

Stock code: 4912

***LemTech***  
**Lemtech Holdings Co., Limited**

**2024**

**Annual Report**

**Printed: March 31, 2025**

**Company Website: <http://www.lemtech.com>**

**The Annual Report is available at <http://mops.twse.com.tw>**

(This English version is a translation based on the original Chinese version. Where any discrepancy arises between the two versions, the Chinese version shall prevail.)

I. Names, Titles, Telephones and E-mails of Spokesperson, Deputy Spokesperson, and the Litigation and Non-litigation Attorney in the Republic of China:

Spokesperson: Jed Huang Title: Financial manager  
Tel: (886)2-8684-1618 EXT:374 E-mail: contact@lemtech.com

Deputy Spokesperson: Hsu, Chi-Feng Title: Chairman  
Tel: (886)2-8684-1618 Ext.355 E-mail: contact@lemtech.com

Litigation and Non-litigation Attorney's  
Name: Hsu, Chi-Feng Title: Chairman  
Tel: (886)2-8684-1618 E-mail: contact@lemtech.com

II. Addresses and Telephones of Headquarter, Branches and Plants:

Name	Address	Tel
Lemtech Holdings Co., Limited	Genesis Building, 5th Floor, Genesis Close, PO Box 446, Cayman Islands, KY1-1106	(886)2-8684-1618
Lemtech Precision Material (China) Co., Ltd	No. 486, Yangguang West Road, Zhangpu Town, Kunshan City, Jiangsu Province, China	(86)512-5717-5855
LDC Precision Engineering Co., Ltd	12F., No. 3, Yuanqu St., Nangang Dist., Taipei City, Taiwan (R.O.C.)	(886)2-8684-1618
Lemtech Technology Limited	Room 2702-03, CC Wu Building, 302-8 Hennessy Road, Wanchai, Hong Kong	(886)2-8684-1618
Lemtech Industrial Services Ltd	Offshore Chambers, P.O. Box 217, Apia, Samoa	(886)2-8684-1618
Kunshan Lemtech Slide Technology Co., Ltd.	Room 6, No. 211, Zijing Road, Zhangpu Town, Kunshan City, Jiangsu Province, China	(86)512-5013-6519
Lemtech Precision Material (Czech) s.r.o.	Logistické Centrum Jihlava LCJ/Jipocar Hala B, 588 11 Strážná u Jihlavy 3, Czech	(420)770-114-798
Lemtech Energy Solutions Corporation	No. 39, Ruiyuan St., Bade Dist., Taoyuan City, Taiwan (R.O.C.)	(886)2-8684-1618
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Lemtech Precision Engineering (Tianjin) Co., Ltd	Building No.4, No.28, Saida Wuzhi Road, XiQing Economic and Technological Development Zone, Tianjin City, China	(86)22-5810-5173
Lemtech Precision Material (Huizhou) Co., Ltd	Changling (local name) lot of the Tianliao Economic Cooperative, Hu Town, Hu Town, Boluo County	(86)0752-6960588
Lemtech Mexico S.A. DE C.V.	Calle 2, 135/5, Benito Juárez, 76120, Querétaro, Querétaro, Querétaro, México	—
Lemtech Precision Material (Thailand) Co., Ltd.	700/775 Moo 1, AMATA City Chonburi Industrial Estate, Phan Thong Sub-District, Phan Thong District, Chonburi Province 20160, Thailand	—
Lemtech Technology Malaysia Sdn. Bhd.	PT39, PT40, PT41 & PT42 Jalan Zamrud 1, Kawasan Perindustrian Nilai 2, 71800 Nilai, Negeri Sembilan, Malaysia	—

III. Name, Address, Website and Telephone of the Stock Transfer Agency:

CTBC BANK CO., LTD. Transfer Agency Department

Website: <http://www.ctbcbank.com>

Address: 5F., No. 83, Sec. 1, Chongqing S. Rd., Taipei City

Tel: (886)2-6636-5566

IV. Names, Accounting Firm, Address, Website and Telephone of the CPAs Auditing and Certifying the Financial Report of the Most Recent Year

CPAs: Xue, Jun-Min, Chih, Jui-Chuan

Website:

<http://www.deloitte.com.tw>

CPA Firm: Deloitte & Touche

Tel: (886)2-2725-9988

Address: 20F., No. 100, Songren Road, Xinyi District, Taipei City

V. Name of the Trading Place Where Overseas Securities are Listed for Trading and Methods to Inquire About the Overseas Securities Information: None.

VI. Company Website: <http://www.lemtech.com>

VII. List of Board Members

Title	Name	Nationality	Major academic (work) experience
Chairman	Hsu, Chi-Feng	Republic of China	Changhua Yang-Ming Middle School Chairman and General Manager of Lemtech Holdings Co., Limited
Director	Ye, Hang	Mainland China	Shanghai Workers College for Mechanotronics Director and CTO of Lemtech Holdings Co., Limited
Director	Tan, Yong	Mainland China	Shanghai Machine Tool Electric Appliance Plant Technical School Director of Lemtech Holdings Co., Limited
Director	Chen, Hui-Min	Republic of China	MBA, In-service Master's Program, National Taiwan University Department of Accounting, Fu Jen Catholic University CPA, Deloitte, Taiwan Chairman, Huifengfu Management Consulting Co., Ltd Independent director of Wold Fitness Services Ltd.
Independent Director	Wang, Chi-Chuan	Republic of China	Ph.D., Department of Mechanical Engineering National Yang Ming Chiao Tung University Distinguished Professor of Department of Mechanical Engineering in National Yang Ming Chiao Tung University
Independent Director	Cheng, Frank	Republic of China	Oklahoma Central State University MBA Tamkang University BBA Vice President of MSI International Co. General Manager of Liuski International, Inc.
Independent Director	Hsieh, Ainsley	Republic of China	Master of Laws, New York University President, Ansili International Law Firm Independent director of TungThih Electronic Co., Ltd.

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## Chapter 1 Letter to Shareholders

Dear Shareholders,

In 2024, global businesses face significant challenges, including geopolitical tensions, supply chain disruptions, and economic volatility. Trade conflicts, particularly between the U.S. and China, along with ongoing wars and regional instability, continue to disrupt global commerce and drive up costs. Inflation and high interest rates strain financial stability, while advancements in AI and automation require substantial investment and heightened cybersecurity measures. Labor shortages and evolving workforce expectations add to operational complexities, while stricter environmental regulations and growing sustainability demands create additional pressures. Market fragmentation, fluctuating raw material costs, and extreme weather events further complicate global supply chains.

Despite these uncertainties, Lemtech Group has demonstrated remarkable resilience and agility, achieving substantial financial growth and operational excellence in an increasingly complex business landscape. Sales revenue surged by 24% to NTD 5.8 billion (compared to NTD 4.664 billion the previous year), while net profit increased by 55% to NTD 402 million (compared to NTD 260 million the previous year). This growth reflects enhanced cost efficiencies, a strong market position, and the successful execution of our strategic investments. Additionally, the Group significantly reinforced its financial structure, achieving a net cash position of NTD 11 million in 2024 - a 105% improvement from a net debt position of NTD 227 million in 2023.

These financial achievements underscore the resilience and adaptability of Lemtech Group's business model in navigating market volatility while maintaining financial stability.

Looking ahead, we remain optimistic about Lemtech Group's growth, driven by a strong pipeline of secured projects and market expansion initiatives. The Automotive & Precision Stamping Division (APS) is poised for organic revenue growth, supported by the operational readiness of our last year newly established factories in Mexico and in Thailand by FY25-Q2. Escalating geopolitical tensions between the U.S. and China have increased demand for alternative manufacturing solutions outside China, and our facilities in Mexico and Thailand are strategically positioned to meet these evolving customer needs. Furthermore, APS will continue expanding in the EV technology sector, with confirmed project nominations securing revenue visibility for at least the next five years.

The Assembly & Integration Division (A&I) and the Advanced Thermal Solutions Division (ATS) will also drive growth with the launch of a new factory in Malaysia by FY25-Q2. This facility will serve as a joint operation, providing integrated mechanical assembly and thermal module solutions to meet the increasing demands of the AI and high-performance computing sectors. While these divisions anticipate a cautious market recovery amid global economic uncertainties, we remain confident in their positioning, supported by rising forecast orders from existing customers and newly secured projects.

As the global industrial landscape evolves, Lemtech Group remains committed to sustainable value creation through strategic innovation, disciplined financial management, and expansion into high-growth market segments. Our unwavering focus on operational excellence and market responsiveness will enable us to navigate challenges, seize new opportunities, and drive long-term success for the Group and its stakeholders.

