

股票代號：2465

LEADTEK

麗臺科技股份有限公司

2025

Annual General Meeting Handbook



Date: May 23, 2025

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 2025 Annual General Meeting

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

Leadtek Research Inc.
Procedure of 2025 Annual General Meeting

Time: 09:00, Friday, May 23, 2025

Venue: B2, No.726, Zhongzheng Rd., Zhonghe Dist., New Taipei
City (B2, Building A, 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) 2024 Business Report
 - (II) 2024 Audit Report of Audit Committee
 - (III) Improvement Plan for Overdue Lending
- IV. Ratification
 - (I) Financial Statements and Business Report for 2024
 - (II) Proposal for making up Losses in 2024
- V. Discussion and Election
 - (I) Amendment to the Company Articles of Incorporation
 - (II) By Election of Directors
 - (III) Proposal of Lifting the Non-Compete Restrictions for New Directors
- VI. Any Other Business (AOB)
- VII. Adjournment

I. Management Presentation

(I) 2024 Business Report

1.Operation Highlight

The consolidated operating income for the full year 2024 was NT\$4.295 billion, an increase of 0.44% from NT\$4.276 billion in 2023. The overall gross profit was NT\$368 million, the gross profit margin fell to 9%, and the full-year operating net loss was NT\$430 million; non-operating expenses such as interest expenses and other benefits totaled NT\$2.29 million; after deducting income tax expenses, the net loss attributable to the parent company after tax in 2024 was NT\$441 million, and the loss per share was NT\$5.26.

The rapid rise of ChatGPT has set off a wave of widespread application of AI, which has huge demand for computing power. NVIDIA is far ahead of the industry in launching AI system products and graphics cards with super computing power. Leadtek is NVIDIA's partner in the Asia-Pacific market. Unfortunately, it has less power in servers and systems and it is difficult to quickly capture the market. Popular AI computing systems have the opportunity to increase revenue in China, but the Sino-US trade war has led to restrictions on the export of popular high-end products to China. As a result, the specifications must be lowered, which greatly reduces business opportunities. It can only expand the sales of mid- and low-end graphics cards to increase performance. The self-developed AIDMS system (AI Development Management System) has been gradually adopted by manufacturing users in Taiwan. It is expected to create good results when combined with the hardware system, and we look forward to expanding it to the international market in the future. As the agent of NVIDIA's deep learning DLI and Omniverse software, we are also

gradually working on the Asia-Pacific market and China, and we look forward to achieving good results in software sales in the future. The sales of Zero Client virtual terminals declined slightly, but the self-developed operating system (Device Management System) has been recognized by customers, and it is expected to increase competitiveness and profits by combining hardware sales in the future.

In recent years, smart health products such as blood oximeters and forehead thermometers have been developed and have received good response in the market. The biotech product Fullskin Essence has the effect of activating the skin. The newly created health product BtNPN Nanopatch has excellent deep soothing effect and has been widely praised. Experiments have confirmed that it is very effective in improving human immunity and vitality. Paired with the 8z05 heart rate variability analyzer or H2Plus ECG bracelet for measurement, it is an extremely effective health promotion solution. We have established 2,000 distribution channels for cosmetics and medical products in Taiwan. However, due to the losses in the business unit for many years, at the end of 2024, the board of directors decided to transfer the smart health product business to the subsidiary "Leadtek Biomed Inc." for continued operation. In the future, the subsidiary will introduce external funds to meet future development needs, while the company will focus on the operation of the computer product business, looking forward to developing competitive products in the wave of AI artificial intelligence.

2.2025 annual business plan, development strategy, impact of external competitive environment, regulatory environment and overall business environment

In October 2023, Leadtek Research Inc. introduced strategic investment from "Ablecom Technology Inc." and "Compuware Technology Inc." through private placement,

which provided strong support for server product chassis, heat dissipation or water cooling systems, power supplies and motherboard resources; Leadtek gaming graphics cards or agent NVIDIA workstation graphics cards, even with Leadtek AI software or NVIDIA AI or Ominiverse software, constitute users' excellent AI workstation overall solution, and is expected to gain some market share in the hottest AI computing server market. From now on, GPU graphics cards, workstations, and server integration will be Leadtek's main revenue. It is expected to bring long-term stable growth.

Leadtek Research Inc.

Lu, Kun-Shan Lu, Chairman

Liang, Chuan-Chieh, President

Chang, Shen, Chief Accounting Officer

(II) 2024 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 2024 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 2025 Annual General Meeting of Leadtek Research Inc.

Ho Yao-Hung, Convener of the Audit Committee

Date: March 3, 2025

(III) Improvement Plan for Overdue Lending

1. From April to June 2017, the company loaned NT\$35,000,000 to our subsidiary, Leadhope International Inc. ("Leadhope" for short). Leadhope loaned the entire amount to Blueside Inc., a Korean company, mainly for the marketing expenses of the online game "Kingdom Under Fire II" for Taiwan, Hong Kong and Macau during its launch.
2. Korean company Blueside Inc. repaid NT\$7,960,486 from 2017 to 2018 and NT\$444,018 from 2019 to 2020. As of the end of 2021, the balance of our company's loan to Leadhope was NT\$26,595,496. On September 30, 2024, the board of directors resolved to remove the total amount of NT\$26,595,496 of this loan from the uncollected receivables of the accounting books.
3. Leadhope also passed the dissolution and liquidation case at the shareholders' extraordinary meeting on October 23, 2024. In December 2024, the Company applied to the competent authority for a one-year extension of the loan and repayment plan, and planned to complete the dissolution and liquidation of Leadhope within one year. The competent authority agreed to the case handling in its letter of Jinguan Zhengshen No. 1130151829 on December 19, 2024. The Company is still required to announce the improvement progress and discuss it to the Board of Directors for control on a quarterly basis, and report the implementation status at the shareholders' meeting.

