

Stock Code : 2465



LEADTEK

麗臺科技股份有限公司

2024 Annual General Meeting Handbook

Date: June 12, 2024

Venue: B2, No. 726, Zhongzheng Rd., Zhonghe Dist., New Taipei City
(Block 2, Far Eastern New Century Park)

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Leadtek Research Inc.
Procedure of 2024 Annual General Meeting

- I. Calling the Meeting to Order
- II. Chairman Remarks
- III. Management Presentation
- IV. Ratification
- V. Discussion
- VI. Any Other Business (AOB)
- VII. Adjournment

Leadtek Research Inc.
Procedure of 2024 Annual General Meeting

Time: 09:00, Wednesday, June 12, 2024

Venue: B2, No. 726, Zhongzheng Rd., Zhonghe Dist., New Taipei
City (Block 2, Far Eastern New Century Park)

Format: Physical AGM

- I. Calling the Meeting to Order (report on the shares held by shareholders present)
- II. Chairman Remarks
- III. Management Presentation
 - (I) 2023 Business Report
 - (II) 2023 Audit Report of Audit Committee
 - (III) Report on the Actual Handling of Private Placement in 2023
 - (IV) Improvement Plan for Overdue Lending
- IV. Ratification
 - (I) Financial Statements and Business Report for 2023
 - (II) Proposal for Making up Losses in 2023
- V. Discussion
 - (I) Proposal of Abolishing the Non-Compete Restrictions for New Directors
- VI. Any Other Business (AOB)
- VII. Adjournment

I. Management Presentation

(I) 2023 Business Report

1. Operation Highlight

The economy was still sluggish in the first half of 2023, but as the COVID-19 epidemic weakened, the world gradually eased lockdowns, and economic activities began to pick up, the economy began to pick up in the second half of the year. The company's operations stabilized and improved in the second half of the year, inventory was gradually reduced, and the company turned a profit in the fourth quarter. The full-year consolidated revenue in 2023 totaled NT\$4.276 billion, a decrease of 19% from NT\$5.311 billion in 2022. The overall gross profit was NT\$628 million, the gross profit margin rose to 15%, and the net operating loss for the year was NT\$98.52 million; non-operating expenses were due to interest expenses and foreign currency losses, and the total non-operating expenses were NT\$34.28 million; after deducting income tax expenses, the net after-tax attributable to the parent company in 2023 The loss was NT\$160 million, and the loss per share was NT\$2.53.

The rapid rise of ChatGPT has set off an upsurge in the widespread application of AI. The demand for computing power is huge. NVIDIA has taken the lead in the industry in launching AI system products and graphics cards with super computing power. Leadtek is a partner of NVIDIA in the Asia-Pacific market. Unfortunately, it is less energy to capture the market in terms of servers and system. Popular AI computing systems have the opportunity to increase revenue in China. However, the Sino-US trade war has restricted the export of the most popular high-end products to China. As a result, the specifications must be lowered, which reduces a lot of business opportunities, and it can only expand sales of

mid- to low-end graphics cards to grow its performance. The self-developed AIDMS system (AI Development Management System) has been adopted by manufacturing users in Taiwan. Combining it with the hardware system is expected to achieve great results, and it is expected to be expanded to the international market in the future. NVIDIA's deep learning DLI and Omniverse software are also gradually developing in the Asia-Pacific market and China, and we look forward to achieving good results in software sales in the future. Sales of Zero Client virtual terminals have declined slightly, but the self-developed operating system (Device Management System) has been recognized by customers. In the future, it is expected to increase competitiveness and profits in conjunction with hardware sales.

Medical product oximeter demand has declined after the COVID-19 epidemic, but it is still a major brand in the Taiwan market. New types of continuous blood oxygen monitoring and sleep quality analysis are gradually entering the market. Leadtek brand forehead thermometers have also been widely launched in Taiwan. The newly launched biotechnology product Fullskin Essence 1.1 has been launched and has been well received. It has begun to enter international markets such as Hong Kong and Japan. The newly created health product BtNPN Nanopatch has excellent deep soothing effects and has been widely praised. Experiments have confirmed it has excellent performance in improving human immunity and vitality. When paired with the 8z05 heart rhythm variation analyzer or H2Plus ECG bracelet, it is a very effective health promotion solution and is expected to create great results in the elderly health and long-term care markets.

2.2024 Annual business plan and development strategy are affected by the external competitive environment, regulatory environment and overall operating environment

Leadtek Research Inc. introduced strategic investments from Ablecom Technology Inc. and Compuware Technology Inc. through private equity in October 2023, and has strong resources in server product chassis, heat dissipation or water cooling systems, power supplies and motherboards; In addition to vigorously selling these products in the market to increase profits, with the help of resources in the workstation computer market that Leadtek is more familiar with, it can be combined with Leadtek game graphics cards or agent NVIDIA workstation graphics cards, and even add Leadtek AI software or NVIDIA AI or Ominiverse software constitutes an excellent overall AI workstation solution for users. It is also expected to gain some market share in the most popular AI computing power server market. From now on, the integration of GPU graphics cards, workstations and servers will be Leadtek's main revenue. I believe that good management will bring long-term and stable growth. As for other product businesses, including big data, game research and development, medical products, biotech products, etc., we plan to gradually separate and become independent in the next few years, and we look forward to achieving good results in various industries.

Leadtek Research Inc.

Lu Kun-Shan, Chairman

Lu Kun-Shan, CEO

Huang Huei-Chin, Chief Accounting Officer

(II) 2023 Audit Report of Audit Committee

Leadtek Research Inc. Audit Report of Audit Committee

This is to certify that

After completing the audit of the Company's individual financial statements and consolidated financial statements for 2023 submitted by the Board of Directors and audited by independent auditors Chien Szu-Chuan and Kuo Kuan-Ying of KPMG, the business report, and the loss compensation proposal, this Committee found no noncompliance and thus issued this audit report in accordance with Article 14-4 of the *Securities and Exchange Act* and Article 219 of the *Company Act*.

To

The 2024 Annual General Meeting of Leadtek Research Inc.

Ho Yao-Hung, Convener of the Audit Committee

Date: February 26, 2024

- (III) Report on the Actual Handling of Private Placement in 2023. Please refer to Annexes 1 in pp. 10 of this Handbook.
- (IV) Improvement Plan for Overdue Lending
1. Between April and June 2017, we lent to subsidiary Leadhope International Inc. Co., Ltd. (Leadhope International) a sum of NT\$35,000,000. Leadhope International lent the whole amount to Blueside Inc. of South Korea to market the online game *Kingdom Under Fire 2* in Taiwan, Hong Kong, and Macau during its launch.
 2. During 2017-2018 and 2019-2023, Blueside Inc. of South Korea repaid NT\$7,960,486 and NT\$444,018 respectively. By the end of 2023, we have already lent NT\$26,595,496 in total to Leadhope International.
 3. This improvement plan for overdue lending was passed by the Board on February 26, 2024. It is hoped that the total amount of lending will be recovered by the end of 2024 in accordance with Letter Jin-Guan-Zheng-Shen-Zi No. 1120365158 issued by the competent authorities on December 21, 2023. The capital lending and length of the extension will be implemented in accordance with the improvement plan. The progress will be reported to the Board for control and publish the status of improvement.
 4. The Company will carry out the Plan exactly.

II. Ratification

(Proposal 1 made by the Board)

Financial statements and business report for 2023.

Explanation:

1. The individual financial statements and consolidated financial statements for 2023 (including the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity, and Statement of Cash Flow) have been audited and certified by KMPG Taiwan. These statements, alongside the business report, have also

been audited by the Audit Committee without any non-compliance.

2. The 2023 Business Report, CPA Audit Report, and the above financial statements (please refer to Annexes 2 and 3 in pp. 3-4 and pp. 12-28 of this Handbook).

Resolution:

(Proposal 2 made by the Board)

Proposal for making up losses in 2023

Explanation: The proposal for making up losses in 2023 is as follows:

Leadtek Research Inc.
Loss Make-up Table
2023

Unit: NTD

Item	Amount	
	Subtotal	Total
Beginning losses for make-up		(73,074,717)
Add: Remeasurement of defined benefit plans	520,800	
Less: Net loss after tax in 2023	(159,729,189)	
Losses for make-up		(232,283,106)
Item of losses for make-up		
Additional paid-in capital in excess of par - Common Stock	232,283,106	
Ending losses for make-up		0

Chairman

CEO:

CAO:

Resolution:

III. Discussion

(Proposal 1 made by the Board)

Proposal of abolishing the non-compete restrictions for directors.

Explanation:

- (I) In accordance with Article 209 of the *Company Act*: “A director who does anything for himself

or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.”

- (II) If new directors of the Company have invested in other companies having a scope of services *identical* or similar to that of the Company, with the premise of not harming the Company's interest, the AGM is asked to lift the non-compete restrictions on these directors.
- (III) Please refer to Annex 4 Details of Non-Compete Restrictions for Directors in p. 29 of the Handbook.