## I. 2024 Business Report

### (1) Implementation results of the business plan

Unit: Thousand NTD

Item \ Year	2024	2023	Amount of increase (decrease)	Change by percentage (%)
Net operating revenue	5,799,711	4,664,224	1,135,487	24.34%
Operating costs	4,413,097	3,639,661	773,436	21.25%
Gross profit	1,386,614	1,024,563	362,051	35.34%
Operating expenses	826,530	696,040	130,490	18.75%
Net operating income	560,084	328,523	231,561	70.49%
Non-operating income and expenses	(26,072)	(28,953)	(2,881)	(9.95%)
Net income before tax	534,012	299,570	234,442	78.26%
Less: Income tax expenses	104,867	25,071	79,796	318.28%
Net income for this period	429,145	274,499	154,646	56.34%

Analysis on the change of amount of increase/decrease:

- (1) Increase in operating revenue: As a result of cooling inflation and the gradual recovery of the industry, revenue from automotive products and electronic components increased.
- (2) Increase in operating costs: Increase in operating revenues led to an increase in costs.
- (3) Increase in gross profit: Mainly due to the increase in gross profit as a result of the increase in the proportion of sales of electronic components during the year.
- (4) Increase in operating expenses: Mainly attributable to the increase in operating income and gross profit.
- (5) Increase in net income before tax: Although operating expenses increased compared to the previous period, gross profit increased significantly, resulting in an increase in net income before income tax and income tax expense.
- (6) Increase in income tax expenses: Mainly due to the increase in revenue and gross profit compared to the same period last year.

Analysis of financial revenues and expenditures and profitability: We focuses

on enhancing the portfolio of products which generate higher gross profit, integrating client resources, strengthening cooperation with well-known enterprises. Our financial operations have been consistent and stable, and revenue and expenditures are in good condition.



Unit: %

Item \ Year		2024	2023	Increase (decrease)
Financial structure	Ratio of liabilities to assets	53.58	51.62	1.96
	Ratio of long-term capital to fixed assets	269.29	283.01	(13.72)
Debt service ability	Current ratio	197.37	172.02	25.35
	Quick ratio	160.38	133.77	26.61
Profitability	Asset return ratio	6.23	4.41	1.82
	Shareholders' equity return ratio	11.56	7.96	3.60
	Basic earnings per share (NTD)	6.46	4.18	2.28

## II. 2025 Business Plan

### 1. Operating Strategies

- **Advanced Automation & Smart Manufacturing:**

Integration of Industry 4.0 technologies, AI-driven analytics, and robotics to enhance production efficiency and scalability.

- **Capacity Expansion:**

Strengthening manufacturing capabilities to meet increasing demand in electric vehicles (EVs), cloud computing, and energy storage sectors.

- **Process Optimization:**

Implementing lean manufacturing principles and Six Sigma methodologies to improve productivity and cost efficiency.

### 2. Supply Chain Management Strategies

- **Diversification of Supplier Networks:**

Reducing reliance on single-source suppliers and mitigating geopolitical risks through multi-regional sourcing strategies.

- **End-to-End Supply Chain Visibility:**

Leveraging cloud-based enterprise resource planning (ERP) system to enhance real-time supply chain monitoring and predictive risk management.

- **Sustainable Procurement:**

Partnering with eco-conscious suppliers to align with global environmental, social, and governance (ESG) standards.

### 3. Sales and Marketing Strategies

- **Geographic Market Penetration:**

Strengthening presence in high-growth regions, particularly Southeast Asia and North America.

- **Customer-Driven Product Development:**  
Aligning R&D initiatives with emerging customer needs in precision engineering, automotive safety, and cloud-based technologies.
- **Strategic Alliances & Partnerships:**  
Forming joint ventures and collaborations to accelerate market entry and technology adoption.

#### 4. Research and Development Strategies

- **Breakthrough Innovation:**  
Expanding investment in proprietary technologies, including thermal management solutions and advanced materials.
- **Collaboration with Leading Institutions:**  
Strengthening partnerships with academic and research organizations to enhance product innovation.
- **Digital Integration:**  
Enhancing operational agility through AI-powered automation and cloud-based enterprise resource planning (ERP) systems.

#### 5. Human Resource Strategies

- **Talent Acquisition & Retention:**  
Attracting top engineering and management talent through competitive compensation and career advancement programs.
- **Upskilling & Workforce Transformation:**  
Implementing AI and automation training programs to future-proof employees' skillsets.
- **Diversity & Inclusive Culture:**  
Driving employee engagement and productivity through a strong corporate culture that values collaboration and innovation.

#### 6. Financial Strategies

- **Strategic Capital Deployment:**  
Allocating investments toward high-return projects while maintaining disciplined cost control.
- **Cash Flow Optimization:**  
Strengthening liquidity management to support business expansion and market volatility preparedness.
- **Profitability Enhancement:**  
Implementing cost reduction programs without compromising innovation and growth objectives.

#### 7. Sustainability & ESG Commitment Strategies

- **Carbon Footprint Reduction:**  
Enhancing energy efficiency in manufacturing operations and reducing greenhouse gas emissions.
- **Sustainable Material Adoption:**

Expanding the use of recyclable and eco-friendly materials in manufacturing processes to support sustainability goals.

- **Corporate Social Responsibility (CSR):**

Strengthening community engagement initiatives and ethical business practices.

## **8. Risk Management Strategies**

- **Geopolitical & Economic Risk Mitigation:**

Enhancing regional risk management strategies to safeguard operations against global uncertainties.

- **Cybersecurity & Compliance:**

Implementing robust cybersecurity frameworks to protect intellectual property and digital infrastructure.

- **Crisis Management & Contingency Planning:**

Strengthening business continuity frameworks to mitigate operational disruptions.

## **III. Company Future Development Strategy**

### **1. Expansion into High-Potential Markets**

- **Automotive Sector:**

Expand footprint in the electric vehicle (EV) industry and autonomous driving system components by enhancing manufacturing capabilities, optimizing precision stamping technologies, and leveraging its expertise in lightweight materials and thermal management solutions.

- **Cloud Computing & AI Infrastructure:**

Strengthening R&D capabilities in thermal solutions tailored for high-performance computing (HPC) and data centres. Invest in next-generation cooling technologies, such as liquid cooling systems and advanced heat dissipation modules, to support the increasing power density of AI servers and cloud-based infrastructures.

- **Green Energy & Sustainable Technologies:**

Expand into renewable energy storage by developing high-efficiency thermal modules for battery energy storage systems (BESS). Our solutions will support global sustainability goals and next-generation energy applications.

- **AI Robotics & Automation:**

Explore opportunities in AI-driven robotics by supplying precision components and thermal management solutions for industrial automation and intelligent robotics, aligning with the rapid adoption of smart manufacturing and autonomous systems.

### **2. Digital Transformation & Smart Manufacturing**

- **Cloud-Based Infrastructure:**

Driving operational efficiency and enhancing decision-making processes through cloud-based enterprise solutions and digital twins.

- **Intelligent Production Systems:**

Implementing IoT-enabled smart factories to improve real-time operational visibility.

### **3. Strategic Mergers & Acquisitions**

- **Technology-Driven Acquisitions:**

Targeting acquisitions that complement Lemtech's core competencies and accelerate technological advancements.

- **Market Access Expansion:**

Pursuing M&A opportunities to enter new regional markets and diversify revenue streams.

- **Vertical Integration:**

Strengthening control over critical supply chains to enhance competitiveness.

### **IV. Influenced by the external competitive environment, regulatory environment and overall business environment**

#### **1. External Competitive Environment**

- **Intensifying Industry Competition:**

Differentiating through manufacturing innovation, superior customer service, and strategic collaborations.

- **Technological Disruption:**

Staying ahead of industry shifts by investing in AI, automation, and green technology.

#### **2. Regulatory Environment**

- **Compliance & Risk Management:**

Enhancing governance frameworks to meet evolving international regulatory standards.

- **Trade Policy Adaptation:**

Strengthening trade compliance strategies to navigate shifting global trade policies and tariffs.

#### **3. Overall Business Environment**

- **Economic Volatility:**

Implementing agile business models to adapt to fluctuating economic conditions and inflationary pressures.

- **Global Trade & Supply Chain Resilience:**

Mitigating risks associated with trade restrictions and geopolitical uncertainties through strategic diversification.

### **Conclusion**

Lemtech Group is steadfast in its commitment to sustained excellence, industry leadership, and long-term value creation. Through disciplined execution, strategic market positioning, and investment in innovation, the Group is well-equipped to navigate global uncertainties while maintaining a competitive edge.

With a forward-looking approach, robust financial management, and a relentless focus on technological advancement, Lemtech Group is poised for another year of accelerated growth and success in 2025. The Group extends its sincere appreciation to its employees, customers, and

stakeholders for their continued trust and partnership. With a clear vision and strong execution, Lemtech Group is poised to achieve sustained growth and industry leadership in the years ahead.