II. Ratification

(Proposal 1 made by the Board)

Financial statements and business report for 2024.

Explanation:

1. The individual financial statements and consolidated financial statements for 2024 (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 2024 Business Report, CPA Audit Report, and the above financial statements (please refer to Annexes 1 and 2 in pp.3-5. And pp.12-27 of this Handbook).

Resolution:

(Proposal 2 made by the Board)

Proposal for making up losses in 2024

Explanation: The proposal for making up losses in 2024 is as follows:

Leadtek Research Inc.
Loss Make-up Table
2024

Unit: NTD

Item	Amount	
	Subtotal	Total
Beginning unappropriated earnings		0
Add: Remeasurement of defined benefit plans	3,652,000	
Less: Realized losses on equity instruments measured at fair market value through other comprehensive income	(7,534,482)	
Less: Net loss after tax in 2024	(441,211,015)	
Losses for make-up		(445,093,497)
Item of losses for make-up		
Capital reserve - common stock premium	187,189,594	
Capital reserve - the difference between the actual price of equity acquired or disposed of by subsidiaries and the book value	1,571	
Ending losses for make-up		(257,902,332)

Chairman

CEO:

CAO:

Resolution:

III. Discussion and Election

(Proposal 1 made by the Board)

Proposal to Amend the Articles of Incorporation.

Explanation:

- (I) In response to the provisions of Article 14, Paragraph 6 of the Securities and Exchange Act, the Company's Articles of Association are proposed to be amended to specify that the Company's net profit for the current period before deducting employee remuneration and director remuneration shall be allocated not less than 3% as employee remuneration and not more than 5% as director remuneration, of which the allocation of remuneration to grassroots employees shall not be less than 20% of the total employee remuneration referred to in the preceding paragraph.
- (II) For a comparison table of the Articles of Incorporation of the Company before and after the revision, please refer to Annex in pp.28-29 of this Handbook.

Resolution:

(Proposal 2 made by the Board)

By-election of directors

Explanation:

- (I) The Company's independent directors Shen An-Shih, Liu Cheng and Liu Ju-Chi resigned from their positions as directors on May 22, 2025 due to personal reasons.
- (II) In accordance with Article 14 of the Articles of Incorporation, there will be three seats of directors (including two seats of independent directors) in this by election. The candidate nomination system shall be adopted. Shareholders shall select directors from the list of directorial candidates. The term of office of the directors elected in this by-election is the same as that of the current directors, which is from the date of election to June 8, 2026.
- (III) The list was passed at the Board meeting on April 7, 2025. Please refer to Annex 4 List of Directorial Candidates in pp. 30 of the Handbook.

Election results:

(Proposal 3 made by the Board)

Proposal of Lifting 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 5 Details of Non-Compete Restrictions for Directors in pp.31 of the Handbook.

Resolution:

IV. Any Other Business (AOB)

Adjournment

Independent Auditors' Report

To the Board of Directors, Leadtek Research Inc.:

Audit opinion

We have audited the Statement of Balance Sheets of Leadtek Research Inc. as of December 31, 2024 and 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flow from January 1 to December 31, 2024 and 2023, 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, 2024 and 2023 as well as the financial performance and cash flow from January 1 to December 31, 2024 and 2023.

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 2024 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. Revenue recognition

For the accounting policy on revenue recognition, please refer to Note 4(15), Recognition of Revenue, of the parent company only financial statements. For the explanation of revenue, please refer to Note 6(19), Income, of the parent company only financial statements.

Description of key audit matters:

Operating income is an important item in the parent company only financial statements and affects the users on their understanding of the overall financial statements. Therefore, the test of revenue recognition is an important assessment item for the independent auditors in the audit financial statements of Leadtek Research Inc.

Corresponding audit procedures:

The main audit procedures for the aforementioned key audit items include testing relevant controls sales and collection cycle, executing the confirmation procedure for accounts receivable, and conducting spot-check of relevant documents from the operating revenue statements to make sure that the obligation to fulfill sales agreements has been completed. Whether the timing of revenue recognition of Leadtek Research Inc. complies with relevant standards is also assessed.

II. 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.

III. 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 revenue recognition and 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) Revenue recognition of subsidiaries

Leadtek (SHANGHAI) Research Inc., recognized by Leadtek Research Inc. under equity method, is mainly engaged in the sale and purchase of communication equipment, computers, communications, telecommunications and their peripheral equipment. Operating income is an important item in the financial statements and affects the users on their understanding of the overall financial statements. Therefore, the test of revenue recognition is an important assessment item for the independent auditors in the audit financial statements of Leadtek Research Inc.

Corresponding audit procedures:

The main audit procedures for the aforementioned key audit items include testing relevant controls sales and collection cycle, executing the confirmation procedure for accounts receivable, and conducting spot-check of relevant documents from the operating revenue statements to make sure that the obligation to fulfill sales agreements has been completed. Whether the timing of revenue recognition of the subsidies complies with relevant standards is also assessed.