Resolution:

IV. Any Other Business (AOB)

Adjournment

Annex 1

Leadtek Research Inc. Leadtek Research Inc. 2023 Private Placement

Items	2023 Private Placement to Issue Common Shares Issue Date: November 21, 2023
Approved Date by Shareholders' Meeting and share Amount	The company resolved to raise fund by private placement of 25,000,000 shares at shareholders' meeting on October 4 th , 2023, and authorized the board to carry out the private placement one time within one year.
The basis and rationale for the setting of the price	<p>(1) The referenced price for this private placement project is calculated based on: the simple arithmetic mean of the closing price of common stocks on any one of the first, third, and fifth business days before the price setting date deducting the ex-right and ex-dividend stock dividend price and then adding back the stock price after right resumption; or the simple arithmetic mean of the closing price of common stocks of 30 days before the price setting date deducting the ex-right and ex-dividend stock dividend price and then adding back the stock price after the right resumption, whichever price is higher.</p> <p>(2) The EGM is asked to authorize the Board to determine the actual private placement price and actual price setting date after the discussion with the prospective investors and the market condition in the future. However, the actual private placement price shall not be lower than 70% of the referenced price. The company shall engage an independent expert, Chi-Rou Tai, from L.H. CHEN & CO., CPAs. to provide an Opinion on the Reasonableness of the price of Private Placement.</p> <p>(3) Followed by the rule of setting price, the company adopted October 6th, 2023 as the price setting date. The simple arithmetic mean of the closing price of common stocks on any one of the first, third, and fifth business days before the price setting date is NT\$38.80, NT\$38.67, and NT\$38.23 respectively. The company compared NT\$38.23, and NT\$36.56 on basis, the simple arithmetic mean of the closing price of common stocks of fifth and 30 days before the price setting date, and chose higher price NT\$38.23 as the referenced price. The actual private placement price shall not be lower than 70% of the referenced price. Therefore, the actual setting price for this private placement is NT\$26.76.</p>
Selection of prospective investors	<p>(1) The prospective investors of the private placement shall meet the requirements as stipulated in Article 43-6 of the Security and Exchange Act and Letter (91) Tai-Cai-Zheng-Yi-Zi No. 0910003455 issued by the Financial Supervisory Commission on June 13, 2002.</p> <p>(2) Strategic investors as prospective investors: Methods and purpose of selection: Individuals or companies facilitating the Company's technological advancement, product development, cost reduction, market expansion, or customer relationship improvement will be selected to improve the Company's operational performance or profitability with their experience, know-how, knowledge, or channels.</p>
Reasons for private placement	Private placement is more quickly and more convenient to attract investors. Private placement based on the Company's actual operational needs as determined by the Board through authorization can effectively increase the mobility and flexibility of fund-raising for the Company.
Completed Date	October 19 th , 2023

	Name of Investors	Qualification	Acquired Volume	Relation	Involved in Operation
Information of Prospective Investor	AblecomTechnologyInc.	Meet the requirements as stipulated in Article 43-6-1-2 of the Security and Exchange Act	16,667,000 shares	None	None
	Compuware Technology Inc.		8,333,000 shares	None	None
Actual setting price	NT\$26.76 per share				
Difference between the actual price and referenced price	The actual price is 70% of the referenced price.				
The influence of private placement to the shareholders' equity	It is expected to improve financial structure, enhance operating performance, and strengthen the company's competition.				
The fund usage of private placement and executed schedule as planned.	The fund of NT\$669,000,000 by private placement is used to return the bank borrowings, enrich working capital; The capital usage plan was executed during October 21~31 and expected to complete the plan.				
The benefits of private placement	<p>Enrich working capital, enhance the capital level, increase flexibility of capital management.</p> <p>Improve financial structure, enhance liquid ratio, and lower liability ratio.</p> <p>The 2023 Q3 Consolidated financial statement showed the liquidity ratio is 104.04%, and the liability ratio is 86.35%</p> <p>After the private placement completed, the 2023 Q4 Consolidated financial statement showed the liquidity ratio is 149.04%, and the liability ratio is 61.28%.</p>				



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Annex 2

Independent Auditors' Report

To the Board of Leadtek Research Inc.:

Audit opinion

We have audited the Statement of Balance Sheets of Leadtek Research Inc. as of December 31, 2023 and 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flow from January 1 to December 31, 2023 and 2022, and the notes to parent company only financial statements (including the summary of significant accounting policies).

In our opinion, the said parent company only financial statements were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and thus presented fairly, in all material aspects, the financial position of Leadtek Research Inc. as of December 31, 2023 and 2022 as well as the financial performance and cash flow from January 1 to December 31, 2023 and 2022.

Basis of audit opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the generally accepted auditing standards. Our responsibilities under such standards are further described in the "CPA's responsibility for the audit of the parent company only financial statements" section in this report. We were independent of Leadtek Research Inc. in accordance with the Norms of Professional Ethics for Certified Public Accountants and fulfilled all other responsibilities thereunder. We believe that we acquired sufficient and appropriate audit evidence to base our audit opinions.

Key audit matters

Key audit matters refer to, based on our professional judgment, the most important matters for auditing the 2023 parent company only financial statements of Leadtek Research Inc. These matters were addressed in the content of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide separate opinions on those matters. The key audit matters determined by us to be communicated on the auditor's report are as follows:

I. Inventory valuation

For the accounting policy of inventory valuation, please refer to Note 4(7), Inventory, of the

parent company only financial statements; for the estimate uncertainty of inventory valuation, please refer to Note 5 of the parent company only financial statements; for the description of inventory and related expenses, please refer to Note 6(5) of the parent company only financial statements.

Description of key audit matters:

The inventory in the parent company only financial statements is measured based on the lower of the cost or net realizable value. Due to product technology updates, existing products become obsolete or are no longer meet market demands, and this may result in a lower book value of the inventories than the net realizable value. And, estimation is involved in the valuation of the inventory's net realized value, so inventory valuation is one of the important estimation matters for us to perform the audit of the consolidated financial statements.

Corresponding audit procedures:

The major audit procedures we adopted for this key audit matter include understanding the appropriation policy of Leadtek Research Inc. for the loss on inventory devaluation and obsolescence, and assessing whether they have been appropriated in accordance with the accounting policy. In addition, the inventory age report was reviewed to analyze its changes in each period. Testing was conducted based on the interval classification in the inventory age report and the calculation table with respect to the lower of the cost or net realizable value, in order to assess the reasonableness of the inventory net realizable value.

II. Investment under equity method and share of recognized profit (loss) in subsidiaries

For the accounting policy of investment under equity method, please refer to Note 4(9), Investment in Subsidiaries, of the parent company only financial statements; for the estimate uncertainty of inventory valuation, please refer to Note 5 of the parent company only financial statements; for the description of investment under equity method, please refer to Note 6(6), Investment under Equity Method, of the parent company only financial statements.

(I) Inventory valuation of subsidiaries

Leadtek (SHANGHAI) Research Inc., the subsidiary recognized by Leadtek Research Inc. under equity method, is mainly engaged in trading of communication devices, computers, communications, telecommunications and peripheral equipment. The material inventory assets it holds are measured at the lower of cost or net realizable value. Due to product technology updates, existing products become obsolete or are no longer meet market demands, and this may result in a lower book value of the inventories than the net realizable value. And, estimation is involved in the valuation of the inventory's net realized value, so the inventory valuation of the subsidiary is one of the important estimation matters for us to perform the audit of the consolidated financial statements.

Corresponding audit procedures:

The major audit procedures we adopted for this key audit matter include understanding the

appropriation policy of the subsidiary for the loss on inventory devaluation and obsolescence, and assessing whether they have been appropriated in accordance with the accounting policy. In addition, the inventory age report was reviewed to analyze its changes in each period. Testing was conducted based on the interval classification in the inventory age report and the calculation table with respect to the lower of the cost or net realizable value, in order to assess the reasonableness of the inventory net realizable value.

Responsibility of the management and governance unit for the parent company only financial statements

The management was responsible for preparation of the parent company only financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and maintaining the necessary internal control related to preparation of the financial statements to ensure that the consolidated financial statements were free of material misstatement due to fraud or errors.

During preparation of the parent company only financial statements, the management was also responsible for evaluating the ability of going concern of Leadtek Research Inc., disclosure of relevant matters and application of the going concern basis of accounting unless the management intended to make Leadtek Research Inc. enter into liquidation or terminate its operations, or there was no other actual and feasible solutions other than liquidation or termination of its operations.

Those charged with governance (including the Auditing Committee) are responsible for overseeing the financial reporting process of Leadtek Research Inc.

CPA's responsibility for the audit of the parent company only financial statements

We audited the parent company only financial statements for the purpose of obtaining reasonable assurance about whether the parent company only financial statements were free of material misstatement due to fraud or errors and issuing an auditor's report. Reasonable assurance refers to a high level of assurance; however, we could not guarantee to detect all material misstatements in the parent company only financial statements through the audit conducted based on the generally accepted auditing standards. Misstatements may arise from fraud or error. If an individual or total amount misstated is reasonably expected to have a impact on the economic decision-making of users of the parent company only financial statements, the misstatements is deemed material.

As part of an audit in accordance with auditing standards, we exercise professional judgment and skepticism throughout the audit. We also performed the following works:

1. We identified and evaluated the risk of any misstatements in the parent company only financial statements due to fraud or errors, designed and implemented applicable response measures for the evaluated risks, and acquired sufficient and appropriate audit evidence to base our audit opinions. Since fraud may involve collusion, forgery, omission on purpose, fraudulent statements or violation of internal control, we did not find that the risk of misstatements due to fraud was higher than the same due to errors.