Lemtech Holdings Co., Limited

Chairman	Hsu, Chi-Feng
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General Manager	Eu, Ricky
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Accounting Supervisor	Chien, Yi-Ling
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## Chapter 2 Corporate Governance Report

### I. Information on Directors, General Managers, Deputy General Managers, Assistant Managers, and Heads of Departments and Branches

#### (I) Directors

##### 1. Information on directors

Mar. 30, 2025 Unit: Thousand shares; %

Title	Nationality	Name	Gender age	Date elected	Term (years)	Date first elected	Shareholding when elected		Current shareholding		Spouse & minor current shareholding		Shareholding by nominees		Experience (education)	Other position concurrently held at the Company or other companies	Executives, directors or supervisors who are spouses or within the second degree of kinship			Remarks
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Chairman	Republic of China	Hsu, Chi-Feng	Male 50~60	2024.06.18	3	2009.09.29	8,294	13.40	8,274	13.30	-	-	99	0.16	Changhua Yangming High School** Deputy Manager of the Manufacturing Department, Liyau Industrial Co., Ltd. Vice President of Wei Yau Industrial Co., Ltd. Chairman of the Company	Chairman of the Company. Director of Lemtech Global Solution Co. Ltd. Chairman of LemTech Precision Material (China) Co., Ltd. Chairman of LDC Precision Director of Lemtech Technology Limited Director of Lemtech USA INC. Director of Lemtech Industrial Services Ltd Chairman of Kunshan Lemtech Slide Technology Co., Ltd. Chairman of Lemtech Energy Solutions Corporation Director of Lemtech Precision Material (Czech) s.r.o. Director of Lemtech International Limited Chairman of Lemtech Electronics Technology (Changshu) Co., Ltd. Chairman of LemTech Global Industries Ltd. Chairman of Lemtech Precision Engineering (Tianjin) Co.,Ltd Director of Lemtech Mexico S.A. de C.V. Director of Lemtech Precision Material (Thailand) Co.,Ltd. Director of Lemtech Technology Malaysia Sdn. Bhd.	None	None	None	Note 1
Director	Mainland China	Ye, Hang	Male 60~70	2024.06.18	3	2009.09.29	5,647	9.18	5,627	9.05	-	-	-	-	Shanghai Electric Company Staff University Chief of Mold Design, CA SBU, Amtek Engineering Ltd. Manager of the Sales Department, Kunshan Yih Sung Machinery Co., Ltd. Director and Chief Technology Officer (CTO) of the Company	Director and Chief Technology Officer (CTO) of the Company Director of Lemtech Global Solution Co. Ltd. Director of LemTech Precision Material (China) Co., Ltd. Director of Lemtech Precision Material (Czech) s.r.o. Director of Lemtech Cooling System Limited Director of Lemtech Electronics Technology (Changshu) Co., Ltd.	None	None	None	-

Title	Nationality	Name	Gender age	Date elected	Term (years)	Date first elected	Shareholding when elected		Current shareholding		Spouse & minor current shareholding		Shareholding by nominees		Experience (education)	Other position concurrently held at the Company or other companies	Executives, directors or supervisors who are spouses or within the second degree of kinship			Remarks
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Director	Mainland China	Tan, Yong	Male 60~70	2024.06.18	3	2009.11.24	2,094	3.70	2,084	3.35	-	-	-	-	Shanghai Machine Tool Electrical Appliance Factory Technical School Director of the Mold Department, Pioneer Shanghai Audio Equipment Co., Ltd. Sales Supervisor, Shanghai Jinnichi Metal Products Co., Ltd. Director of the Company	Director of the Company Director and General Manager Special Assistant for Factory Affairs of LemTech Precision Material (China) Co., Ltd.	None	None	None	-
Director	Republic of China	Chen, Hui-Min	Male 60~70	2024.06.18	3	2024.06.18	-	-	-	-	-	-	-	-	MBA, In-service Master's Program, National Taiwan University Department of Accounting, Fu Jen Catholic University CPA, Deloitte, Taiwan	Independent director of Wold Fitness Services Ltd Director of the Company Chairman, Huifengfu Management Consulting Co., Ltd.	None	None	None	-
Independent Director	Republic of China	Frank, Cheng	Male 70~75	2024.06.18	3	2021.07.05	-	-	-	-	-	-	-	-	Oklahoma Central State University MBA Tamkang University BBA MSI International Co. V. P. General Manager of Liuski International, Inc.	Independent Director of the Company	None	None	None	-
Independent Director	Republic of China	Chi-Chuan, Wang	Male 60~70	2024.06.18	3	2021.07.05	-	-	-	-	-	-	-	-	Ph.D., Department of Mechanical Engineering National Yang Ming Chiao Tung University Chair Professor, Department of Mechanical Engineering, National Yang Ming Chiao Tung University	Independent director of the Company Independent director of Cryomax cooling system Independent director of King Shing Industrial Co., LTD Chair Professor, Department of Mechanical Engineering, National Yang Ming Chiao Tung University	None	None	None	-
Independent Director	Republic of China	Hsieh, Ainsley	Female 40~50	2024.06.18	3	2024.06.18	-	-	-	-	-	-	-	-	Master of Laws, New York University President, Ansili International Law Firm Independent director of TungThih Electronic Co., Ltd.	Independent director of the Company President, Ansili International Law Firm Independent director of TungThih Electronic Co., Ltd.	None	None	None	-

Note 1: If the chairman of the Company is the same person, spouse or relative of first degree as the general manager or the person holding equivalent position (top manager), he/she shall explain the reasons, rationality, necessity, corresponding measures (such as increasing the number of independent directors, keeping more than half of the directors not concurrently serving as employees or managers, etc.) and other related information: None

## 2. Professional qualification and independence of directors information disclosure :

name \ qualification	Professional qualifications, and work experience (Note1)	Status of independence (Note 2)	Number of other public companies where the individual concurrently serves as an independent director
Hsu, Chi-Feng	With at least five years of work experience for company business; serve as Chairman of the Company and does not have a condition defined in Article 30 of the Company Act.	Not independent director, N/A	None
Ye, Hang	With at least five years of work experience for company business; serve as CTO of the Company and does not have a condition defined in Article 30 of the Company Act.	Not independent director, N/A	None
Tan, Yong	With at least five years of work experience for company business; serve as Director and General Manager Special Assistant for Factory Affairs of LemTech Precision Material (China) Co., Ltd. of the Company and does not have a condition defined in Article 30 of the Company Act.	Not independent director, N/A	None
Chen, Hui-Min	With at least five years of accounting experience for company business, and does not have a condition defined in Article 30 of the Company Act.	Not independent director, N/A	1
Frank Cheng	With at least five years of work experience for company business; serve as Vice president of Micro-Star International Co. and does not have a condition defined in Article 30 of the Company Act.	(1) Independent director and meet the circumstances of independence, and he, his spouse, and relatives within the second degree do not serve as directors, supervisors or employees of the company or its affiliated companies; (2) Not hold the shares of the company;	None
Wang, Chi-Chuan	With at least five years of instructor qualification in business operation; serve as Chair Professor of Department of Mechanical Engineering, National Yang Ming Chiao Tung University" and does not have a condition defined in Article 30 of the Company Act.	(3) Not serve as a director, supervisor or employee of a company that has a specific relationship with the company; (4) Not serve as remuneration received for providing business, legal, financial, accounting and other services to the company or its affiliates in the last 2 years.	2
Hsieh, Ainsley	With at least five years of the finance experience for company business; serve as President of Ansili International Law Firm, and does not have a condition defined in Article 30 of the Company Act.	(5) According to the listing review criteria and the establishment of independent directors of public companies and matters to be followed, the company has obtained a statement of independence for independent directors, confirming that they meet the independence qualifications stipulated by laws and regulations.	1



Note 1 : Professional qualifications and experience: state the professional qualifications and experience of individual directors and supervisors. If they are members of the audit committee and have accounting or financial expertise, their accounting or financial background and work experience should be stated, and whether there is no company law Article 30 of the various matters.

Note 2 : Independent directors shall state their independence, including but not limited to whether they, their spouse, or relatives within the second degree are the directors, supervisors or employees of the company or its affiliated companies; the number and proportion of the company's shares held in the name of another person; whether to serve as a director, supervisor, or supervisor of a company that has a specific relationship with the company (refer to the provisions of Article 3, Paragraph 1, Subparagraphs 5 to 8 of the Regulations on the Establishment of Independent Directors and Matters to be Obeyed by Public Offering Companies); the amount of remuneration received for providing business, legal, financial, accounting and other services to the company or its affiliates in the last two years.

### 3 、 Board Diversity and Independence :

#### (1) Diversity of the Board of Directors :

The selection and nomination of the members of the Board of Directors of the Company are in accordance with the provisions of the Company's Articles of Association, the "Director Election Rules" and the "Corporate Governance Code", and adopt the candidate nomination system and are selected through a fair, just and open procedure. The Company has established "Director Election Rules" and has set out the diversity policy for the composition of board members in the "Corporate Governance Code". Based on the Company's operating model and development needs, we formulate the professional background, professional skills, industry experience, gender, age, nationality, etc. that directors should possess, and plan the appropriate configuration of the Board of Directors and the successor candidates. Pursuant to Article 20, Paragraph 4 of the Company's "Corporate Governance Code", the Company's diversity policy for the composition of its Board of Directors includes, but is not limited to, the following two aspects :

1. Basic conditions and values: gender, race, age, nationality and culture, etc.
2. Professional knowledge and skills: Professional background (such as law, accounting, industry, finance, marketing, technology, information security, risk management, corporate governance/compliance, environmental sustainability, corporate social responsibility and human rights protection), professional skills and industry experience, etc. Board members should generally possess the knowledge, skills and qualities necessary to perform their duties. In order to achieve the ideal goal of corporate governance, the Board of Directors as a whole should possess the following capabilities:
  1. Operational judgment ability.
  2. Accounting and financial analysis skills.
  3. Operational and management capabilities (including the operation and management of subsidiaries).
  4. Crisis management capabilities.
  5. Industry knowledge.
  6. International market perspective.
  7. Leadership skills.
  8. Decision-making ability.