(II) 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. Inventories 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 tasks:

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 2024 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-Chuan Chien and Kaun-Ying Kuo.

KPMG Taiwan

Taipei, Taiwan (Republic of China)

March 3, 2025

Leadtek Research Inc.
Balance Sheets

December 31, 2024 and 2023

Unit: NTD thousand

		12.31.2024		12.31.2023			
Assets		Amount	%	Amount	%		
Current assets:							
11100	Cash and cash equivalents (Note 6(1))	\$ 99,213	7	112,503	7	2100	Short-term borrowings (Notes 6(10), 7 and 8)
11170	Net accounts receivable (Note 6(3))	202,576	14	218,116	13	2170	Accounts payable
11180	Accounts receivable - related parties, net (Note 6(3) and 7)	126,953	9	99,967	6	2200	Other payables (Note 7)
1200	Other receivables (Notes 6(4) and 7)	19,654	1	4,579	-	2130	Contractual liabilities - current (Note 6(19))
130x	Inventory (Note 6(5))	215,211	15	301,927	18	2250	Provision for liabilities - current (Note 6(12))
1421	Prepayment for purchase	635	-	28,414	2	2280	Lease liabilities - current (Note 6(13))
1476	Other financial assets - current (Note 8)	33,768	3	72,340	4	2300	Other current liabilities
1470	Other current assets	11,474	1	21,541	1	2320	Long-term borrowings due within one year or operating cycle (Notes 6(11), 7 and 8)
		709,484	50	859,387	51		
Non-current assets							
1550	Investment under equity method (Note 6(6))	433,428	30	510,451	30	2540	Long-term borrowings (Notes 6(11), 7 and 8)
1510	Financial assets measured at fair value through profit or loss - non-current (Note 6(2))	-	-	30,100	2	2645	Deposit received
1517	Financial assets measured at fair value through other comprehensive income - non-current (Note 6(2))	-	-	4,318	-	2570	Deferred income tax liabilities (Note 6(16))
1600	Property, plant and equipment (Notes 6(7) and 8)	197,963	14	198,344	12	2580	Lease liabilities - non-current (Note 6(13))
1755	Right-of-use assets (Note 6(8))	34,522	3	34,965	2	2650	Investment balance under equity method (Note 6(6))
1780	Intangible assets (Note 6(9))	4,341	-	4,081	-		
1975	Net defined benefit assets - non-current (Note 6(15))	19,591	1	15,028	1	3100	Share capital (Note 6(17))
1840	Deferred income tax assets (Note 6(16))	-	-	4,955	-	3200	Capital reserve (Note 6(17))
1990	Other non-current assets (Note 8)	25,358	2	25,646	2	3350	Accumulated profit and loss (Note 6(17))
						3400	Other equities
Total equity							
Significant contingent liabilities and unrecognized contractual commitments (Note 9)							
Total liabilities and equity							
		715,203	50	827,888	49		
Total assets		<u>\$ 1,424,687</u>	<u>100</u>	<u>1,687,275</u>	<u>100</u>		

Chairman: Lu Kun-Shan

Managerial Officer: Liang Chuan-Chieh

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

Accounting Officer: Chang Shen

Leadtek Research Inc.
Statements of Comprehensive Income
January 1 to December 31, 2024 and 2023

Unit: NTD thousand

		2024		2023	
		Amount	%	Amount	%
4000	Operating revenue (Notes 6(19) and 7)	\$ 2,525,010	100	2,326,539	100
5000	Operating cost (Notes 6(5), 6(12), 7, and 12)	<u>2,336,950</u>	<u>93</u>	<u>2,078,371</u>	<u>89</u>
		188,060	7	248,168	11
5910	Less: Unrealized sales profit or loss	<u>4,044</u>	<u>-</u>	<u>(11,921)</u>	<u>-</u>
5900	Gross profit	<u>184,016</u>	<u>7</u>	<u>260,089</u>	<u>11</u>
6000	Operating cost (Notes 6(3), 6(7), 6(13), 6(15), 7 and 12):				
6100	Marketing expense	235,965	9	211,162	9
6200	Administrative expense	87,680	3	87,053	4
6300	Research and development expense	191,906	8	163,821	7
6450	Expected credit impairment loss	<u>24,426</u>	<u>1</u>	<u>145</u>	<u>-</u>
		<u>539,977</u>	<u>21</u>	<u>462,181</u>	<u>20</u>
6900	Net operating loss	<u>(355,961)</u>	<u>(14)</u>	<u>(202,092)</u>	<u>(9)</u>
7000	Non-operating revenues and expenses				
7010	Other income and expenses (Note 6(14) and 7)	4,393	-	3,941	-
7100	Interest income	8,379	-	2,871	-
7230	Net foreign exchange gain (loss)	15,414	-	(13,511)	(1)
7235	Net gain (loss) on financial assets (liabilities) measured at fair value through profit or loss	-	-	31	-
7050	Financial cost	(24,021)	-	(32,376)	(1)
7775	Share of profit (loss) in affiliates and joint ventures recognized under equity method (Note 6(6))	<u>(84,533)</u>	<u>(3)</u>	<u>76,512</u>	<u>4</u>
		<u>(80,368)</u>	<u>(3)</u>	<u>37,468</u>	<u>2</u>
7900	Net loss before tax	<u>(436,329)</u>	<u>(17)</u>	<u>(164,624)</u>	<u>(7)</u>
7950	Less: Income tax expense (profit) (Note 6(16))	<u>4,882</u>	<u>-</u>	<u>(4,895)</u>	<u>-</u>
	Net loss for the current period	<u>(441,211)</u>	<u>(17)</u>	<u>(159,729)</u>	<u>(7)</u>
8300	Other comprehensive income:				
8310	Items not reclassified into profit or loss				
8311	Remeasurement of defined benefit plan (Note 6(15))	4,565	-	651	-
8316	Unrealized gains or losses on investment in equity instruments measured at fair value through other comprehensive income	(3,163)	-	(1,526)	-
8349	Less: Income tax related to items not subject to reclassification (Note 6(16))	<u>913</u>	<u>-</u>	<u>130</u>	<u>-</u>
	Total of items not reclassified into profit or loss	<u>489</u>	<u>-</u>	<u>(1,005)</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	17,235	-	(9,144)	-
8380	Share of other comprehensive income in subsidiaries, affiliates and joint ventures recognized under equity method	3	-	1	-
8399	Less: Income tax related to items that may be reclassified (Note 6(16))	<u>3,447</u>	<u>-</u>	<u>(1,829)</u>	<u>-</u>
	Total items that may be subsequently reclassified to profit or loss	<u>13,791</u>	<u>-</u>	<u>(7,314)</u>	<u>-</u>
8300	Other comprehensive income for the current period	<u>14,280</u>	<u>-</u>	<u>(8,319)</u>	<u>-</u>
8500	Total comprehensive income for the current period	<u>\$ (426,931)</u>	<u>(17)</u>	<u>(168,048)</u>	<u>(7)</u>
	Basic and diluted loss per share (in dollars) (Note 6(18))				
9750	Basic loss per share (in dollars)	<u>\$ (5.26)</u>		<u>(2.53)</u>	
9850	Diluted loss per share (in dollars)	<u>\$ (5.26)</u>		<u>(2.53)</u>	