2. We understood the internal control related to the audit to an extent necessary to design audit procedures applicable to the current circumstance; however, the purpose of such work was not to express opinions towards the internal control effectiveness of Leadtek Research Inc.
3. We evaluated the appropriateness of the accounting policies adopted by the management and the rationality of the accounting estimates and relevant disclosures made by the management.
4. We drew a conclusion about the appropriateness in the adoption of the going concern basis of accounting by the management and whether the event or circumstance which might cause major doubts about the ability of going concern of Leadtek Research Inc. had a material uncertainty. If any material uncertainty was considered to exist in such event or circumstance, we must provide a reminder in the auditor's report for the users of the parent company only financial statements to pay attention to the relevant disclosure therein, or amend our audit opinions when such disclosure was inappropriate. Our conclusion was drawn based on the audit evidence acquired as of the date of this auditor's report. However, future events or circumstances might result in a situation where Leadtek Research Inc. would and the subsidiaries no longer have the ability of going concern.
5. We evaluated the overall presentation, structure, and contents of the parent company only financial statements (including relevant notes) and whether the parent company only financial statements presented relevant transactions and events fairly.
6. We acquired sufficient and appropriate audit evidence with respect to the financial information of the investees under equity method to provide opinions regarding the parent company only financial statements. We were responsible for instruction, supervision and conduct of the audit cases, as well as the expression of the audit opinions for the Leadtek Research Inc.

The matters for which we communicated with the governance unit include the planned audit scope and time, as well as major audit findings (including the significant deficiencies of internal control identified during the audit.)

We also provided a declaration of independence to the governance unit, which assured that we complied with the requirements related to independence in the Norm of Professional Ethics for Certified Public Accountant, and communicated all relationships and other matters (including relevant protective measures) which we deemed to be likely to cause a impact on the independence of CPAs to the governance unit.

We determined the key audit matters to be audited in the 2023 parent company only financial statements of Leadtek Research Inc. based on the matters communicated with the governance unit. Unless public disclosure of certain matters were prohibited by related laws or regulations or if, in very exceptional circumstances, we determined not to cover such matters in the auditor's report, as we could reasonably expect that the negative impact of the coverage was greater than the public interest brought thereby, we specified such matters in the auditor's report.

The engagement partners on the audit resulting in this independent auditors' report are Szu-Chien and Kaun-Ying Kuo.

KPMG Taiwan

Taipei, Taiwan (Republic of China)

February 26, 2024

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)
Leadtek Research Inc.

Balance Sheets

December 31, 2023 and 2022

Unit: NTD thousand

	12.31.2023		12.31.2022		12.31.2023		12.31.2022		
	Amount	%	Amount	%	Amount	%	Amount	%	
Assets									
Current assets:									
1100 Cash and cash equivalents (Note 6(1))	\$ 112,503	7	76,404	5	2100 Short-term borrowings (Notes 6(10), 7 and 8)	\$ 259,797	15	679,585	40
1110 Financial assets measured at fair value through profit or loss - current (Note 6(2))	-	-	4,346	-	2170 Accounts payable	72,547	4	177,771	11
1170 Net accounts receivable (Note 6(3))	218,116	13	167,401	9	2200 Other payables (Note 7)	144,803	9	133,097	8
1180 Accounts receivable - related parties, net (Note 6(3) and 7)	99,967	6	30,219	2	2130 Contractual liabilities - current (Note 6(19))	21,239	1	23,836	1
1200 Other receivables (Notes 6(4) and 7)	4,579	-	3,720	-	2250 Provision for liabilities - current (Note 6(12))	8,827	1	9,556	1
130x Inventory (Note 6(5))	301,927	18	594,653	35	2280 Lease liabilities - current (Note 6(13))	14,225	1	8,792	1
1421 Prepayment for purchase	28,414	2	8,984	1	2300 Other current liabilities	2,717	-	1,850	-
1476 Other financial assets - current (Note 8)	72,340	4	78,000	5	2320 Long-term borrowings due within one year or operating cycle (Notes 6(11), 7 and 8)				
1470 Other current assets	21,541	1	14,626	1		98,625	6	72,722	4
	859,387	51	978,353	58		622,780	37	1,107,209	66
Non-current assets					Non-current liabilities:				
1550 Investment under equity method (Note 6(6))	510,451	30	429,690	26	2540 Long-term borrowings (Notes 6(11), 7 and 8)	20,183	1	52,083	3
1510 Financial assets measured at fair value through profit or loss - non-current (Note 6(2))	30,100	2	30,100	2	2645 Deposit received	1,390	-	1,600	-
1517 Financial assets measured at fair value through other comprehensive income - non-current (Note 6(2))	4,318	-	5,844	-	2570 Deferred income tax liabilities (Note 6(16))	327	-	1,953	-
1600 Property, plant and equipment (Notes 6(7) and 8)	198,344	12	191,044	11	2580 Lease liabilities - non-current (Note 6(13))	21,201	1	1,160	-
1755 Right-of-use assets (Note 6(8))	34,965	2	9,575	1	2650 Investment balance under equity method (Note 6(6))	10,307	1	8,836	1
1780 Intangible assets (Note 6(9))	4,081	-	5,844	-		53,408	3	65,632	4
1975 Net defined benefit assets - non-current (Note 6(15))	15,028	1	14,379	1		676,188	40	1,172,841	70
1840 Deferred income tax assets (Note 6(16))	4,955	-	4,882	-	Total liabilities				
1990 Other non-current assets (Note 8)	25,646	2	13,265	1	Equity:				
	827,888	49	704,623	42	3100 Share capital (Note 6(17))	839,460	50	589,460	35
					3200 Capital reserve (Note 6(17))	419,475	25	475	-
					3310 Legal reserve (Note 6(17))	-	-	22,787	1
					3350 Accumulated profit and loss (Note 6(17))	(232,283)	(14)	(95,862)	(6)
					3400 Other equities	(15,565)	(1)	(6,725)	-
					Total equity	1,011,087	60	510,135	30
Total assets	\$ 1,687,275	100	1,682,976	100	Significant contingent liabilities and unrecognized contractual commitments (Note 9)				
					Total liabilities and equity	\$ 1,687,275	100	1,682,976	100

Lu Kun-Shan, Chairman

(Please refer to the attached notes to the parent company only financial statements)

Lu Kun-Shan, Manager

Huang Hwei-Chin, Chief Accounting Officer

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

Leadtek Research Inc.

Statements of Comprehensive Income

January 1 to December 31, 2023 and 2022

Unit: NTD thousand

	2023		2022	
	Amount	%	Amount	%
4000 Operating revenue (Notes 6(19) and 7)	\$ 2,326,539	100	3,525,657	100
5000 Operating cost (Notes 6(5), 6(12), 7, and 12)	2,078,371	89	3,235,041	92
	248,168	11	290,616	8
5910 Less: Unrealized sales profit or loss	(11,921)	-	7,977	-
5900 Gross profit	260,089	11	282,639	8
6000 Operating cost (Notes 6(3), 6(7), 6(13), 6(15), 7 and 12):				
6100 Marketing expense	211,162	9	169,533	5
6200 Administrative expense	87,053	4	72,511	2
6300 Research and development expense	163,821	7	167,276	5
6450 Expected credit impairment (gain) loss	145	-	(832)	-
	462,181	20	408,488	12
6900 Net operating loss	(202,092)	(9)	(125,849)	(4)
7000 Non-operating revenues and expenses				
7010 Other income and expenses (Note 6(14) and 7)	3,941	-	6,938	-
7100 Interest income	2,871	-	1,343	-
7230 Net foreign exchange gain (loss)	(13,511)	(1)	(8,773)	-
7235 Net gain (loss) on financial assets (liabilities) measured at fair value through profit or loss	31	-	(620)	-
7050 Financial cost	(32,376)	(1)	(20,823)	-
7775 Share of profit (loss) in affiliates and joint ventures recognized under equity method (Note 6(6))	76,512	4	(43,134)	(1)
	37,468	2	(65,069)	(1)
7900 Net loss before tax	(164,624)	(7)	(190,918)	(5)
7950 Less: Income tax (profit) expense (Note 6(16))	(4,895)	-	4,895	-
Net loss for the current period	(159,729)	(7)	(195,813)	(5)
8300 Other comprehensive income:				
8310 Items not reclassified into profit or loss				
8311 Remeasurement of defined benefit plan (Note 6(15))	651	-	2,555	-
8316 Unrealized gains or losses on investment in equity instruments measured at fair value through other comprehensive income	(1,526)	-	(1,513)	-
8349 Less: Income tax related to items not subject to reclassification (Note 6(16))	130	-	511	-
Total of items not reclassified into profit or loss	(1,005)	-	531	-
8360 Items that may be subsequently reclassified to profit or loss				
8361 Exchange differences on translation of financial statements of foreign operations	(9,144)	-	6,781	-
8380 Share of other comprehensive income in subsidiaries, affiliates and joint ventures recognized under equity method	1	-	28	-
8399 Less: Income tax related to items that may be reclassified (Note 6(16))	(1,829)	-	1,357	-
Total items that may be subsequently reclassified to profit or loss	(7,314)	-	5,452	-
8300 Other comprehensive income for the current period	(8,319)	-	5,983	-
8500 Total comprehensive income for the current period	<u>\$ (168,048)</u>	<u>(7)</u>	<u>(189,830)</u>	<u>(5)</u>
Basic and diluted earnings (loss) per share (in dollars) (Note 6(18))				
9750 Basic loss per share (in dollars)	<u>\$ (2.53)</u>		<u>(3.32)</u>	
9850 Diluted loss per share (in dollars)	<u>\$ (2.53)</u>		<u>(3.32)</u>	

(Please refer to the attached notes to the parent company only financial statements)

Lu Kun-Shan, Chairman

Lu Kun-Shan, Manager

Huang Hwei-Chin, Chief Accounting Officer

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

Leadtek Research Inc.