Lemtech Holdings Co., Limited elected the 6th Board of Directors at the General Shareholders' Meeting on June 18, 2024. The term of office is three years from June 18, 2024 to June 17, 2027. The 6th Board of Directors has a total of 7 seats (including 3 independent directors). In addition to the electronic components business, their professional fields cover investment management, strategic management, financial accounting, law and international market perspectives. There are 3 directors who are employees of the Company (including appointed managers) (accounting for 42.86%), there are 6 male directors (accounting for 85.71%) and 1 female director (at least 1 seat is required to meet the target; accounting for 14.29%); 1 director is over 70 years old (accounting for 14.29%), and the remaining 6 directors are under 70 years old (accounting for 85.71%).

There are 3 independent directors with less than nine years of service. They have expertise in law, corporate mergers and acquisitions, and are familiar with relevant laws and business management. They can provide forward-looking, fair and important advice for the Company's operation and development, provide advice and supervision to the "Functional Committee" under the Board of

Directors, and continue to improve the experience of a more comprehensive corporate governance mechanism. This will have a positive effect on creating the Company's overall interests and continuously improving its sustainable development rating (ESG Rating) to a leading position among global semiconductor component distributors. However, the proportion of female members in this Board of Directors is less than 1/3, mainly due to the industry attributes and the Company's senior manager training program. In the future, the proportion of female board seats will be gradually increased to more than 1/3 of the total seats. The industry experience/professional distribution of directors is shown in the following table :

Qualification Name	Gender/Age	Independent Directors Expiration	Business management	Leadership decision	Industry knowledge	Investment management	Human resources	Risk management	Int'l market view	Financial accounting	Law
Hsu, Chi-Feng	Male 50~60		V	V	V	V	V	V	V	V	
Ye, Hang	Male 60~70		V	V	V	V	V		V		
Tan, Yong	Male 60~70		V	V	V	V	V		V		
Yang, Rui-Long	Male 60~70		V	V		V	V	V	V	V	
Wang, Chi-Chuan	Male 60~70	2	V	V	V	V	V	V			
Frank Cheng	Male 70~75	2	V	V	V	V	V	V	V	V	
Hsieh, Ainsley	Female 40~50	1	V	V	V	V	V	V	V	V	V

(2) Independence of the Board:

The Company currently has 7 board members, including 3 independent directors (accounting for approximately 42.86%). All of them comply with the regulations on independent directors of the Securities and Futures Bureau of the Financial Supervisory Commission. There is no situation as provided in Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act between directors and independent directors, and there is no spouse or relative relationship within the second degree of kinship between directors.

## (II) General managers, deputy general managers, assistant managers, and heads of departments and branches

Mar. 30, 2025 Unit: Thousand shares; %

Title	Nationality	Name	Gender	Date of induction	Shares held		Spouse & minor shareholding		Shareholding by nominees		Experience (education)	Other position concurrently held at other companies	Managers who are spouses or within the second degree of kinship			Managers obtained an employee stock option certificate (shares)	Remarks
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship		
General Manager	Singaporean	Eu, Ricky	Male	2021.07	-	-	-	-	-	-	Account Manager in Amtek Precision (Shanghai) Co., Ltd Sales Manager in Amtek Engineering Ltd Senior Manager (Program Sales) in Amtek Precision Technology Pte Ltd Assistant Director of Lemtech Precision Material (Czech) s.r.o. Assistant General Manager of Lemtech Precision Material (China) Co., Ltd Bachelor of Mechanical Manufacturing Engineering, Nanyang Technological University, Singapore	Supervisor of Lemtech Energy Solutions Corporation. Supervisor of Lemtech Global Solution Co. Ltd.	None	None	None	0	-
Chief Technology Officer (CTO)	Mainland China	Ye, Hang	Male	2020.05	5,627	9.05	-	-	-	-	Shanghai Electric Company Staff University Chief of Mold Design, CA SBU, Amtek Engineering Ltd. Manager of the Sales Department, Kunshan Yih Sung Machinery Co., Ltd. Director and Chief Technology Officer (CTO) of the Company	Director and Chief Technology Officer (CTO) of the Company Director of Lemtech Global Solution Co. Ltd. Director of LemTech Precision Material (China) Co., Ltd. Director of Lemtech Precision Material (Czech) s.r.o. Director of Lemtech International Limited Director of Lemtech Electronics Technology (Changshu) Co., Ltd.	None	None	None	0	-
Marketing Director	Malaysia	Murali Nair	Male	2013.02	-	-	-	-	-	-	Embatech Sdn Bhd (General Manager) Circuit Sales Inc (CSI) (Business Development and Strategy Consultant) Bachelor of Science Degree (Honors), University of Bradford, United Kingdom Diploma in Engineering, German Singapore Institute, Singapore	None	None	None	None	0	-
Financial and Accounting Supervisor	Republic of China (Note 1)	Jed Huang	Male	2025.03	-	-	-	-	-	-	Director, Tax and Investment Management Unit, Senior Manager, E.Y. Financial Management Consulting Services Co. Manager, PricewaterhouseCoopers, Taiwan. Department of Accounting, National Taiwan University	None	None	None	None	0	-

Note 1: Jed, Huang was appointed as Financial and Accounting Supervisor on March 04, 2025.

## II. Remuneration for Directors, General Managers and Deputy General Managers in Most Recent Year

### 1. Remuneration to general directors and independent directors

Dec. 31, 2024 Unit: NT\$1,000

Title	Name	Remuneration								Ratio of total remuneration (A+B+C+D) to net income (%) (Note 10)		Relevant remuneration received by directors who are also employees								Ratio of total compensation (A+B+C+D+E+F+G) to net income (%) (Note 10)		Compensation from other non-subsidiary companies reinvested by the Company's subsidiaries or parent company (Note 11)
		Remuneration (A) (Note 2)		Severance pay and pension (B)		Remuneration of directors (C) (Note 3)		Allowances (D) (Note 4)				Salary, bonus and special allowance (E) (Note 5)		Retirement pension (F)		Employee rewards (G) (Note 6)						
		The Company	All companies listed in the financial statements (Note 7)	The Company	All companies listed in the financial statements (Note 7)	The Company	All companies listed in the financial statements (Note 7)	The Company	All companies listed in the financial statements (Note 7)	The Company	All companies listed in the financial statements (Note 7)	The Company	All companies listed in the financial statements (Note 7)	The Company	All companies listed in the financial statements (Note 7)	Cash amount	Stock amount	Cash amount	Stock amount	The Company	All companies listed in the financial statements (Note 7)	
Director	Hsu, Chi-Feng	-	3,840	-	-	935	935	-	-	935 0.23%	4,775 1.19%	-	5,247	-	-	513	-	513	-	1,448 0.36%	10,535 2.62%	None
	Chan Kim Seng Maurice (Note 2)	-	-	-	-	234	234	-	-	234 0.06%	234 0.06%	-	-	-	-	-	-	-	-	234 0.06%	234 0.06%	None
	Ye, Hang	-	3,600	-	-	935	935	-	-	935 0.23%	4,535 1.13%	-	5,097	-	-	513	-	513	-	1,448 0.36%	10,145 2.52%	None
	Tan, Yong	-	1,080	-	-	935	935	-	-	935 0.23%	2,015 0.50%	-	728	-	-	189	-	189	-	1,124 0.28%	2,932 0.73%	None
	Chen Hui-Min (Note 3)	579	579	-	-	234	234	-	-	813 0.20%	813 0.20%	-	-	-	-	-	-	-	-	813 0.20%	813 0.20%	None
Independent Director	Yang, Rui-Long (Note 2)	392	392	-	-	175	175	-	-	567 0.14%	567 0.14%	-	-	-	-	-	-	-	-	567 0.14%	567 0.14%	None
	Yu, Chi-Min (Note 2)	420	420	-	-	175	175	-	-	595 0.15%	595 0.15%	-	-	-	-	-	-	-	-	595 0.15%	595 0.15%	None
	Lee, Wei-Ming (Note 2)	420	420	-	-	175	175	-	-	595 0.15%	595 0.15%	-	-	-	-	-	-	-	-	595 0.15%	595 0.15%	None
	Wang, Chi-Chuan	980	980	-	-	175	175	-	-	1,155 0.29%	1,155 0.29%	-	-	-	-	-	-	-	-	1,155 0.29%	1,155 0.29%	None
	Cheng Frank	980	980	-	-	175	175	-	-	1,155 0.29%	1,155 0.29%	-	-	-	-	-	-	-	-	1,155 0.29%	1,155 0.29%	None
	Hsieh, Ainsley (Note 3)	579	579	-	-	-	-	-	-	579 0.14%	579 0.14%	-	-	-	-	-	-	-	-	579 0.14%	579 0.14%	None

Note 1 : The Board of Directors of the Company resolved in March 4, 2025.

Note 2 : Chan Kim Seng Maurice, Yang, Rui-Long, Yu,Chi-Min and Lee,Wei-Ming stepped down from his position on June 18, 2024, following the re-election at the regular shareholders' meeting.

Note 3 : Chen Hui-Min and Hsieh, Ainsley assumed her duties on June 18, 2024, following the reelection at the regular shareholders' meeting.

1. Please state the policy, system, standard and structure of remuneration for independent directors, and the correlation with the amount according to the responsibilities and duties of the independent directors, risks undertaken, time devoted and other factors:

The remuneration of independent directors of the Company will be determined on the basis of the director performance evaluation results submitted by the Remuneration Committee by reviewing the degree of participation and contribution of each director in the Company's operation.