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

Chairman: Lu Kun-Shan

Managerial Officer: Liang Chuan-Chieh

Accounting Officer: Chang Shen

Leadtek Research Inc.

Statements of Changes in Equity

January 1 to December 31, 2024 and 2023

Unit: NTD thousand

	Retained earnings				Other equities			Total equity
	Share capital	Capital reserve	Legal reserve	Accumulated profit and loss	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, 2023	\$ 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	
Net loss for the current period	-	-	-	(441,211)	-	-	(441,211)	
Other comprehensive (loss) income for the current period	-	-	-	3,652	13,791	(3,163)	14,280	
Comprehensive (loss) income for the current period	-	-	-	(437,559)	13,791	(3,163)	(426,931)	
Other changes in capital reserve:								
Capital reserve to make up loss	-	(232,283)	-	232,283	-	-	-	
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	(7,535)	-	7,535	-	
Balance as of December 31, 2024	\$ 839,460	187,192	-	(445,094)	14,098	(11,500)	584,156	

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

Chairman: Lu Kun-Shan

Managerial Officer: Liang Chuan-Chieh

Accounting Officer: Chang Shen

Leadtek Research Inc.
Statements of Cash Flows
January 1 to December 31, 2024 and 2023

	Unit: NTD thousand	
	2024	2023
Cash flow from operating activities:		
Net loss before tax for the current period	\$ (436,329)	(164,624)
Adjustment:		
Income and expense		
Depreciation expense	38,479	32,702
Amortization expense	6,793	8,207
Expected credit impairment loss	24,426	145
Net profit on financial assets and liabilities measured at fair value through profit or loss	-	(31)
Interest expense	24,021	32,376
Interest income	(8,379)	(2,871)
Share of loss (profit) in subsidiaries, affiliates and joint ventures recognized under equity method	84,533	(76,512)
Gain on disposal of property, plant and equipment	(212)	-
Unrealized loss (profit) from sales	4,044	(11,921)
Others	(2,747)	(1)
Total income and expense	170,958	(17,906)
Net changes in assets related to operating activities:		
Decrease in financial assets mandatorily measured at fair value through profit or loss	-	4,377
Increase in accounts receivable	(11,438)	(120,608)
Increase in other receivables	-	(61)
Decrease in inventory	86,767	292,735
Decrease (increase) in prepayments	27,779	(19,430)
Decrease (increase) in other current assets	10,043	(6,713)
Others	2	2
Total net changes in assets related to operating activities	113,153	150,302
Net changes in liabilities related to operating activities:		
Decrease in contract liabilities	(11,576)	(2,597)
Increase (decrease) in accounts payables	17,755	(105,224)
Increase in other payables and other current liabilities	22,993	19,550
Increase (decrease) in provision for liabilities	2,133	(729)
Total net changes in liabilities related to operating activities	31,305	(89,000)
Total net changes in assets and liabilities related to operating activities	144,458	61,302
Total adjustment	315,416	43,396
Cash outflow from operations	(120,913)	(121,228)
Interest received	1,918	2,067
Interest paid	(23,109)	(34,654)
Net cash outflow from operating activities	(142,104)	(153,815)
Cash flow from investing activities:		
Disposal of financial assets measured at fair value through other comprehensive income	1,155	-
Acquisition of property, plant, and equipment	(21,717)	(23,916)
Disposal of property, plant, and equipment	3,391	-
Increase in refundable deposit	(3,135)	(10,826)
Acquisition of intangible assets	(6,554)	(6,444)
Increase in prepayment for equipment	-	(2,609)
Decrease in restricted assets	38,572	5,660
Net cash inflow (outflow) from investing activities	11,712	(38,135)
Cash flow from financing activities:		
Increase (decrease) in short-term borrowings	150,653	(419,788)
Borrowing of long-term loans	100,000	129,048
Repayment of long-term borrowings	(117,230)	(135,045)
Decrease in deposit received	(516)	(210)
Repayment of lease principal	(15,805)	(14,956)
Capital increase in cash	-	669,000
Net cash inflow from financing activities	117,102	228,049
(Decrease) increase in cash and cash equivalents for the current period	(13,290)	36,099
Opening balance of cash and cash equivalents	112,503	76,404
Closing balance of cash and cash equivalents	\$ 99,213	112,503