**Statements of Changes in Equity
January 1 to December 31, 2023 and 2022**

Unit: NTD thousand

	Retained earnings					Other equities			Total equity
	Share capital	Capital reserve	Legal reserve	Accumulated deficit	Exchange differences on translation of financial statements of foreign operations	Unrealized gain or loss on financial assets measured at fair value through other comprehensive income			
Balance as of January 1, 2022	\$ 535,873	475	-	227,868	2,169	(12,833)		753,552	
Net loss for the current period	-	-	-	(195,813)	-	-		(195,813)	
Other comprehensive (loss) income for the current period	-	-	-	2,044	5,452	(1,513)		5,983	
Comprehensive (loss) income for the current period	-	-	-	(193,769)	5,452	(1,513)		(189,830)	
Appropriation and distribution of earnings:									
Provision of legal reserve	-	-	22,787	(22,787)	-	-		-	
Common stock cash dividends	-	-	-	(53,587)	-	-		(53,587)	
Common stock dividends	53,587	-	-	(53,587)	-	-		-	
Balance as of December 31, 2022	\$ 589,460	475	22,787	(95,862)	7,621	(14,346)		510,135	
Net loss for the current period	-	-	-	(159,729)	-	-		(159,729)	
Other comprehensive (loss) income for the current period	-	-	-	521	(7,314)	(1,526)		(8,319)	
Comprehensive (loss) income for the current period	-	-	-	(159,208)	(7,314)	(1,526)		(168,048)	
Appropriation and distribution of earnings:									
Legal reserve to make up loss	-	-	(22,787)	22,787	-	-		-	
Capital increase in cash	250,000	419,000	-	-	-	-		669,000	
Balance as of December 31, 2023	\$ 839,460	419,475	-	(232,283)	307	(15,872)		1,011,087	

(Please refer to the attached notes to the parent company only financial statements)

Lu Kun-Shan, Chairman

Lu Kun-Shan, Manager

Huang Huei-Chin, Chief Accounting Officer

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

Leadtek Research Inc.

Statements of Cash Flows

January 1 to December 31, 2023 and 2022

Unit: NTD thousand

	2023	2022
Cash flow from operating activities:		
Net loss before tax for the current period	\$ (164,624)	(190,918)
Adjustment:		
Income and expense		
Depreciation expense	32,702	31,527
Amortization expense	8,207	7,170
Expected credit impairment loss (gain)	145	(832)
Net (gain) loss on financial assets and liabilities measured at fair value through profit or loss	(31)	620
Interest expense	32,376	20,823
Interest income	(2,871)	(1,343)
Share of (profit) loss in subsidiaries, affiliates and joint ventures recognized under equity method	(76,512)	43,134
Unrealized (loss) profit from sales	(11,921)	7,977
Others	(1)	-
Total income and expense	<u>(17,906)</u>	<u>109,076</u>
Net changes in assets related to operating activities:		
Decrease (increase) of financial assets mandatorily measured at fair value through profit or loss	4,377	(1)
Decrease in notes receivable	-	10,508
(Increase) decrease in accounts receivable	(120,608)	241,702
Decrease (increase) of inventory	292,735	(330,456)
Increase in prepayments	(19,430)	(8,184)
Increase in other receivables	(61)	(92)
Increase of other current assets	(6,713)	(4,755)
Others	2	115
Total net changes in assets related to operating activities	<u>150,302</u>	<u>(91,163)</u>
Net changes in liabilities related to operating activities:		
(Decrease) increase in contractual liabilities	(2,597)	6,798
Decrease in accounts receivable	(105,224)	(51,073)
Decrease in provision for liabilities	(729)	(4,926)
Increase (decrease) of other payables and other current liabilities	19,550	(19,545)
Total net changes in liabilities related to operating activities	<u>(89,000)</u>	<u>(68,746)</u>
Total net changes in assets and liabilities related to operating activities	<u>61,302</u>	<u>(159,909)</u>
Total adjustment	<u>43,396</u>	<u>(50,833)</u>
Cash outflow from operations	(121,228)	(241,751)
Interest received	2,067	544
Interest paid	(34,654)	(18,653)
Income tax refunded	-	28
Net cash outflow from operating activities	<u>(153,815)</u>	<u>(259,832)</u>
Cash flow from investing activities:		
Acquisition of financial assets measured at fair value through profit or loss	-	(30,100)
Acquisition of property, plant, and equipment	(23,916)	(14,703)
(Increase) decrease in refundable deposit	(10,826)	844
Acquisition of intangible assets	(6,444)	(7,418)
Increase in prepayment for equipment	(2,609)	(1,768)
Decrease (increase) of restricted assets	5,660	(25,004)
Net cash outflow from investing activities	<u>(38,135)</u>	<u>(78,149)</u>
Cash flow from financing activities:		
(Decrease) increase in short-term borrowings	(419,788)	320,780
Borrowing of long-term loans	129,048	30,000
Repayment of long-term borrowings	(135,045)	(80,752)
Decrease in deposit received	(210)	(111)
Repayment of lease principal	(14,956)	(15,478)
Cash dividends payment	-	(53,587)
Capital increase in cash	669,000	-
Net cash inflow from financing activities	<u>228,049</u>	<u>200,852</u>
Increase (decrease) in cash and cash equivalents for the current period	<u>36,099</u>	<u>(137,129)</u>
Opening balance of cash and cash equivalents	<u>76,404</u>	<u>213,533</u>
Closing balance of cash and cash equivalents	<u>\$ 112,503</u>	<u>76,404</u>

(Please refer to the attached notes to the parent company only financial statements)

Lu Kun-Shan, Chairman

Lu Kun-Shan, Manager

Huang Huei-Chin, Chief Accounting Officer



安侯建業聯合會計師事務所
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Annex 3

Independent Auditors' Report

To the Board of Leadtek Research Inc.:

Audit opinion

We have audited the consolidated Statement of Balance Sheets of Leadtek Research Inc. and its subsidiaries as of December 31, 2023 and 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flow from January 1 to December 31, 2023 and 2022, and the notes to consolidated financial statements (including the summary of significant accounting policies).

In our opinion, the said consolidated financial statements were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the International Financial Reporting Standards, International Accounting Standards, interpretations and the statements of interpretation approved and released by the Financial Supervisory Commission, and thus presented fairly, in all material aspects, the consolidated financial position of Leadtek Research Inc. and its subsidiaries as of December 31, 2023 and 2022 as well as their consolidated financial performance and consolidated cash flow from January 1 to December 31, 2023 and 2022.

Basis of audit opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the generally accepted auditing standards. Our responsibilities under such standards are further described in the "CPA's responsibility for the audit of the consolidated financial statements" section in this report. We were independent of Leadtek Research Inc. and its subsidiaries in accordance with the Norms of Professional Ethics for Certified Public Accountants and fulfilled all other responsibilities thereunder. We believe that we acquired sufficient and appropriate audit evidence to base our audit opinions.

Key audit matters

Key audit matters refer to, based on our professional judgment, the most important matters for auditing the 2023 consolidated financial statements of Leadtek Research Inc. and its subsidiaries. These matters were addressed in the content of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide separate opinions on those matters. The key audit matters determined by us to be communicated on the auditor's report are as follows:

I. Inventory valuation

For the accounting policy of inventory valuation, please refer to Note 4(8), Inventory, of the consolidated financial statements; for the estimate uncertainty of inventory valuation, please refer

to Note 5 of the consolidated financial statements; for the description of inventory and related expenses, please refer to Note 6(5) of the consolidated financial statements.

Description of key audit matters:

The inventory in the consolidated financial statements is measured based on the lower of the cost or net realizable value. Due to product technology updates, existing products become obsolete or are no longer meet market demands, and this may result in a lower book value of the inventories than the net realizable value. And, estimation is involved in the valuation of the inventory's net realized value, so inventory valuation is one of the important estimation matters for us to perform the audit of the consolidated financial statements.

Corresponding audit procedures:

The major audit procedures we adopted for this key audit matter include understanding the appropriation policy of Leadtek Research Inc. and its subsidiaries for the loss on inventory devaluation and obsolescence, and assessing whether they have been appropriated in accordance with the accounting policy. In addition, the inventory age report was reviewed to analyze its changes in each period. Testing was conducted based on the interval classification in the inventory age report and the calculation table with respect to the lower of the cost or net realizable value, in order to assess the reasonableness of the inventory net realizable value.

Other matters

For the parent company only financial statements prepared by Leadtek Research Inc. for 2023 and 2022, we issued an independent auditors' report with unqualified opinions for reference.

Responsibility of the management and governance unit for the consolidated financial statements

The management was responsible for preparation of the consolidated financial statements with a fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, interpretations and the statements of interpretation approved and released by the Financial Supervisory Commission and maintaining the necessary internal control related to the preparation of the consolidated financial statements to ensure that the consolidated financial statements were free of material misstatement due to fraud or errors.

During preparation of the consolidated financial statements, the management was also responsible for evaluating the ability of going concern of Leadtek Research Inc. and its subsidiaries, disclosure of relevant matters and application of the going concern basis of accounting unless the management intended to make Leadtek Research Inc. and its subsidiaries enter into liquidation or terminate its operations, or there was no other actual and feasible solutions other than liquidation or termination of its operations.