The connection between performance risks and remuneration with the reference of remuneration standards of peers shall be submitted to the Board of Directors for resolution.

2. Other than disclosure in the above table, director remunerations received by providing services (e.g. providing consulting services such as serving as a consultant to all non-employees of the parent company/financial report of all companies/reinvested businesses, etc.) to companies in the financial statements in the most recent year: None.

Range of Remuneration

Range of remuneration paid to directors	Name of director			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements
Less than NT\$1,000,000	Hsu, Chi-Feng, Ye, Hang Tan, Yong Chan Kim Seng Maurice(Note 1) Yang, Rui-Long(Note 1) Yu, Chi-Min(Note 1) Lee, Wei-Ming(Note 1) Chen, Hui-Min(Note 2) Hsieh, Ainsley(Note 2)	Chan Kim Seng Maurice(Note 1) Yang, Rui-Long(Note 1) Yu, Chi-Min(Note 1) Lee, Wei-Ming(Note 1) Chen, Hui-Min(Note 2) Hsieh, Ainsley(Note 2)	Chan Kim Seng Maurice(Note 1) Yang, Rui-Long(Note 1) Yu, Chi-Min(Note 1) Lee, Wei-Ming(Note 1) Chen, Hui-Min(Note 2) Hsieh, Ainsley(Note 2)	Chan Kim Seng Maurice(Note 1) Yang, Rui-Long(Note 1) Yu, Chi-Min(Note 1) Lee, Wei-Ming(Note 1) Chen, Hui-Min(Note 2) Hsieh, Ainsley(Note 2)
NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)	Wang, Chi-Chuan Cheng, Frank	Wang, Chi-Chuan Cheng, Frank	Hsu, Chi-Feng Ye, Hang Tan, Yong Wang, Chi-Chuan Cheng, Frank	Wang, Chi-Chuan Cheng, Frank
NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)	-	Tan, Yong	-	Tan, Yong
NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive)	-	Hsu, Chi-Feng Ye, Hang	-	-
NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive)	-	-	-	-
NT\$10,000,000 (inclusive) to NT\$15,000,000 (exclusive)	-	-	-	-
NT\$15,000,000 (inclusive) to NT\$30,000,000 (exclusive)	-	-	-	-
NT\$30,000,000 (inclusive) to NT\$50,000,000 (exclusive)	-	-	-	-
NT\$50,000,000 (inclusive) to NT\$100,000,000 (exclusive)	-	-	-	-
More than NT\$100,000,000	-	-	-	Hsu, Chi-Feng Ye, Hang
Total	11 persons	11 persons	11 persons	11 persons
Note 1 : Chan Kim Seng Maurice, Yang, Rui-Long, Yu,Chi-Min and Lee,Wei-Ming stepped down from his position on June 18, 2024, following the re-election at the regular shareholders' meeting.				
Note 2 : Chen Hui-Min and Hsieh, Ainsley assumed her duties on June 18, 2024, following the reelection at the regular shareholders' meeting.				

2. Remuneration to supervisors: Not applicable (the Company has set up the Audit Committee to replace the supervisors).

3. Remuneration to General Managers and Deputy General Managers

Dec. 31, 2024 Unit: NT\$1,000

Title	Name	Salary (A)		Severance pay and pension (B)		Bonus and allowances (C)		Employee's remuneration (D)				Ratio of total compensation (A+B+C+D) to net income (%)		Compensation from other non-subsidiary companies reinvested by the Company's subsidiaries or parent company
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements (Note 5)		The Company	All companies included in the financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
General Manager	Eu, Ricky	5,170	6,732	-	-	-	-	436	-	436	-	5,606 1.39%	7,168 1.78%	None
Chief Technology Officer (CTO)	Ye, Hang	-	5,097	-	-	-	-	513	-	513	-	513 0.13%	5,610 1.40%	None
Marketing Director	Murali Nair	-	4,919	-	-	-	-	436	-	436	-	436 0.11%	5,355 1.33%	None



### Range of Remuneration

Range of remuneration paid to the General Managers and Deputy General Managers	Name of General Manager and Deputy General Manager	
	The Company	All companies included in the financial statements
Less than NT\$1,000,000	Ye, Hang Murali Nair	-
NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)	-	-
NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)	-	-
NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive)	-	-
NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive)	Eu, Ricky	Ye, Hang, Murali Nair, Eu, Ricky
NT\$10,000,000 (inclusive) to NT\$15,000,000 (exclusive)	-	-
NT\$15,000,000 (inclusive) to NT\$30,000,000 (exclusive)	-	-
NT\$30,000,000 (inclusive) to NT\$50,000,000 (exclusive)	-	-
NT\$50,000,000 (inclusive) to NT\$100,000,000 (exclusive)	-	-
More than NT\$100,000,000	-	-
Total	3 persons	3 persons

4. Remuneration to top five managerial officers with the highest remuneration (names and remuneration thereof to be disclosed individually)

Dec. 31, 2024 Unit: NT\$1,000

Title	Name	Salary (A)		Severance pay and pension (B)		Bonus and allowances (C)		Employee's remuneration (D)				Ratio of total compensation (A+B+C+D) to net income (%)		Compensation from other non-subsidiary companies reinvested by the Company's subsidiaries or parent company
		The Company	All companies included in the financial statements (Note 5)	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements (Note 5)		The Company	All companies included in the financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
General Manager	Eu, Ricky	5,170	6,732	-	-	-	-	436	-	436	-	5,606 1.39%	7,168 1.78%	None
Chief Technology Officer (CTO)	Ye, Hang	-	5,097	-	-	-	-	513	-	513	-	513 0.13%	5,610 1.40%	None
Marketing Director	Murali Nair	-	4,919	-	-	-	-	436	-	436	-	436 0.11%	5,355 1.33%	None
Financial and Accounting Supervisor	Chien, Yi-Ling	1,625	2,725	-	-	-	-	334	-	334	-	1,959 0.49%	3,059 0.76%	None

# 5. Employee's remuneration to managers and state of distribution

Dec. 31, 2024 Unit: NT\$1,000

	Title	Name	Stock amount	Cash amount	Total	Ratio of total amount to net income (%)
Manager	General Manager	Eu, Ricky	0	436	436	0.11%
	Chief Technology Officer (CTO)	Ye, Hang	0	513	513	0.13%
	Marketing Director	Murali Nair	0	436	436	0.11%
	Financial Accounting Supervisor	Chien, Yi-Ling	0	334	334	0.08%

6. Compare and state separately on the analysis of the post-tax net profit ratio of total remuneration of the Directors, General Manager and Deputy General Managers of the Company and companies in the consolidated financial statements in the last two years to parent company only or individual financial reports; then, state the policies and standards for payment of remuneration, process of combining and deciding on the amount of remuneration, and correlation with business performance and future risks:

- (1) Ratio of total remuneration paid to the Company's directors, General Managers and Deputy General Managers in the most recent two years to the net profit after tax:

Unit: %

Title	Total amount to net profit after tax (%)			
	2023		2024	
	The Company	All companies in consolidated financial statements	The Company	All companies in consolidated financial statements
Director	2.74%	12.01%	2.42%	7.29%
General Manager and Deputy General Managers	2.50%	7.46%	1.63%	4.51%

- (2) Please describe in detail the policy, system, standards and structure for the payment of remuneration to independent directors, and explain the correlation between the responsibilities, risks, time invested, etc. and the amount of remuneration paid :

- (a) In accordance with the Company's Articles of Incorporation, the Board of Directors has resolved to appropriate not less than 0.5% and not more than 2% of the Company's pre-tax earnings before deducting the employees' and directors' remuneration for the current year and report the same to the shareholders' meeting. However, if the Company has accumulated losses, the Company should reserve an amount to cover such losses in advance.
- (b) The remuneration of the Company's directors is determined in accordance with the Company's Articles of Incorporation and is reasonable in light of the Company's operating results and their contribution to the Company's performance. The

procedure for determining the compensation is to link the reasonableness and fairness of the performance risk to the compensation received, taking into account the Company's operating results and the extent of each director's participation in and contribution to the Company's operations. The Compensation Committee will periodically (at least once per term) review the content and reasonableness of the criteria for the payment of directors' compensation and submit it to the Board of Directors for discussion and resolution. The compensation system for directors will be reviewed in a timely manner in light of operating conditions and relevant laws and regulations, in order to strike a balance between the Company's sustainable operation and risk control.

(c) Compensation for the Company's General Manager and Deputy General Manager is based on the position held, the responsibilities assumed, and the correlation between operating performance and future risks, as well as the level of compensation for similar positions in the industry.

(d) Manager's remuneration structure :

Type	Contents	Applicable Targets			
		Direct staff	Engineer	Supervisor	Manager
Table A	KPI		40%	60%	60%
	Performance		60%	40%	40%
	Extra Points		5%	5%	5%
Table B	Performance	100%			
	Extra Points	5%			

(e) The Company has purchased liability insurance for all directors and managers in the amount of US\$3,000,000. Through directors' and managers' liability insurance, the Company is able to mitigate the unknown risks borne by the Company and pass on the damages that may be incurred by the directors, managers and the Company as a result of the performance of their duties.

