
A32150	Increase (decrease) in accounts payable	37,091	(189,607)
A32200	Decrease in remunerations payable to employees and directors	(18,293)	(40,813)

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Code		2023	2022
A32230	Decrease in other current liabilities	(\$ 17,316)	(\$ 3,911)
A32240	Decrease in net defined benefit liabilities	(4,840)	(2,302)
A33000	Net cash provided by (used in) operations	282,902	(60,923)
A33300	Interest paid	(338)	(433)
A33500	Income tax paid	(584)	(81,973)
AAAA	Net cash generated by operating activities	<u>281,980</u>	(<u>143,329</u>)
	Cash flows from investing activities		
B01900	Net cash generated from disposal of subsidiaries	3,555	-
B02700	Acquisition of property, plant and equipment	(31,095)	(118,835)
B02800	Proceeds from disposal of property, plant and equipment	10,395	-
B03700	Decrease (increase) in refundable deposits	15,227	(14,520)
B04500	Acquisition of intangible assets	(7,819)	(17,519)
B07500	Interest received	<u>3,903</u>	<u>3,432</u>
BBBB	Net cash used in investing activities	(<u>5,834</u>)	(<u>147,442</u>)
	Cash flows from financing activities		
C03000	Increase in guarantee deposits received	30	11
C04020	Payments of lease liabilities	(8,561)	(8,859)
C04500	Allocated cash dividends	(51,195)	(174,273)
C09900	Other financing activities	<u>19</u>	<u>8</u>
CCCC	Net cash used in financing activities	(<u>59,707</u>)	(<u>183,113</u>)
DDDD	Effect of exchange rate changes on cash and cash equivalents	(<u>519</u>)	<u>103</u>
EEEE	Increase (decrease) in cash and cash equivalents for the year		(473,781)
E00100	Balance of cash and cash equivalents at the beginning of the year	<u>223,300</u>	<u>697,081</u>
E00200	Balance of cash and cash equivalents at the end of the year	<u>\$ 439,220</u>	<u>\$ 223,300</u>

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

Leadtrend Technology Corporation
Earnings Distribution Statement for 2023

Unit: NT\$

Item	Amount
Undistributed earnings at the beginning of the year	456,387,231
Net profit after tax this year	28,865,007
Allocated 10% of legal reserve	(2,886,501)
Distributable earnings this year	25,978,506
Accumulated distributable earnings	482,365,737
Allocation	
Dividends to shareholders—Stocks (NT\$0.2 per share)	(11,637,570)
Undistributed earnings at the end of the year	470,728,167
<p>Note 1: The allocated dividends are calculated based on the number of shares issued already for participation in allocation of rights, i.e. 58,187,843 shares, upon resolution at the board meeting of Apr. 11, 2024.</p>	
<p>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.</p>	

Chairman:
Kao Yu-Kun

Manager:
Chi Heng-Chung

Accounting Supervisor:
Huang Ya-Ching

Leadtrend Technology Corporation

Regulations for Issue of Restricted Stock Awards 2024

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 2024 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.

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 holds shareholders' meeting by video conference or in other manners announced by the central competent authority. Regulations about the conditions required of sharehodlers' 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 status of the current year's earnings, including distributable earnings, capital surplus and such distributable sources as provided by the law. The total 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.

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 eight 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.

The twentieth amendment was made on 13 June 2023.

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: Mar.30, 2024

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	4,784,628	8.12%
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		4,784,628	8.12%

Note: The total number of shares issued by the Company on Mar.30, 2024: 58,900,343 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.