Those charged with governance (including the Auditing Committee) are responsible for overseeing the financial reporting process of Leadtek Research Inc. and its subsidiaries.

CPA's responsibility for the audit of the consolidated financial statements

We audited the consolidated financial statements for the purpose of obtaining reasonable assurance about whether the consolidated financial statements were free of material misstatement due to fraud or errors and issuing an auditor's report. Reasonable assurance refers to a high level of assurance; however, we could not guarantee to detect all material misstatements in the consolidated financial statements through the audit conducted based on the generally accepted auditing standards. Misstatements may arise from fraud or error. If an individual or total amount misstated is reasonably expected to have a impact on the economic decision-making of users of the consolidated financial statements, the misstatements is deemed material.

As part of an audit in accordance with auditing standards, we exercise professional judgment and skepticism throughout the audit. We also performed the following works:

1. We identified and evaluated the risk of any misstatements in the consolidated financial statements due to fraud or errors, designed and implemented applicable response measures for the evaluated risks, and acquired sufficient and appropriate audit evidence to base our audit opinions. Since fraud may involve collusion, forgery, omission on purpose, fraudulent statements or violation of internal control, we did not find that the risk of misstatements due to fraud was higher than the same due to errors.
2. We understood the internal control related to the audit to an extent necessary to design audit procedures applicable to the current circumstance; however, the purpose of such work was not to express opinions towards the internal control effectiveness of Leadtek Research Inc. and its subsidiaries.
3. We evaluated the appropriateness of the accounting policies adopted by the management and the rationality of the accounting estimates and relevant disclosures made by the management.
4. We drew a conclusion about the appropriateness in the adoption of the going concern basis of accounting by the management and whether the event or circumstance which might cause major doubts about the ability of going concern of Leadtek Research Inc. and its subsidiaries had a material uncertainty. If any material uncertainty was considered to exist in such event or circumstance, we must provide a reminder in the auditor's report for the users of the consolidated financial statements to pay attention to the relevant disclosure therein, or amend our audit opinions when such disclosure was inappropriate. Our conclusion was drawn based on the audit evidence acquired as of the date of this auditor's report. However, future events or circumstances might result in a situation where Leadtek Research Inc. and its subsidiaries would and the subsidiaries no longer have the ability of going concern.
5. We evaluated the overall presentation, structure, and contents of the consolidated financial statements (including relevant notes) and whether the consolidated financial statements presented relevant transactions and events fairly.
6. We acquired sufficient and appropriate audit evidence with respect to the financial information of the entities comprising the Group to provide opinions regarding the consolidated financial statements. We were responsible for instruction, supervision and conduct of the Group's audit cases, as well as the

expression of the audit opinions for the Group.

The matters for which we communicated with the governance unit include the planned audit scope and time, as well as major audit findings (including the significant deficiencies of internal control identified during the audit.)

We also provided a declaration of independence to the governance unit, which assured that we complied with the requirements related to independence in the Norm of Professional Ethics for Certified Public Accountant, and communicated all relationships and other matters (including relevant protective measures) which we deemed to be likely to cause a impact on the independence of CPAs to the governance unit.

We determined the key audit matters to be audited in the 2023 consolidated financial statements of Leadtek Research Inc. and its subsidiaries based on the matters communicated with the governance unit. Unless public disclosure of certain matters were prohibited by related laws or regulations or if, in very exceptional circumstances, we determined not to cover such matters in the auditor's report, as we could reasonably expect that the negative impact of the coverage was greater than the public interest brought thereby, we specified such matters in the auditor's report.

The engagement partners on the audit resulting in this independent auditors' report are Szu-Chien and Kaun-Ying Kuo.

KPMG Taiwan

Taipei, Taiwan (Republic of China)

February 26, 2024

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
Leadtek Research Inc. and Subsidiaries

Consolidated Balance Sheets

December 31, 2023 and 2022

Unit: NTD thousand

	12.31.2023		12.31.2022		12.31.2023		12.31.2022	
	Amount	%	Amount	%	Amount	%	Amount	%
Assets								
Current assets:								
1100 Cash and cash equivalents (Note 6(1))	\$ 309,350	1.2	236,872	1.2	259,797	10	725,635	36
1110 Financial assets measured at fair value through profit or loss - current (Note 6(2))	-	-	4,346	-	115,530	4	179,226	9
1170 Net accounts receivable (Note 6(3))	360,586	14	368,625	18	316,623	12	307,805	15
1200 Other receivables (Notes 6(4) and 7)	596	-	1,011	-	650,246	25	58,295	3
130X Inventory (Note 6(5))	739,106	28	880,467	43	8,827	-	9,556	-
1421 Prepayment for purchase	655,051	25	37,440	2	25,587	1	19,411	1
1476 Other financial assets - current (Note 8)	72,340	3	78,000	4	3,646	-	2,510	-
1479 Other current assets	67,043	3	22,744	1	98,625	4	72,722	4
	<u>2,204,072</u>	<u>85</u>	<u>1,629,505</u>	<u>80</u>	<u>1,478,881</u>	<u>56</u>	<u>1,375,160</u>	<u>68</u>
Non-current assets								
1550 Investment under equity method (Note 6(6))	4,041	-	3,997	-	20,183	1	52,083	3
1510 Financial assets measured at fair value through profit or loss - non-current (Note 6(2))	30,100	1	30,100	1	53,338	2	54,336	3
1517 Financial assets measured at fair value through other comprehensive income - non-current (Note 6(2))	4,318	-	5,844	-	2,041	-	2,668	-
1600 Property, plant and equipment (Notes 6(7) and 8)	199,895	7	192,806	10	327	-	1,953	-
1755 Right-of-use assets (Note 6(8))	65,992	3	49,958	3	43,434	2	32,934	1
1780 Intangible assets (Note 6(9))	4,081	-	5,844	-	119,323	5	143,974	7
1975 Net defined benefit assets - non-current (Note 6(16))	15,028	1	14,379	1	1,598,204	61	1,519,134	75
1840 Deferred income tax assets (Note 6(17))	50,498	2	76,156	4	839,460	33	589,460	29
1990 Other non-current assets (Notes 6(10), 7 and 8)	29,986	1	19,657	1	419,475	16	475	-
	<u>403,939</u>	<u>15</u>	<u>398,741</u>	<u>20</u>	-	-	22,787	1
					(232,283)	(9)	(95,862)	(5)
					(15,565)	(1)	(6,725)	-
					<u>1,011,087</u>	<u>39</u>	<u>510,135</u>	<u>25</u>
					(1,280)	-	(1,023)	-
					<u>1,009,807</u>	<u>39</u>	<u>509,112</u>	<u>25</u>
Equity:								
Equity attributable to parent company shareholders								
Share capital (Note 6(18))	3100							
Capital reserve (Note 6(18))	3200							
Legal reserve	3310							
Accumulated profit and loss (Note 6(18))	3350							
Other equities	3400							
Total equity attributable to parent company shareholders	36XX							
Non-controlling equity								
Total equity								
Significant contingent liabilities and unrecognized contractual commitments (Note 9)								

Total assets

\$ 2,608,011 100 2,028,246 100

Total liabilities and equity

\$ 2,608,011 100 2,028,246 100

(Please refer to the attached notes to the consolidated financial statements)

Lu Kun-Shan, Chairman

Huang Hwei-Chin, Chief Accounting Officer

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

Leadtek Research Inc. and Subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to December 31, 2023 and 2022