### III. Implementation of Corporate Governance

#### (I) Information on operation of Board of Directors

The Board held 6 meetings in 2024. The table below shows the attendance of directors and supervisors:

Title	Name	Attendance in person	Attendance by proxy	Attendance rate (%)	Remarks
Chairman	Hsu, Chi-Feng	6	0	100	-
Vice Chairman	Chan Kim Seng Maurice	1	1	50	Relieved office on 2024.06.18
Director	Ye, Hang	6	0	100	-
Director	Tan, Yong	5	1	83	-
Director	Chen, Hui-Min	4	0	100	Took office on 2024.06.18,
Independent Director	Yang, Rui-Long	2	0	100	Relieved office on 2024.06.18
Independent Director	Yu, Chi-Min	2	0	100	Relieved office on 2024.06.18
Independent Director	Lee, Wei-Ming	2	0	100	Relieved office on 2024.06.18
Independent Director	Cheng, Frank	6	0	100	-
Independent Director	Wang, Chi-Chuan	6	0	100	-
Independent Director	Hsieh, Ainsley	4	0	100	Took office on 2024.06.18,

Other matters:

1. The date of the Board meeting, the term, the content of the proposals, opinion of all independent directors, and the Company's handling of the opinion of independent directors shall be recorded under the following circumstances in the operations of the Board of Directors meeting:

(1) Matters referred to in Article 14-3 of the Securities and Exchange Act: Not applicable.

The Company has established an audit committee, which does not apply to the provisions of Article 14-3 of the Securities and Exchange Act. For relevant information, please refer to the operation of the audit committee on pages 30-32 of the annual report.

(2) Any recorded or written Board resolutions to which independent directors have objections or reservations to be noted in addition to the above: No independent directors hold objections or reservations to the resolutions.

2. For director recusals due to conflicts of interests, name of directors, proposal, reason for recusal, and participation in vote or not shall be specified:

Meeting date	Contents of proceedings	Name of director with interests to avoid	Avoidance reasons	Participation in voting
2024.08.20	Adjustment of the Company's managerial compensation program.	Hsu, Chi-Feng Ye, Hang Tan, Yong	Conflict of Interest	Pursuant to Article 206 of the Company Law, the following directors abstained from discussion and voting due to conflict of interest, while the remaining attending directors agreed to pass the resolution as proposed.

3. TWSE/TPEX Listed Companies shall disclose the information on the evaluation cycle and period, evaluation scope, methods and evaluation contents of Board of Directors' self (or peer) evaluation, and fill in the following table "Implementation of Board of Directors Evaluation" :

Implementation of Board of Directors Evaluation

Assessment Cycle	Assessment Period	Assessment scope	Assessment method	Assessment contents
Once per year	2024/01/01 To 2024/12/31/	Individual board member	Director's self-evaluation	1. Understand the Company's goals and tasks. 2. Awareness of director's responsibilities. 3. The degree of participation in the Company's operations. 4. Internal relationship management and communication. 5. Professional and continuing education of directors. 6. Internal control.
Once per year	2024/01/01 to 2024/12/31/	Overall board members	Internal self-evaluation of the Board of Directors	1. The degree of participation in the Company's operations. 2. Improve the quality of board decision-making. 3. Composition and structure of the Board of Directors. 4. Election and continuing education of directors. 5. Internal control.
Once per year	2024/01/01 to 2024/12/31/	Audit Committee	Internal self-evaluation of functional committees	1. The degree of participation in the Company's operations. 2. Improve the quality of board decision-making. 3. Composition and structure of the Board of Directors. 4. Election and continuing education of directors.

Assessment Cycle	Assessment Period	Assessment scope	Assessment method	Assessment contents
				5. Internal control.
Once per year	2024/01/01 To 2024/12/31/	Remuneration Committee	Internal self-evaluation of functional committees	1. The degree of participation in the Company's operations. 2. Improve the quality of board decision-making. 3. Composition and structure of the Board of Directors. 4. Election and continuing education of directors. 5. Internal control.

Both performance evaluation results of the Board of Directors and functional committees in 2024 were submitted to the Board of Directors on March 4, 2025. Among them, the average score of the overall Board of Directors' self-evaluation was 96.735 points (out of 100 points); the average score of the individual director's self-evaluation was 96.857 points (out of 100 points); the average score of the Audit Committee's self-evaluation was 93.03 points (out of 100 points); and the average score of the committee's self-evaluation was 93.333points (out of 100 points). The evaluation results are good, which shows the results of the Company's efforts to strengthen the effectiveness of the Board of Directors and functional committees.

4. Objectives for strengthening the functions of the Board of Directors in the current year and the recent years (e.g., setting up an audit committee, improving information transparency, etc.) and evaluation of implementation: In order to improve corporate governance and strengthen the relevant functions of the Board of Directors, the Company has set up the Audit Committee and the Remuneration Committee. For implementation status, please refer to "Corporate governance operation status" and "Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof," and has formulated the "Measures for Performance Evaluation of the Board of Directors and Functional Committees" to establish a good governance system for Board of Directors of the Company, perfect supervision and strengthen functions of the Board of Directors.

## (II) Operations of Audit Committee

The member number of Audit Committee in the Company is five. A total of 5 meetings of the Audit Committee were held in 2024. The attendance of independent directors is as follows:

Title	Name	Attendance in person	Attendance by proxy	Attendance rate (%)	Remarks
Independent Director (Convener)	Wang, Chi-Chuan	5	0	100	-
Independent Director	Cheng, Frank	5	0	100	-
Independent Director	Hsieh, Ainsley	3	0	100	Took office on 2024.06.18,
Independent Director	Yang, Rui-Long	2	0	100	Relieved office on 2024.06.18
Independent Director	Yu, Chi-Min	2	0	100	Relieved office on 2024.06.18
Independent Director	Lee, Wei-Ming	2	0	100	Relieved office on 2024.06.18

Note: The actual attendance rate (%) is calculated based on the number of meetings held during the term of and the number of actual attendance.

Other matters:

1. With regard to the operation of the Audit Committee, if any of the following circumstances occur, the dates, terms of the meetings, contents of motions, objection of all independent directors, content of opinion reserve or major suggestion items, all Audit Committee resolutions, and the Company's handling of such resolutions shall be specified.

(1) Items listed in Article 14-5 of the Securities and Exchange Act

Date of the Audit Committee	Proposals	Resolution of the Audit Committee	The Company's response to the comments of the Audit Committee
2024.03.04	1.Proposal for the business report and consolidated financial statements for 2023. 2. Proposal on profit distribution for 2023. 3. Proposal to distribute cash dividends to shareholders in the 4th quarter of 2023. 4. Proposal for the "Internal Control System Statement" for 2023. 5. Proposal for revision of internal control measures.	All audit members approved.	None
2024.05.06	1. Consolidated financial statements for the 1st quarter of 2024. 2. Proposed issuance of common stock through private placement. 3. To formulate general principles for the Company's policy on pre-approval of non-confidential services. 4. To revise the internal control procedures. 5. Guarantees provided by the Company.	All audit members approved.	None
2024.08.20	1. Consolidated financial statements for the 2nd quarter of 2024. 2. The Company plans to set up a factory in Thailand.	All audit members approved.	None

Date of the Audit Committee	Proposals	Resolution of the Audit Committee	The Company's response to the comments of the Audit Committee
	3. The Company plans to set up a factory in Malaysia. 4. Guarantees provided by the Company.		
2024.11.11	1. Consolidated financial statements for the 3rd quarter of 2024. 2. The Company intends to increase its investment in Lemtech Mexico S.A. de C.V.	All audit members approved.	None
2024.12.19	1. The Company's 2025 budget. 2. 2025 internal audit plan. 3. The Company regularly evaluates the independence of the certified public accountants. 4. The Company intends to dispose of the Zhongli (Taoyuan City) factory land.	All audit members approved.	None

(2) Except for the previous matters, other matters that have not been approved by the Audit Committee but have been approved by more than two-thirds of all directors: The Company has no matter that had not approved by the Audit Committee but been approved by more than two-thirds of all directors.

- Regarding recusals of independent directors due to conflicts of interests: The Company does not have any circumstances under which independent directors should withdraw from a proposal due to conflicts of interests.
- Communication between independent directors and internal audit supervisor and accountants (including communication on major items, methods and results of the Company's financial and business conditions, etc.): The Company's internal audit supervisor regularly conducts audit reports and discussions with the members of the Audit Committee. Members of the Audit Committee and the internal audit supervisor have good communication. The company invites certified accountants to attend the audit committee, and report and communicate with the independent directors on the quarterly and annual financial statement review or audit results, key audit matters, amendments to the IFRSs bulletin or the impact of other laws and regulations on the company.

(1)A summary of the communication between the independent directors and the head of internal audit is set out below :

Type of Communication	Date	Communication Item	Communication Results
Audit Committee	2024.03.04	The execution status of the audit plan of 2023 Q4 and January 2024.	Noticed without objections.
		Discussions for the 2023 effectiveness of the internal control system and statement of internal control system.	
	2024.05.06	The execution status of the audit plan of February to March 2024.	Noticed without objections.
	2024.08.20	The execution status of the audit plan of April to July 2024.	Noticed without objections.



Type of Communication	Date	Communication Item	Communication Results
	2024.11.11	The execution status of the audit plan of August to October 2024.	Noticed without objections.
	2024.12.19	Report the execution status of the audit plan of November 2024	Noticed without objections.
		Discussion of 2025 audit plan.	