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

Chairman: Lu Kun-Shan

Managerial Officer: Liang Chuan-Chieh

Accounting Officer: Chang Shen

Independent Auditors' Report

To the Board of Directors, Leadtek Research Inc.:

Audit opinion

We have audited the consolidated Balance Sheets of Leadtek Research Inc. and its subsidiaries as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows from January 1 to December 31, 2024 and 2023, 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, and interpretations 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, 2024 and 2023 as well as their consolidated financial performance and consolidated cash flow from January 1 to December 31, 2024 and 2023.

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 2024 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.

II. Recognition of revenue

For the accounting policy on revenue recognition, please refer to Note 4(15), Recognition of Revenue, of the consolidated financial statements. For the explanation of revenue, please refer to Note 6(20), Income, of the consolidated financial statements.

Description of key audit matters:

Leadtek Research Inc. and its subsidiaries are mainly engaged in the sale and purchase of communication equipment, computers, communications, telecommunications and their peripheral equipment. Operating income is an important item in the consolidated financial statements and affects the users on their understanding of the overall financial statements. Therefore, the test of revenue recognition is an important assessment item for the independent auditors in the audit of the consolidated financial statements of Leadtek Research Inc. and its subsidiaries.

Corresponding audit procedures:

The main audit procedures for the aforementioned key audit items include testing relevant controls of the sales and collection cycle, executing the confirmation procedure for accounts receivable, and conducting spot-check of relevant documents from the operating revenue statements to make sure that the obligation to fulfill sales agreements has been completed. Whether the timing of revenue recognition of Leadtek Research Inc. and its subsidiaries complies with relevant standards is also assessed.

Other matters

For the parent company only financial statements prepared by Leadtek Research Inc. for 2024 and 2023, 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, and interpretations 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 tasks:

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 2024 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-Chuan Chien and Kaun-Ying Kuo.

KPMG Taiwan

Taipei, Taiwan (Republic of China)

March 3, 2025

Leadtek Research Inc. and Subsidiaries

Consolidated Balance Sheets

December 31, 2024 and 2023

Unit: NTD thousand

		12.31.2024		12.31.2023	
		Amount	%	Amount	%
Assets					
Current assets:					
1100	Cash and cash equivalents (Note 6(1))	\$ 433,028	15	309,350	12
1150	Notes receivable (Note 6(3))	10,937	-	-	-
1170	Net accounts receivable (Note 6(3))	321,997	11	360,586	14
1200	Other receivables (Notes 6(4) and 7)	23,102	1	596	-
130X	Inventory (Note 6(5))	1,727,170	58	739,106	28
1421	Prepayment for purchase (Note 7)	11,963	-	655,051	25
1476	Other financial assets - current (Note 8)	33,768	1	72,340	3
1479	Other current assets	34,454	1	67,043	3
		<u>2,596,419</u>	<u>87</u>	<u>2,204,072</u>	<u>85</u>
Non-current assets					
1550	Investment under equity method (Note 6(6))	4,191	-	4,041	-
1510	Financial assets measured at fair value through profit or loss - non-current (Note 6(2))	-	-	30,100	1
1517	Financial assets measured at fair value through other comprehensive income - non-current (Note 6(2))	-	-	4,318	-
1600	Property, plant and equipment (Notes 6(7) and 8)	200,219	7	199,895	7
1755	Right-of-use assets (Note 6(8))	57,596	2	65,992	3
1780	Intangible assets (Note 6(9))	4,341	-	4,081	-
1975	Net defined benefit assets - non-current (Note 6(16))	19,591	1	15,028	1
1840	Deferred income tax assets (Note 6(17))	56,958	2	50,498	2
1990	Other non-current assets (Notes 6(10) and 8)	29,299	1	29,986	1
		<u>372,195</u>	<u>13</u>	<u>403,939</u>	<u>15</u>
Liabilities and equity					
Current liabilities:					
2100	Short-term borrowings (Notes 6(11), 7 and 8)				
2171	Accounts payable				
2200	Other payables (Note 7)				
2130	Contract liabilities - current (Notes 6(20) and 7)				
2250	Provision for liabilities - current (Note 6(13))				
2280	Lease liabilities - current (Note 6(14))				
2399	Other current liabilities				
2320	Long-term borrowings due within one year or operating cycle (Notes 6(12), 7 and 8)				
		<u>59,725</u>	<u>2</u>	<u>98,625</u>	<u>4</u>
		<u>2,228,983</u>	<u>75</u>	<u>1,478,881</u>	<u>56</u>
Non-current liabilities:					
2540	Long-term borrowings (Notes 6(12), 7 and 8)	41,853	1	20,183	1
2527	Contract liabilities - non-current (Note 6(20))	43,699	2	53,338	2
2645	Deposit received	32,540	1	2,041	-
2570	Deferred income tax liabilities (Note 6(17))	4,614	-	327	-
2580	Lease liabilities - non-current (Note 6(14))	32,746	1	43,434	2
		<u>155,452</u>	<u>5</u>	<u>119,323</u>	<u>5</u>
		<u>2,384,435</u>	<u>80</u>	<u>1,598,204</u>	<u>61</u>
Equity:					
Equity attributable to parent company shareholders					
3100	Share capital (Note 6(18))	839,460	29	839,460	33
3200	Capital reserve (Note 6(18))	187,192	6	419,475	16
3350	Accumulated profit and loss (Note 6(18))	(445,094)	(15)	(232,283)	(9)
3400	Other equities	2,598	-	(15,565)	(1)
	Total equity attributable to parent company shareholders	<u>584,156</u>	<u>20</u>	<u>1,011,087</u>	<u>39</u>
36XX	Non-controlling equity	<u>23</u>	<u>-</u>	<u>(1,280)</u>	<u>-</u>
	Total equity	<u>584,179</u>	<u>20</u>	<u>1,009,807</u>	<u>39</u>
Significant contingent liabilities and unrecognized contractual commitments (Note 9)					
Total liabilities and equity		<u>\$ 2,968,614</u>	<u>100</u>	<u>2,608,011</u>	<u>100</u>