Unit: NTD thousand

	2023		2022	
	Amount	%	Amount	%
4100 Operating revenue (Notes 6(20) and 7)	\$ 4,276,117	100	5,311,418	100
5000 Operating cost (Notes 6(5), 6(13), 6(16), and 12)	<u>3,647,838</u>	<u>85</u>	<u>4,704,607</u>	<u>89</u>
5900 Gross profit	<u>628,279</u>	<u>15</u>	<u>606,811</u>	<u>11</u>
6000 Operating expenses (Notes 6(3), 6(16) and 12) :				
6100 Marketing expense	378,792	9	452,085	8
6200 Administrative expense	150,559	3	111,575	2
6300 Research and development expense	203,806	5	188,631	4
6450 Expected credit impairment loss (gain)	<u>(6,357)</u>	<u>-</u>	<u>6,782</u>	<u>-</u>
	<u>726,800</u>	<u>17</u>	<u>759,073</u>	<u>14</u>
6900 Net operating loss	<u>(98,521)</u>	<u>(2)</u>	<u>(152,262)</u>	<u>(3)</u>
7000 Non-operating revenues and expenses				
7020 Other gains and losses (Note 6(22))	10,773	-	28,066	-
7100 Interest income	4,128	-	2,105	-
7050 Financial cost	(36,161)	(1)	(25,442)	-
7230 Net foreign exchange gain (loss)	(13,166)	-	(53,383)	(1)
7235 Net gain (loss) on financial assets (liabilities) measured at fair value through profit or loss	31	-	(620)	-
7060 Share of profit (loss) in affiliates and joint ventures recognized under equity method (Note 6(6))	<u>120</u>	<u>-</u>	<u>113</u>	<u>-</u>
	<u>(34,275)</u>	<u>(1)</u>	<u>(49,161)</u>	<u>(1)</u>
7900 Net loss before tax	(132,796)	(3)	(201,423)	(4)
7950 Less: Income tax expense (profit) (Note 6(17))	<u>27,190</u>	<u>1</u>	<u>(5,717)</u>	<u>-</u>
Net loss for the current period	<u>(159,986)</u>	<u>(4)</u>	<u>(195,706)</u>	<u>(4)</u>
8300 Other comprehensive income:				
8310 Items not reclassified into profit or loss				
8311 Remeasurement of defined benefit plan (Note 6(16))	651	-	2,555	-
8316 Unrealized gains or losses on investment in equity instruments measured at fair value through other comprehensive income	(1,526)	-	(1,513)	-
8349 Less: Income tax related to items not subject to reclassification (Note 6(17))	<u>130</u>	<u>-</u>	<u>511</u>	<u>-</u>
Total of items not reclassified into profit or loss	<u>(1,005)</u>	<u>-</u>	<u>531</u>	<u>-</u>
8360 Items that may be subsequently reclassified to profit or loss				
8361 Exchange differences on translation of financial statements of foreign operations	(9,068)	-	6,763	-
8370 Share of other comprehensive income in affiliates and joint ventures recognized under equity method (Note 6(6))	(75)	-	56	-
8399 Less: Income tax related to items that may be reclassified (Note 6(17))	<u>(1,829)</u>	<u>-</u>	<u>1,357</u>	<u>-</u>
Total items that may be subsequently reclassified to profit or loss	<u>(7,314)</u>	<u>-</u>	<u>5,462</u>	<u>-</u>
8300 Other comprehensive income for the current period	<u>(8,319)</u>	<u>-</u>	<u>5,993</u>	<u>-</u>
Total comprehensive income for the current period	<u>\$ (168,305)</u>	<u>(4)</u>	<u>(189,713)</u>	<u>(4)</u>
Net loss attributable to:				
8610 Owner of the parent company	\$ (159,729)	(4)	(195,813)	(4)
8620 Non-controlling equity	<u>(257)</u>	<u>-</u>	<u>107</u>	<u>-</u>
	<u>\$ (159,986)</u>	<u>(4)</u>	<u>(195,706)</u>	<u>(4)</u>
Total comprehensive income attributable to:				
8710 Owner of the parent company	\$ (168,048)	(4)	(189,830)	(4)
8720 Non-controlling equity	<u>(257)</u>	<u>-</u>	<u>117</u>	<u>-</u>
	<u>\$ (168,305)</u>	<u>(4)</u>	<u>(189,713)</u>	<u>(4)</u>
Basic and diluted loss per share (in dollars) (Note 6(19))				
9750 Basic loss per share (in dollars)	<u>\$ (2.53)</u>		<u>(3.32)</u>	
9850 Diluted loss per share (in dollars)	<u>\$ (2.53)</u>		<u>(3.32)</u>	

(Please refer to the attached notes to the consolidated financial statements)

Lu Kun-Shan, Chairman

Lu Kun-Shan, Manager

Huang Huei-Chin, Chief Accounting Officer

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

Leadtek Research Inc. and Subsidiaries

Consolidated Statements of Changes in Equity

January 1 to December 31, 2023 and 2022

Unit: NTD thousand

	Equity attributable to parent company shareholders							Non-controlling equity	Total equity
	Share capital	Capital reserve	Legal reserve	Retained earnings	Exchange differences on translation of financial statements of foreign operations	Unrealized gain or loss on financial assets measured at fair value through other comprehensive income	Total		
Balance as of January 1, 2022	\$ 535,873	475	-	227,868	2,169	(12,833)	753,552	(1,140)	752,412
Net income (loss) for the current period	-	-	-	(195,813)	-	-	(195,813)	107	(195,706)
Other comprehensive (loss) income for the current period	-	-	-	2,044	5,452	(1,513)	5,983	10	5,993
Comprehensive (loss) income for the current period	-	-	-	(193,769)	5,452	(1,513)	(189,830)	117	(189,713)
Appropriation and distribution of earnings:									
Provision of legal reserve	-	-	22,787	(22,787)	-	-	-	-	-
Common stock cash dividends	-	-	-	(53,587)	-	-	(53,587)	-	(53,587)
Common stock dividends	53,587	-	-	(53,587)	-	-	-	-	-
Balance as of December 31, 2022	589,460	475	22,787	(95,862)	7,621	(14,346)	510,135	(1,023)	509,112
Net loss for the current period	-	-	-	(159,729)	-	-	(159,729)	(257)	(159,986)
Other comprehensive (loss) income for the current period	-	-	-	521	(7,314)	(1,526)	(8,319)	-	(8,319)
Comprehensive (loss) income for the current period	-	-	-	(159,208)	(7,314)	(1,526)	(168,048)	(257)	(168,305)
Appropriation and distribution of earnings:									
Legal reserve to make up loss	-	-	(22,787)	22,787	-	-	-	-	-
Capital increase in cash	250,000	419,000	-	-	-	-	669,000	-	669,000
Balance as of December 31, 2023	839,460	419,475	-	(232,283)	307	(15,872)	1,011,087	(1,280)	1,009,807

(Please refer to the attached notes to the consolidated financial statements)

Lu Kun-Shan, Chairman

Lu Kun-Shan, Manager

Huang Hwei-Chin, Chief Accounting Officer

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

Leadtek Research Inc. and Subsidiaries
Consolidated Statements of Cash Flows
January 1 to December 31, 2023 and 2022

Unit: NTD thousand

	<u>2023</u>	<u>2022</u>
Cash flow from operating activities:		
Net loss before tax for the current period	\$ (132,796)	(201,423)
Adjustment:		
Income and expense		
Depreciation expense	45,021	42,627
Amortization expense	8,207	7,170
Expected credit impairment (reversal gain) loss	(6,357)	6,782
Net (gain) loss on financial assets and liabilities measured at fair value through profit or loss	(31)	620
Interest expense	36,161	25,442
Interest income	(4,128)	(2,105)
Share of profit in affiliates and joint ventures recognized under equity method	(120)	(113)
Loss (gain) on disposal of property, plant and equipment	25	(236)
Others	(1)	(230)
Total income and expense	<u>78,777</u>	<u>79,957</u>
Net changes in assets related to operating activities:		
Decrease (increase) of financial assets mandatorily measured at fair value through profit or loss	4,377	(1)
Decrease in notes receivable	-	10,508
Decrease in accounts receivable	14,481	27,162
Decrease (increase) of other receivables	415	(1,002)
Decrease (increase) of inventory	141,369	(229,114)
(Increase) decrease of prepayments	(617,611)	90,115
Increase of other current assets	(31,962)	(8,116)
Others	2	115
Total net changes in assets related to operating activities	<u>(488,929)</u>	<u>(110,333)</u>
Net changes in liabilities related to operating activities:		
Increase in contractual liabilities	590,953	76,714
Decrease in accounts receivable	(63,696)	(49,802)
Increase (decrease) of other payables and other current liabilities	30,393	(50,793)
Decrease in provision for liabilities	(729)	(4,926)
Total net changes in liabilities related to operating activities	<u>556,921</u>	<u>(28,807)</u>
Total net changes in assets and liabilities related to operating activities	<u>67,992</u>	<u>(139,140)</u>
Total adjustment	<u>146,769</u>	<u>(59,183)</u>
Cash inflow (outflow) from operations	13,973	(260,606)
Interest received	4,123	2,105
Interest paid	(38,928)	(22,948)
Income tax paid	(31,462)	(80,251)
Net cash outflow from operating activities	<u>(52,294)</u>	<u>(361,700)</u>
Cash flow from investing activities:		
Acquisition of financial assets measured at fair value through profit or loss	-	(30,100)
Acquisition of property, plant, and equipment	(24,591)	(15,553)
Disposal of property, plant, and equipment	9	352
Increase in refundable deposit	(8,774)	(2,500)
Acquisition of intangible assets	(6,444)	(7,418)
Increase in prepayment for equipment	(2,609)	(1,768)
Decrease (increase) of restricted assets	5,660	(25,004)
Net cash outflow from investing activities	<u>(36,749)</u>	<u>(81,991)</u>
Cash flow from financing activities:		
Increase (decrease) in short-term borrowings	(465,572)	324,682
Borrowing of long-term loans	129,048	30,000
Repayment of long-term borrowings	(135,045)	(80,752)
Decrease in deposit received	(627)	(222)
Repayment of lease principal	(25,850)	(23,778)
Cash dividends payment	-	(53,587)
Capital increase in cash	669,000	-
Net cash inflow from financing activities	<u>170,954</u>	<u>196,343</u>
Effect of exchange rate changes on cash and cash equivalents	(9,433)	7,344
Increase (decrease) in cash and cash equivalents for the current period	72,478	(240,004)
Opening balance of cash and cash equivalents	236,872	476,876
Closing balance of cash and cash equivalents	<u>\$ 309,350</u>	<u>236,872</u>

(Please refer to the attached notes to the consolidated financial statements)

Lu Kun-Shan, Chairman

Lu Kun-Shan, Manager

Huang Huei-Chin, Chief Accounting Officer

Leadtek Research Inc.