(2) Summary of communications between Independent Directors and CPAs :

Type of Communication	Date	Communication Item	Communication Results
Audit Committee	2024.03.04	Reported on the key audit results of 2023, and Discussed the financial statements for the year 2023.	No objections. Submitted the financial statements to Board of Directors for discussion, resolved by all presented Directors and reported to the competent authorities.
	2024.05.06	Explanation and communication of the results of the audit of the financial statements for 2024 Q1.	No objections. Submitted the financial statements to Board of Directors for discussion, resolved by all presented Directors and reported to the competent authorities.
	2024.08.20	Explanation and communication of the results of the audit of the financial statements for 2024 Q2.	No objections. Submitted the financial statements to Board of Directors for discussion, resolved by all presented Directors and reported to the competent authorities.
	2024.11.11	Explanation and communication of the results of the audit of the financial statements for 2024 Q3.	No objections. Submitted the financial statements to Board of Directors for discussion, resolved by all presented Directors and reported to the competent authorities.

(III) Corporate governance implementation status and deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof

Evaluation items	Operating status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
I. Does the Company establish and disclose its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	✓		Formulated the Corporate Governance Best-Practice Principles with reference to the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and disclosed in the Company's website ( <a href="https://www.lemtech.com/tw/">https://www.lemtech.com/tw/</a> ).	No difference
II. Shareholding structure & shareholders' rights (I) Has the Company established internal operating procedures to deal with shareholders' suggestions, doubts, disputes and litigation, and does the Company implement the procedures in accordance with the procedure?	✓		(I) The Company has appointed a special stock affairs agency to handle stock affairs, and has formulated the "Procedures for Spokesmen and Acting Spokesmen" on spokesmen and acting spokesmen's handling of shareholder proposals.	No deviation
(II) Does the Company possess a list of its major shareholders with controlling power as well as the ultimate owners of those major shareholders?	✓		(II) The Company has possessed the list of major shareholders who actually control the Company and the final controllers of the major shareholders, and regularly tracks and understands them when reporting monthly equity changes.	No deviation
(III) Has the Company established, and does it execute, a risk management and firewall system within its affiliated companies?	✓		(III) In addition to the provisions of the FSC's "Guidelines for the Establishment of Internal Control Systems for Publicly Issued Companies" and "Code of Practice on Corporate Governance for TWSE/TPEX Listed Companies", the Company has also formulated "Supervision and Management of Subsidiaries" and "Related Party Transaction Management" to form a risk control mechanism. Asset management among the related enterprises is independent, and the risk control mechanism and firewall mechanism are implemented accordingly.	No deviation

Evaluation items	Operating status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
(IV) Has the Company established internal rules against insiders using undisclosed information to trade with marketable securities?	✓		(IV) It has been regulated that directors, managers and their related persons, including spouses, minor children and holders of shares in the name of others, are not allowed to trade the Company's shares they hold during the closed period of 30 days before the announcement of the annual financial report and 15 days before the announcement of each quarterly financial report. Meanwhile, insider education and promotion courses are arranged every year to strengthen the knowledge and prevention of insider trading. * There was no insider trading incident in the Company in 2024.	No deviation
III. Composition and responsibilities of the Board of Directors	✓			
(I) Has the Board developed, and does it implement, a diversity policy for the composition of its members?	✓		(I) The Company's "Corporate Governance Code of Practice" stipulates that the membership of the Board of Directors should be diversified, and the directors selected should come from different professional backgrounds and work fields to improve the structure of the Company's Board of Directors. The Company currently has 9 directors with different professional backgrounds, including advanced members from the mold development industry, technology industry, sustainable development, financial accounting and legal professions. There are 3 independent directors, accounting for 42.86% of all director seats. In 2024, each director completed at least 6 hours of advanced training courses to master the latest knowledge and improve decision-making capabilities. In 2025, they will be arranged to participate in corporate governance and information security related courses to help enhance their diversified professional capabilities. When the term of directors expired in 2024, the 6 <sup>th</sup> Board of Directors was re-elected, including one female director to achieve a gender equality and diversity policy. It expects to continue to improve corporate governance, with the goal of having one-third of directors be female. The Company has formulated a diversity policy, specific management objectives and implementation. For details on the professional qualifications, independence and diversity objectives of directors, please refer to pages 11 to 14 of this annual report.	No deviation
(II) In addition to the legally-required Remuneration Committee and Audit Committee, has the Company voluntarily established other functional committees?	✓		(II) The Company has established a Sustainability Committee on August 20, 2024, which is responsible for promoting corporate sustainability and enhancing corporate governance in order to achieve the goal of sustainable management.	No deviation

Evaluation items	Operating status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
(III) Has the Company set up any method and form for performance evaluation of Board of Directors, conduct performance evaluation on an annual and regular basis, and report the results of the performance evaluation to the Board of Directors and apply them to the remuneration of individual directors and the reference for nomination for reappointment?	✓		(III) The Company has formulated the "Performance Evaluation Measures for the Board of Directors and Functional Committees." which stipulates that the Board of Directors shall conduct an internal performance evaluation of the Board of Directors and functional committees at least once a year, and an external evaluation by an external independent organization or a team of external experts and scholars at least once every three years. The results of the performance evaluation shall not only be used to improve the operation of the Board of Directors and functional committees, but also be used as a reference for the selection or nomination of directors, and the results of the performance evaluation of individual directors shall be used as a reference for the determination of their individual salaries and compensation. The 2024 Board and Functional Committee Performance Evaluation was reported to the Board of Directors on March 4, 2025, and the results of the performance evaluation please refer to page 25 of the Annual Report.	No deviation
(IV) Does the Company regularly evaluate the independence of the CPAs?	✓		(IV) On November 12, 2020, the Board of Directors of the Company resolved to formulate the "Certificate Accountant Independence and Competence Assessment Method", and assigned the Audit Committee to regularly assess the competence and independence of the certified public accountants every year, and then submit the results to the Board of Directors. Based on the AQI information provided by the CPA firm, the Company evaluated the following five components: (1) Professionalism: Experience of the accountants and audit staff. (2) Quality control: The number of hours spent by accountants and their audit staff and the percentage of public offering companies certified. (3) Independence: Percentage of public fees for non-audit services. (4) Supervision: Whether there are any external inspection deficiencies and improvement letters from competent authorities. (5) Innovation: Utilization of electronic audit tools. The most recent assessment was approved by the Audit Committee on March 4, 2025 and submitted to the Board of Directors for approval on March 4, 2025. For the evaluation mechanism, please refer to pages 69 of this annual report.	No deviation
IV. Are TWSE/TPEX Listed Companies provided with competent and appropriate number of corporate	✓		The Company has designated the Accounting Manager, Mrs. Jessy Lu, as the Head of Corporate Governance, who has met the requirements of Article 23 of the "Guidelines for the Establishment and Exercise of Powers by the Board of Directors of Listed Companies". The supervisor in charge	

Evaluation items	Operating status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
governance personnel, has a corporate governance supervisor been appointed to be responsible for corporate governance-related affairs (including but not limited to providing the information required by directors and supervisors to carry out business, assisting directors and supervisors to comply with laws and regulations, handling relevant matters of Board of Directors and shareholders' meeting according to law, and making minutes of Board of Directors and shareholders' meeting, etc.)?			<p>of financial, stock affairs, and corporate governance related matters has served for more than three years. Their scope of authority includes:</p> <ol style="list-style-type: none"> <li>1. Handling matters related to meetings of the Board of Directors and shareholders' meetings in accordance with the law.</li> <li>2. Preparation of minutes of meetings of the Board of Directors and shareholders' meetings.</li> <li>3. Assisting directors in their appointment and continuing education.</li> <li>4. Providing information necessary for directors to carry out their duties.</li> <li>5. Assisting directors in compliance with laws and regulations.</li> <li>6. Reporting to the Board of Directors on the examination results of the qualifications of independent directors in terms of nomination, appointment, and during their tenure.</li> <li>7. Handling matters related to changes in the Board of Directors.</li> <li>8. Other matters stipulated in the company's articles of association or contracts, etc.</li> </ol> <p>The Corporate Governance Manager has performed various duties in accordance with his/her responsibilities in 2024 and has completed 18 hours of training per year, which complies with the continuing education requirements for the Corporate Governance Manager. For more information on training, please refer to page 63.</p>	No deviation