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

Chairman: Lu Kun-Shan

Managerial Officer: Liang Chuan-Chieh

Accounting Officer: Chang Shen

Leadtek Research Inc. and Subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to December 31, 2024 and 2023

Unit: NTD thousand

		2024		2023	
		Amount	%	Amount	%
4100	Operating revenue (Notes 6(20) and 7)	\$ 4,295,808	100	4,276,117	100
5000	Operating cost (Notes 6(5), 6(13), 6(16), and 12)	<u>3,927,774</u>	<u>91</u>	<u>3,647,838</u>	<u>85</u>
5900	Gross profit	<u>368,034</u>	<u>9</u>	<u>628,279</u>	<u>15</u>
6000	Operating expenses (Notes 6(3), 6(16) and 12) :				
6100	Marketing expense	414,869	10	378,792	9
6200	Administrative expense	130,836	3	150,559	3
6300	Research and development expense	221,438	5	203,806	5
6450	Expected credit impairment loss (gain)	<u>31,832</u>	<u>1</u>	<u>(6,357)</u>	<u>-</u>
		<u>798,975</u>	<u>19</u>	<u>726,800</u>	<u>17</u>
6900	Net operating loss	<u>(430,941)</u>	<u>(10)</u>	<u>(98,521)</u>	<u>(2)</u>
7000	Non-operating revenues and expenses				
7020	Other gains and losses (Note 6(22))	14,944	-	10,773	-
7100	Interest income	11,164	-	4,128	-
7050	Financial cost	(28,139)	-	(36,161)	(1)
7230	Net foreign exchange loss	(265)	-	(13,166)	-
7235	Net gain (loss) on financial assets (liabilities) measured at fair value through profit or loss	-	-	31	-
7060	Share of profit in affiliates and joint ventures recognized under equity method (Note 6(6))	<u>9</u>	<u>-</u>	<u>120</u>	<u>-</u>
		<u>(2,287)</u>	<u>-</u>	<u>(34,275)</u>	<u>(1)</u>
7900	Net loss before tax	<u>(433,228)</u>	<u>(10)</u>	<u>(132,796)</u>	<u>(3)</u>
7950	Less: Income tax expense (Note 6(17))	<u>6,681</u>	<u>-</u>	<u>27,190</u>	<u>1</u>
	Net loss for the current period	<u>(439,909)</u>	<u>(10)</u>	<u>(159,986)</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))	4,565	-	651	-
8316	Unrealized gains or losses on investment in equity instruments measured at fair value through other comprehensive income	(3,163)	-	(1,526)	-
8349	Less: Income tax related to items not subject to reclassification (Note 6(17))	<u>913</u>	<u>-</u>	<u>130</u>	<u>-</u>
	Total of items not reclassified into profit or loss	<u>489</u>	<u>-</u>	<u>(1,005)</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	17,098	-	(9,068)	-
8370	Share of other comprehensive income in affiliates and joint ventures recognized under equity method (Note 6(6))	141	-	(75)	-
8399	Less: Income tax related to items that may be reclassified (Note 6(17))	<u>3,447</u>	<u>-</u>	<u>(1,829)</u>	<u>-</u>
	Total items that may be subsequently reclassified to profit or loss	<u>13,792</u>	<u>-</u>	<u>(7,314)</u>	<u>-</u>
8300	Other comprehensive income for the current period	<u>14,281</u>	<u>-</u>	<u>(8,319)</u>	<u>-</u>
	Total comprehensive income for the current period	<u>\$ (425,628)</u>	<u>(10)</u>	<u>(168,305)</u>	<u>(4)</u>
	Net loss attributable to:				
8610	Owner of the parent company	\$ (441,211)	(10)	(159,729)	(4)
8620	Non-controlling equity	<u>1,302</u>	<u>-</u>	<u>(257)</u>	<u>-</u>
		<u>\$ (439,909)</u>	<u>(10)</u>	<u>(159,986)</u>	<u>(4)</u>
	Total comprehensive income attributable to:				
8710	Owner of the parent company	\$ (426,931)	(10)	(168,048)	(4)
8720	Non-controlling equity	<u>1,303</u>	<u>-</u>	<u>(257)</u>	<u>-</u>
		<u>\$ (425,628)</u>	<u>(10)</u>	<u>(168,305)</u>	<u>(4)</u>
	Basic and diluted loss per share (in dollars) (Note 6(19))				
9750	Basic loss per share (in dollars)	<u>\$ (5.26)</u>		<u>(2.53)</u>	
9850	Diluted loss per share (in dollars)	<u>\$ (5.26)</u>		<u>(2.53)</u>	