Details of Non-Compete Restrictions for Directors

Name	Experience/Current Position
Ablecom Technology Inc. Representative:Liang, Jian-Fa	Chairperson, Ablecom Technology Inc. Chairperson, Ableplus Precision Industry Inc. Director, Compuware Technology Inc. Director, Ablecom Technology SDN BHD.
Compuware Technology Inc. Representative:Liang, Jian-Da	Chairperson, Compuware Technology Inc. Chairperson, Director, Compuware (Dongguan) Intelligent Technology Inc. Director, Ablecom Technology Inc. Director, Compuware Technology SDN BHD

Appendix 1

Leadtek Research Inc. Articles of Incorporation

Chapter I General Provisions

- Article 1 The Company is incorporated in accordance with the Company Act with the name of 麗臺科技股份有限公司 in Traditional Chinese and LEADTEK RESEARCH INC. in English.
- Article 2 The Company engages in the following types of business:
1. CC01110 Computer and Peripheral Equipment Manufacturing
 2. CH01040 Toys Manufacturing
 3. I301010 Information Software Services
 4. F401010 International Trade
 5. F104110 Wholesale of Cloth, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
 6. F204120 Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
 7. CC01060 Wired Communication Mechanical Equipment Manufacturing
 8. CC01070 Wireless Communication Mechanical Equipment Manufacturing
 9. CC01101 Controlled Telecommunications Radio-Frequency Devices and Materials Manufacturing
 10. F113070 Wholesale of Telecommunication Apparatus
 11. F213060 Retail Sale of Telecommunication

Apparatus

12. F401021 Restrained Telecom Radio Frequency Equipments and Materials Import
13. CF01011 Medical Devices Manufacturing
14. F108031 Wholesale of Medical Devices
15. F208031 Retail Sale of Medical Apparatus
16. CE01021 Weights and Measuring Instruments Manufacturing
17. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2-1 This Company may provide guarantees for others.

Article 3 This Company is headquartered in New Taipei. With the resolution of the board of directors (Board) and the approval of competent authorities, the Company may establish branches or offices at home and abroad.

Chapter II Shares

Article 4 When the Company is a shareholder of other limited companies, the restriction of not more than 40% of the Company's paid-up capital as stipulated in Article 13 of the *Company Act* shall not apply to the total amount of re-investment.

Article 5 The total capital of the Company is Four Billion New Taiwan Dollars (NT\$4,000,000,000) divided into four hundred million (400,000,000) shares with a par value of Ten New Taiwan Dollars (NT\$10). Six Hundred Million (NT\$600,000,000) divided into sixty million (60,000,000) shares with a par value of

Ten New Taiwan Dollars (NT\$10) will be reserved for bond with attached warrants and exercising the stock option of employee stock option certificates. Seasoned (second) equity offering (SEO) may be issued at a premium. The nominal capital is Four Billion New Taiwan Dollars (NT\$4,000,000,000) to be issued by/in installments by law through Board.

Article 5-1 In accordance with Article 56-1 of the *Regulations Governing the Offering and Issuance of Securities by Securities Issuers* and Article 10-1 of the *Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies*, the Company may issue employee stock options (ESO) at a price lower than the closing price of the Company's common stock on the issuance date or transfer shares to employees at a price below the average of the actual buy-back price with an approval made by shareholders representing over two-thirds of the voting shares in a meeting of shareholders attended by shareholders representing over one-half of the total issued shares.

Article 5-2 The Company may transfer the treasury stock purchased in accordance with the *Company Act* to employees of controlled or subordinate companies meeting specific requirements.

Employees qualified for receiving the employee stock options may include employees of controlled or subordinate companies meeting specific requirements.

When the Company issues new shares, employees of

controlled or subordinate companies meeting specific requirements are qualified for subscription. When the Company issues restricted stock awards (RSA), employees of controlled or subordinate companies meeting specific requirements are qualified for subscription.

Article 6 The Company may issue name-bearing shares without printing share certificates. However, the Company shall register such shares on a centralized securities depository enterprise.

When printing stocks, such stocks shall be signed or sealed by the directors representing the Company and issued by banks permitted by law to serve as registrars for issues of stocks or bonds.

Article 7 Registration for transfer of shares shall be suspended within sixty days before the date of the annual general meeting of shareholders and within thirty days before the date of the extraordinary general meeting of shareholders, or within five days before the day on which dividends, bonuses, or other benefits are scheduled to be paid by the Company.

Article 8 When issuing new shares, the Company shall prioritize 15% of the total amount of new shares for employee subscription. However, priority subscription by employees shall not apply for new shares, convertible corporate bonds, corporate bonds with warrants, employee stock options or stock options converted as shares for a merger or acquisition.

Article 9 When recruiting technical personnel in response to

operational needs, with the consent of the Board, directors may yield part of the employee stock options to specific candidates to improve corporate operations.

Chapter III Meeting of Shareholders

Article 10 Meetings of shareholders include the annual general meeting (AGM) of shareholders and extraordinary general meeting (EGM) of shareholders. The Board shall convene an AGM by law each year within six months after the end of a fiscal year. EGM may be convened by law as necessary.

The Company may hold the meeting of shareholders through videoconferencing or by other means as announced by the central competent authorities.

Article 11 Shareholders unable to attend a meeting of shareholders for any reason may assign a proxy to represent them and state the scope of authorization in a signed or sealed power of attorney.

Article 12 Each shareholder of the Company is entitled to one vote per share, except for shareholders restricted from voting or having no voting rights as stipulated in Article 179, paragraph 2, of the *Company Act*.

Article 13 Except the *Company Act* otherwise requires, resolutions of the meetings of shareholders shall be made by shareholders representing over one-half of the voting rights in a meeting of shareholders attended by shareholders representing over one-half of the total issued shares.

Chapter IV Board of Directors and Audit Committee

Article 14 The Board of the Company seats five to seven directors. Each director enjoys an office of three years and is eligible for a second term.

The Company shall reserve a minimum of two of the above seats or one-fifth of all seats for independent directors. Independent directors and non-independent directors shall be elected at the same time, and the seats elect shall be calculated individually.

The candidate nomination system as stipulated in Article 192-1 of the *Company Act* shall apply to the election of both directors and independent directors.

Independent directors may exercise their powers and comply with the requirements as stipulated in the applicable laws and regulations.

The shares held by all directors shall be regulated in accordance with the applicable laws and regulations of the competent authorities.

The Company establishes the Audit Committee with all independent directors in accordance with Article 14-4 of the *Securities and Exchange Act* to carry out the duties of supervisors as stipulated in the *Company Act, Securities and Exchange Act*, and other applicable laws and regulations.

Article 14-1 The Board shall hold at least one board meeting each quarter.

When convening a board meeting, the objectives of the meeting shall be stated in the meeting notice delivered to all directors seven days in advance.

When there is an emergency, however, extraordinary

meetings may be held at any time.

The board meeting notice as stated in the preceding paragraph may be made in writing, by phone, by fax, or by email.

Article 15 One chairperson shall be elected from among directors with the consent of over one-half of directors in a board meeting attended by over two-thirds of all directors to represent the Company externally. When the chairperson is on leave or unable to exercise his/her powers, the proxy shall be assigned in accordance with Article 208 of the *Company Act*.

Article 16 Unless the *Company Act* otherwise requires, a board meeting shall be convened by the chairperson, and resolutions shall be made with the consent of over one-half of directors in a board meeting attended by over one-half of all directors. Directors unable to attend a board meeting may assign other directors to represent them, provided that the one-for-one principle shall apply.

Article 16-1 The Company shall purchase the director and officer (D&O) liability insurance for the scope of services of each director during his/her office.

Article 17 The Board is authorized to pay the remuneration for directors in accordance with their involvement in and contribution to corporate operations and with reference to the pay standard in the industry, regardless of operating gains or losses. If there is net profit, rewards shall be distributed in accordance with Article 20.

Chapter V Officers

Article 18 The Company shall hire a number of officers whose appointment, dismissal, and remuneration shall be subject to the *Company Act*.

Chapter VI Accounting

Article 19 At the end of each fiscal year, the Board shall produce the following documents and submit them to the AGM for ratification in accordance with the legal procedures:

- (1) Business report
- (2) Financial statements
- (3) Proposal for earnings distribution or loss compensation.

Article 20 After deducting the annual remuneration for employees and directors, the Company shall appropriate a minimum of three percent of net income before tax as rewards for employees and a maximum of five percent as rewards for directors. When there are accumulative deficits, however, the amount for compensation shall first be reserved. The proposal for distribution of rewards for employees and directors shall be approved by resolution of over one-half of directors attending a board meeting attended by over two-thirds of all directors and reported to AGM. The Board shall make a resolution to determine the distribution of rewards for employees either in stock or in cash. The Board shall be authorized to determine the specific requirements for the employees of

controlled companies or subsidiaries to receive the employee reward. The reward for directors shall be distributed in cash only.

Article 20-1 The net profit after tax, if any, after the account is closed and other entries shall be included in the unappropriated earnings of the year and distributed in the following order:

- (1) Compensation for accumulated deficits.
- (2) Appropriation of 10% as the legal reserve (except when the accumulated amount of the legal reserve equals the amount of the paid-in capital).
- (3) Appropriation or reversion of special reserve by law.
- (4) The remaining balance, if any, shall be combined with the accumulated beginning unappropriated earnings for the Board to formulate a proposal for allocation as dividends and submit to the AGM for resolution.

The Company shall authorize the Board to decide on distributing part or all of the dividends and profit sharing in cash using the legal reserve or additional paid-in capital and report to AGM in accordance with Articles 240 and 241 of the Company Act.

The Company's operations are growing steadily, and earnings are distributed primarily in cash dividends. They can also be distributed in stock dividends. However, the proportion of stock dividend distribution shall not exceed 50% of the total amount

of dividends in the year.

Chapter VII Addendum

Article 21 Matters not provided for herein shall be subject to the *Company Act* and the applicable laws and regulations.

Article 22 These Articles of Incorporation were established on October 16, 1986.

The 1st amendment was made on August 30, 1989.

The 2nd amendment was made on June 10, 1990.

The 3rd amendment was made on June 30, 1990.

The 4th amendment was made on May 23, 1991.

The 5th amendment was made on June 10, 1992.

The 6th amendment was made on December 22, 1992.

The 7th amendment was made on July 20, 1993.

The 8th amendment was made on September 2, 1993.

The 9th amendment was made on June 18, 1995.

The 10th amendment was made on October 3, 1995.

The 11th amendment was made on June 30, 1996.

The 12th amendment was made on November 16, 1996.

The 13th amendment was made on April 12, 1997.

The 14th amendment was made on June 6, 1998.

The 15th amendment was made on May 14, 1999.

The 16th amendment was made on April 21, 2000.

The 17th amendment was made on May 25, 2001.

The 18th amendment was made on May 21, 2002.

The 19th amendment was made on June 30, 2004.

The 20th amendment was made on May 18, 2005.

The 21st amendment was made on May 24, 2006.

The 22nd amendment was made on June 15, 2007.

The 23rd amendment was made on June 13, 2008.
The 24th amendment was made on June 16, 2009.
The 25th amendment was made on June 24, 2011.
The 26th amendment was made on June 26, 2014.
The 27th amendment was made on June 3, 2016.
The 28th amendment was made on June 28, 2017.
The 29th amendment was made on June 13, 2019.
The 30th amendment was made on June 10, 2020.
The 31st amendment was made on June 8, 2022.

Appendix 2

Leadtek Research Inc.

Rules of Procedure for Meetings of Shareholders

Passed by the AGM on June 10, 2020

- Article 1 Except the law and/or regulations otherwise required, meetings of shareholders of the Company shall proceed as provided for in the Rules.
- Article 2 “Shareholder” as claimed in the Rules means the shareholder and the proxy he/she delegates to represent him/her in a meeting of shareholders.
- Article 3 When attending a meeting of shareholders, the shareholder or his/her proxy shall complete the sign-in procedure with the check-in pass. The number of shares in attendance shall be calculated according to the shares indicated in the recovered sign-in cards, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.
- The Company may assign the attorneys-at-law, accountants, or relevant personnel it hires to attend the meeting of shareholders as guests. Staff handling administrative affairs of a meeting of shareholders shall wear identification cards or armbands.
- Article 4 The chair shall immediately call the meeting to order at the designated meeting time when shareholders representing over one-half of the total issued shares are present. If the quorum is not met, the chair may postpone the meeting for not more than two times

with a total of not more than one hour.

If the quorum is still not met after two postponements and the shareholders present in the meeting represent over a third of the total issued shares, the share may make a tentative resolution in accordance with Article 175 of the *Company Act*. After making the tentative resolution in accordance with the above procedures, if the number of shareholders present in the meeting holding shares reaching one-half of the total issued shares, the chair may refer the tentative resolution to the meeting of shareholders for voting in accordance with Article 174 of the *Company Act*.

Article 5

If a meeting of shareholders 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 meeting of shareholders.

The provisions of the preceding paragraph shall apply *mutatis mutandis* to a meeting of shareholders 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 the completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a

resolution of the meeting of shareholders. If the chair declares the meeting adjourned in violation of the rules of procedure, 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.

Except for the situation as stated above, after the meeting of shareholders is adjourned, shareholders shall not elect another meeting chair to continue the meeting at the original or another venue.

Article 6

When a meeting is in progress, the chair may announce a break based on time considerations.

The Company shall record the audio or videotape the meeting of shareholders and retain the tapes for at least one year.

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 Company.

The results of the voting shall be announced on-site at the meeting, and a record made of the vote.

If the meeting cannot be completed all at once, a resolution may be adopted in the meeting of shareholders to defer or resume the meeting within five days without further notice or announcement.

Article 7

Before speaking, a shareholder or proxy present in the meeting shall state in the comment slip the subject of comment, his/her shareholder account

number (or attendance card number), and account name. The order of comments will be set by the chair.

A shareholder present in the meeting submitting a comment without making a comment shall be deemed as no comment. If the content of the comment is inconsistent with the subject given in the comment slip, the spoken content shall prevail. Except with the consent of the chairman and the shareholder speaking, when a shareholder is making a comment, other shareholders shall not disturb the comment. The chair shall stop the disturbance.

Article 8 An amendment to or an alternative for a proposal in the agenda or another proposal made by an extraordinary motion shall be seconded by other shareholders or proxies. The same shall apply to the agenda change and adjournment motion.

Article 9 Except with the consent of the chair, a shareholder or proxy shall not comment on the same proposal more than two times, and a comment shall not exceed five minutes.

The chair may terminate the comment of shareholders making comments against the above rule or in excess of the scope of the proposal.

When a company attends a meeting of shareholders as a proxy, it shall only send one member to the meeting.

When corporate shareholders send two or more representatives to the meeting of shareholders, only one representative shall comment on the same

proposal.

Article 10 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. After the comment of a shareholder, the chair may answer the comment in person or designate the relevant personnel to answer the comment.

Article 11 The venue for a meeting of shareholders shall be the premises of the Company or a venue easily accessible by shareholders and suitable for a meeting of shareholders. The meeting shall begin no earlier than 09:00 and no later than 15:00.

Article 12 Unless the *Company Act* or articles of incorporation otherwise require, a proposal shall be approved by over one-half of shareholders representing over one-half of the voting shares present in the meeting. Shareholders of the Company shall enjoy one vote for each share held. When the government or a company is a shareholder, it can be represented by more than one person in a meeting of shareholders. However, the voting rights of these representatives shall still be accounted for by the number of shares held.

When there are two or more representatives representing the government or a company as stated in the preceding paragraph, they shall exercise their voting right together.

When there is an amendment to or an alternative to the same proposal, the chair shall determine the

order of voting alongside the original proposal.

When one of them is passed, the rest of them are deemed as vetoed without the need for further voting.

Article 13 When there is an air raid warning during the meeting, the chair shall immediately adjourn or suspend the meeting and evacuate the attendees. The meeting may be continued one hour after the air raid warning is over.

Article 14 Matters not provided for herein shall be subject to the *Company Act* and the applicable laws and regulations.

Article 15 A meeting of shareholding convened by the board of directors shall be chaired by the chairperson of the board. When the chairperson is on leave or unable to attend the meeting for any reason, he/she shall appoint a managing director as his/her proxy. If there is no managing director, one director shall be appointed as the proxy. When no proxy is appointed, managing directors or directors shall elect one of them to chair the meeting.

A meeting of shareholders convened by a person with the power to convene other than the board of directors shall chair the meeting convened. When there are more than one convener, they shall elect one of them as the chair.

Article 16 The chair may direct the proctors (or security personnel) to help maintain order at the meeting venue. Proctors maintaining order at the meeting venue shall wear an armband bearing the word

“Proctor”.

Article 17 Shareholders (or proxies) shall follow the instructions for order maintenance given by the chair, proctors (or security personnel). The chair may direct proctors (or security personnel) to eliminate persons obstructing the proceeding of the meeting.

Article 18 These Rules shall be implemented after the passage in the meeting of shareholders. The same shall apply to the amendments hereto.

Appendix 3

Leadtek Research Inc. Stake of Shareholders

By the date (April 14, 2024) of the share transfer suspension, the shareholding of individual and all directors as registered in the list of shareholders is as follows:

Job title	Name	Date of elected	Term of office	Number of shares held at the time of elect		Number of shares held registered in the list of shareholders on the date of share transfer suspension	
				Number of shares	Proportion	Number of shares	Proportion
Chairman	Lu Kun-Shan	June 9, 2023	3 years	222,257	0.26%	222,257	0.26%
Director	Ablecom Technology Inc. Rep.:Liang Jian-Fa	Dec. 27, 2023	3 years	16,667,000	19.85%	16,667,000	19.85%
Director	Compuware Technology Inc. Rep.:Liang Jian-Da	Dec. 27, 2023	3 years	8,333,000	9.93%	8,333,000	9.93%
Independent Director	Ho Yao-Hung	June 9, 2023	3 years	0	0.00%	0	0.00%
Independent Director	Shen An-Shih	June 9, 2023	3 years	0	0.00%	0	0.00%
Independent Director	Liu Cheng	June 9, 2023	3 years	17,367	0.02%	17,367	0.02%
Independent Director	Liu Ju-Chi	June 9, 2023	3 years	0	0.00%	0	0.00%
Total number of shares held by all directors				25,239,624	30.06%	25,239,624	30.06%

Note 1: The Company paid-in capital is NT\$839,460,310. A total of 83,946,031 shares have been issued.

Note 2: The minimum number of shares to be held by all directors in accordance with Article 26-6, paragraph 6, of the *Securities and Exchange Act* is as follows:

The minimum number of shares to be held by all directors:

6,715,683 shares.

Note 3: The total number of shares held by all directors meets the statutory requirement.

Note 4: The Company's Directors, Huang Chin-Ming, and Hu Chiu-Chiang resigned on December 26, 2023.



LEADTEK

麗臺科技股份有限公司

Leadtek Research Inc.