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

Chairman: Lu Kun-Shan

Managerial Officer: Liang Chuan-Chieh

Accounting Officer: Chang Shen

Leadtek Research Inc. and Subsidiaries
Consolidated Statements of Changes in Equity
January 1 to December 31, 2024 and 2023

Unit: NTD thousand

	Equity attributable to parent company shareholders									
	Share capital	Capital reserve	Legal reserve	Accumulated profit and loss	Retained earnings			Other equities		
					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	Non-controlling equity	Total equity	
Balance as of January 1, 2023	\$ 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	
Net income (loss) of the period	-	-	-	(441,211)	-	-	(441,211)	1,302	(439,909)	
Other comprehensive (loss) income for the current period	-	-	-	3,652	13,791	(3,163)	14,280	1	14,281	
Comprehensive (loss) income for the current period	-	-	-	(437,559)	13,791	(3,163)	(426,931)	1,303	(425,628)	
Other changes in capital reserve:										
Capital reserve to make up loss	-	(232,283)	-	232,283	-	-	-	-	-	
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	(7,535)	-	7,535	-	-	-	
Balance as of December 31, 2024	\$ 839,460	187,192	-	(445,094)	14,098	(11,500)	584,156	23	584,179	

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

Chairman: Lu Kun-Shan

Managerial Officer: Liang Chuan-Chieh

Accounting Officer: Chang Shen

Leadtek Research Inc. and Subsidiaries
Consolidated Statements of Cash Flows
January 1 to December 31, 2024 and 2023

Unit: NTD thousand

	2024	2023
Cash flow from operating activities:		
Net loss before tax for the current period	\$ (433,228)	(132,796)
Adjustment:		
Income and expense		
Depreciation expense	51,408	45,021
Amortization expense	6,793	8,207
Expected credit impairment loss (gain)	31,832	(6,357)
Net profit on financial assets and liabilities measured at fair value through profit or loss	-	(31)
Interest expense	28,139	36,161
Interest income	(11,164)	(4,128)
Share of profit in affiliates and joint ventures recognized under equity method	(9)	(120)
(Gain) loss on disposal of property, plant and equipment	(197)	25
Others	(2,747)	(1)
Total income and expense	104,055	78,777
Net changes in assets related to operating activities:		
Decrease in financial assets mandatorily measured at fair value through profit or loss	-	4,377
Increase in notes receivable	(10,937)	-
Decrease in accounts receivable	26,493	14,481
(Increase) decrease in other receivables	(2,851)	415
(Increase) decrease in inventory	(341,464)	141,369
Increase in prepayments	(3,461)	(617,611)
Decrease (increase) in other current assets	20,430	(31,962)
Others	2	2
Total net changes in assets related to operating activities	(311,788)	(488,929)
Net changes in liabilities related to operating activities:		
Increase in contract liabilities	652,265	590,953
Decrease in accounts payable	(6,044)	(63,696)
(Decrease) increase in other payables and other current liabilities	(34,681)	30,393
Increase (decrease) in provision for liabilities	2,133	(729)
Total net changes in liabilities related to operating activities	613,673	556,921
Total net changes in assets and liabilities related to operating activities	301,885	67,992
Total adjustment	405,940	146,769
Cash (outflow) inflow from operations	(27,288)	13,973
Interest received	4,704	4,123
Interest paid	(27,228)	(38,928)
Refunded (paid) income tax	9,673	(31,462)
Net cash outflow from operating activities	(40,139)	(52,294)
Cash flow from investing activities:		
Disposal of financial assets measured at fair value through other comprehensive income	1,155	-
Acquisition of property, plant, and equipment	(23,232)	(24,591)
Disposal of property, plant, and equipment	3,391	9
Increase in refundable deposit	(2,736)	(8,774)
Acquisition of intangible assets	(6,554)	(6,444)
Increase in prepayment for equipment	-	(2,609)
Decrease in restricted assets	38,572	5,660
Net cash inflow (outflow) from investing activities	10,596	(36,749)
Cash flow from financing activities:		
Increase (decrease) in short-term borrowings	150,653	(465,572)
Borrowing of long-term loans	100,000	129,048
Repayment of long-term borrowings	(117,230)	(135,045)
Increase (decrease) in deposit received	30,499	(627)
Repayment of lease principal	(27,959)	(25,850)
Capital increase in cash	-	669,000
Net cash inflow from financing activities	135,963	170,954
Effect of exchange rate changes on cash and cash equivalents	17,258	(9,433)
Increase in cash and cash equivalents for the current period	123,678	72,478
Opening balance of cash and cash equivalents	309,350	236,872
Closing balance of cash and cash equivalents	<u>\$ 433,028</u>	<u>309,350</u>

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

Chairman: Lu Kun-Shan

Managerial Officer: Liang Chuan-Chieh

Accounting Officer: Chang Shen

Annex 3

Leadtek Research Inc.

Comparison table of the Articles of Incorporation of the Company before and after the revision

Articles before the revision	Articles after the revision	Explanation
<p>Article 20</p> <p>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.</p> <p>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.</p>	<p>Article 20</p> <p>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.</p> <p><u>No less than 20% of the total employee remuneration referred to in the preceding paragraph shall be set aside for the distribution of remuneration to grassroots employee.</u></p> <p>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.</p>	<p>In compliance with the amendment of Article 14 of the Securities and Exchange Act</p>
<p>Article 22</p> <p>(Omitted before)</p> <p>The 27th amendment was made on June 3, 2016.</p> <p>The 28th amendment was made on June 28, 2017.</p> <p>The 29th amendment was made on June</p>	<p>Article 22</p> <p>(Omitted before)</p> <p>The 27th amendment was made on June 3, 2016.</p> <p>The 28th amendment was made on June 28, 2017.</p> <p>The 29th amendment was made on June</p>	<p>Add revision date and number</p>

Articles before the revision	Articles after the revision	Explanation
13, 2019. The 30th amendment was made on June 10, 2020. The 31st amendment was made on June 8, 2022.	13, 2019. The 30th amendment was made on June 10, 2020. The 31st amendment was made on June 8, 2022. <u>The 32st amendment was made on May 23, 2025.</u>	

Annex 4

Leadtek Research Inc. List of Directorial Candidates

Title	Name	Education	Experience	Current Position
Director	Liang Chuan-Chieh	MBA University of Dubuque	President of Leadtek Research Inc. President of AblePlus Precision Industry Inc. Special Assistant of Ablecom Technology Inc. Director of Ableworld Technology Inc.	President of Leadtek Research Inc. President of AblePlus Precision Industry Inc. Special Assistant of Ablecom Technology Inc. Director of Ableworld Technology Inc.
Independent Director	Chang Han-Tang	Technology College	Supervisor of Risecom Corporation Director of Risecom Corporation	Supervisor of Risecom Corporation
Independent Director	Chen De-Ming	Department of Transportation Engineering and Management, National Chiao Tung University	Senior sales Director of Compal Electronics Inc. General Manager, Europe(Germany) of Lite-on Technology Inc.	None

Annex 5

Leadtek Research Inc.

Details of Non-Compete Restrictions for Directors

Title	Name	Concurrent Position in other companies
Director	Liang Chuan-Jie	President of AblePlus Precision Industry Inc. Special Asssistant of Ablecom Technology Inc. Director of Ableworld Technology Inc.
Independent Director	Chang Han-Tang	Supervisor of Risecom Corporation

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.

Regulations for Directorial Election

June 10, 2021

- Article 1 Unless the *Company Act, Securities and Exchange Act*, and the Company's articles of incorporation otherwise require, the Company's directorial election shall proceed as provided for in the Rules.
- Article 2 The cumulative voting method shall be adopted for the directorial election of the Company. Each share shall have voting rights in number equal to the directors or supervisors to be elected, and may be cast for a single candidate or split among multiple candidates.
- Article 3 The board of directors shall prepare the ballots, indicate the number of attendance cards, and affix the company seal to them.
- Article 4 Before the election begins, the chair shall appoint a number of monitoring and counting personnel to carry out various relevant duties. Monitoring personnel shall also be shareholders.
- Article 5 The board of directors shall prepare the ballot box and have it opened for examination in front of attendees before the vote.
- Article 6 (deleted)
- Article 7 The number of directors shall be subject to the seats as stated in the Company's articles of incorporation. Those receiving ballots representing the highest numbers of voting rights shall be elected sequentially according to their respective numbers of votes. If two or more candidates receive the same number of votes and the number of candidates elect exceeds the of seats as stated in the Company's

articles of incorporation, they shall draw lots to determine the winner, with the chair drawing lots on behalf of those with apologies.

Article 8 Over one-half of directors shall not be under any one of the following circumstances:

1. Spouse.
2. Relatives within the second degree of kinship.

Article 9 Directors elect nonconforming to the restrictions in the preceding article. The one with votes representing lesser voting rights shall be invalidated.

Article 10 A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by a person with the right to convene.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. The candidate whose name is entered in the ballot does not conform to the director candidate list.
5. Other words or marks are entered in addition to the number of voting rights allotted.

Article 11 The voting rights shall be calculated on-site immediately after the end of the poll, and the results of the calculation shall be announced by the chair on-site.

Article 12 These Rules shall be implemented after the passage in the meeting of shareholders. The same shall apply to the amendments hereto.

Appendix 4

Leadtek Research Inc.

Stake of Shareholders

By the date (March 25, 2025) 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%	142,257	0.17%
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 (Note 4)	June 9, 2023	3 years	0	0.00%	0	0.00%
Independent Director	Liu Cheng (Note 4)	June 9, 2023	3 years	17,367	0.02%	17,367	0.02%
Independent Director	Liu Ju-Chi (Note 4)	June 9, 2023	3 years	0	0.00%	0	0.00%
Total number of shares held by all directors				25,239,624	30.06%	25,159,624	29.97%

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:

6,715,682 shares.

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

Note 4: The Company's Directors, Shen An-Shih, Liu Cheng, and Liu Ju-Chi resigned on May 22, 2025.



LEADTEK

麗臺科技股份有限公司

Leadtek Research Inc.