Evaluation items	Operating status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
V. Has the Company established a communication channel with stakeholders (including but not limited to shareholders, employees, customers, and suppliers)? Has a stakeholders' area been established in the Company's website? Are major corporate social responsibility (CSR) topics that the stakeholders are concerned with addressed appropriately by the Company?	✓		The Company has established a spokesperson system and a stakeholder area on the company website, providing a contact window and the latest information for reference. For detailed information, please refer to the Company's sustainability report and company website ( <a href="https://www.lemtech.com/tw/">https://www.lemtech.com/tw/</a> ).	No deviation
VI. Has the Company appointed a professional shareholder service agency to deal with shareholder affairs?	✓		The Company has appointed CTBC Bank Agency Department to be responsible for handling stock affairs.	No deviation
VII. Information disclosure (I) Has the Company established a website to disclose information on financial operations and corporate governance?  (II) Does the Company have other information disclosure channels (e.g., setting up an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, and webcasting investor conferences)?  (III) The Company is advised to publish and report its annual financial report within two months	✓		(I) The Company has set up websites in both Chinese and English, which disclose financial, business, and corporate governance information. The website: <a href="http://www.lemtech.com">http://www.lemtech.com</a> , with designated personnel maintaining and updating the website information.  (II) The Company has established the "Operating Procedures for Spokesmen and Acting Spokesmen", the relevant questions shall be answered by the spokesmen or acting spokesmen, and the relevant business departments shall be responsible for the collection and disclosure of company information; The information of the legal person explanation meeting has been placed on the Company's website for investors' reference; the Company enters the latest financial and business information about the Company on the designated information reporting website in accordance with the laws and regulations.  (III) The Company has announced and filed its 2024 annual financial report audited by a CPA. on March 19, 2025, and has announced and filed its first, second and third quarterly financial reports and operations for each month by the required deadline.	No deviation

Evaluation items	Operating status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
after the end of a fiscal year, and publish and report its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline.				
VIII. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, directors' and supervisors' training records, implementation of risk management policies and risk evaluation measures, implementation of customer policies, and participation in liability insurance by directors and supervisors)?	✓		<p>1. In order to be honest and fair, and to take into account the interests of both internal and external parties, the Company has formulated various systems and measures, such as the employee retirement system, employee insurance, education, training and social activities, supplier management, promotion and implementation of environmental protection policies, and risk management, on the basis of these principles. In addition, the Company has set up a special section for stakeholders on its website and reports the communication with stakeholders to the Board of Directors annually. All important information of the company is announced and reported in accordance with the law to protect the interests of shareholders.</p> <p>2. In FY2025, we will continue to maintain directors' liability insurance for all directors in the amount of US\$3,000,000 for the period from March 19, 2025 to March 19, 2026, and more detailed information about the operation of corporate governance will be disclosed in the 2024 Annual Sustainability Report for stakeholders to read.</p>	No deviation
<p>IX. Please provide information on the status of improvement regarding the results of corporate governance evaluation published by the TWSE Corporate Governance Center in the most recent year. For improvements that are yet to be implemented, state the areas and policies the Company has set as a priority for improvement: The Company's 2024 evaluation results were 81~100% of all evaluated companies. The Company will continue to evaluate the feasibility of future improvements for those areas that have not yet been scored, and at the same time, implement the policy on diversity among board members, concrete plans to promote corporate social responsibility, and prepare a sustainability report.</p>				

Schedule: Directors or Supervisors' Further Education

Title	Name	Training date	Organizer	Course	Hours of course
Director	Hsu, Chi-Feng	2024/12/17	The Taiwan Project Management Association (TPMA)	Application of Generative AI and ChatGPT.	3
		2024/12/19	The Taiwan Project Management Association (TPMA)	Sustainable development of enterprises and lean production.	3
Director	Ye, Hang	2024/10/22	Chung-Hua Institution for Economic Research.	Challenges and responses to the new world situation.	3
		2024/11/21	The Taiwan Project Management Association (TPMA)	Board of Directors vs Management Team.	3
Director	Tan, Yong	2024/10/22	Chung-Hua Institution for Economic Research.	Challenges and responses to the new world situation.	3
		2024/11/29	The Taiwan Project Management Association (TPMA)	Discussion on the Legal System and Case Studies on the Protection of Corporate Trade Secrets.	3
Director	Chen, Hui-Min	2024/08/27	Taiwan Corporate Governance Association	Trends and Challenges of Information Security Governance. (Part 1)	3
		2024/08/27	Taiwan Corporate Governance Association	Trends and Challenges of Information Security Governance. (Part 2)	3
Independent Director	Wang, Chi-Chuan	2024/08/09	Taiwan Corporate Governance Association	Concepts, practices and tools of group tax governance.	3
		2024/08/09	Taiwan Corporate Governance Association	The impact of the latest tax law changes on corporate operations and responses.	3
Independent Director	Cheng, Frank	2024/09/27	Securities and Futures Institute, SFI	The impact of the latest tax law changes on corporate operations and responses.	3
		2024/11/14	Securities and Futures Institute, SFI	Course series for directors, supervisors and corporate governance managers - Nvidia's 3 trillion miracle: New Thinking on Semiconductor Industry Revolution Behind AI.	3
Independent Director	Hsieh, Ainsley	2024/10/16	Securities and Futures Institute, SFI	Innovative thinking for enterprise growth in the AI era.	3
		2024/10/16	Securities and Futures Institute, SFI	Practicing sustainable business operations: Analysis of legal liability cases under the three laws on gender equality.	3



(IV) Practicing sustainable business operations: Analysis of legal liability cases under the three laws on gender equality :

(I) Succession planning and operation of board members

- (1) The composition of Board of Directors is determined based on the Company's business development, the shareholding of its major shareholders and the operational needs of its responsibilities. The Company's Articles of Association and "Director Election Rules" stipulate that the election of directors shall be in accordance with Article 192-1 of the Company Act and that a comprehensive candidate nomination system shall be adopted. The "Corporate Governance Code of Practice" also stipulates that the composition of the Board of Directors should take diversity into consideration and formulate a diversified policy in the Company's operations, business model and development needs.
- (2) The Company establishes a director candidate database and implements director succession planning based on the following criteria:
  - (a) Entrepreneurial spirit, courage to take responsibility, integrity and teamwork are in line with the core values of the Company and the Company's mid- to long-term business development strategy.
  - (b) Possess professional knowledge and skills in corporate management, including corporate strategy, accounting and taxation, finance, legal management and international market perspectives.
  - (c) Members who are familiar with the characteristics of the Company's industry and have relevant experience can provide the Company with effective and diverse advice and comprehensively improve corporate governance performance.
- (3) Meanwhile, the Company has established a "Board of Directors Performance Evaluation Method", which includes items such as control of company goals and tasks, awareness of responsibilities, degree of operational participation, internal relationship management and communication, professional functions and continuous learning, and internal control. It is used to confirm the effective operation of the Board of Directors, evaluate the performance of directors and serve as a reference for future selection.
- (4) The Company held a re-election for the 6th Board of Directors in 2024 and achieved the specific management goal of having at least one female director.

(II) Succession planning and operation of key management levels

- (1) In order to fully improve the sustainable development of the Company, in addition to building a succession team through training and job rotation mechanisms, strengthening corporate governance and improving operating performance, the Company also owns a complete promotion mechanism, regularly implements performance appraisals, and combines it with personal development planning to effectively

assist succession capabilities.

- (2) The Company has established a comprehensive job acting system to provide proxy work and training for key management levels and to strengthen high-level decision-making and management capabilities.
- (3) The Company arranges for management personnel to attend the Board of Directors and important meetings, and also arranges professional training courses to enhance their skills in various aspects of corporate governance, board operations and business operations, in the hope that they will be qualified for important positions in the future.
- (4) Mr. Huang Qunxiang, Head of Finance and Accounting, joined Lemtech Holdings in 2021 and successfully led the team to improve and optimize the Group's financial health. He took over as Group Financial Director in March 2025.

(V) If the Company has set up a Remuneration Committee, it shall disclose its composition, responsibilities and operation:

1. Information on the members of Remuneration Committee

Mar. 30, 2025

Identity	Qualification Name	professional qualifications and experience	Status of independence	Number of other public companies where the individual concurrently serves as a member of Remuneration Committee
Independent Director (Convener)	Cheng, Frank	Please refer to director-related information content on page 11-12		0
Independent Director	Wang, Chi-Chuan			2
Independent Director	Hsieh, Ainsley			1

2. Responsibility of the Remuneration Committee

- (1) The Company's Remuneration Committee shall exercise the care of a prudent manager to fulfill the following duties, and offer suggestions for discussion to the Board of Directors:
  - a. Establish and periodically review remuneration policies, system, standards, and structure, as well as the performance evaluation of directors and managers.
  - b. Periodically evaluate and establish remuneration and pays for directors and managers.
- (2) The Company's Remuneration Committee shall perform the duties in preceding paragraph in accordance with the following principles:
  - a. The directors' and manager' performance evaluation and remuneration should refer to the general standards in the industry and take into account the reasonable connection to individual performance, management performance, and future risks.
  - b. Directors and managers shall not be encouraged to engage in risky behaviors unacceptable to the Company for the pursuit of remuneration.
  - c. The proportion of dividends for directors and senior managers for short-term performance and the timing of issuing variable pay shall be determined based on the characteristics of a given industry and the nature of the Company's business.

### 3. Information on the operation of Remuneration Committee

- (1) The Company's Remuneration Committee is comprised of five members.  
(2) Service term for members of the current committee: From Jun. 18, 2024 to Jun. 17, 2027. The Remuneration Committee convened 4 meetings in 2024. The following outlines the qualifications of the committee members and attendance:

Title	Name	Attendance in person	Attendance by proxy	Attendance rate (%)	Remarks
Convener	Cheng, Frank	4	0	100.00	-
Committee member	Wang, Chi-Chuan	4	0	100.00	-
Committee member	Hsieh, Ainsley	2	0	100.00	Took office on 2024.06.18,
Committee member	Yu, Chi-Min	2	0	100.00	Relieved office on 2024.06.18
Committee member	Lee, Wei-Ming	2	0	100.00	Relieved office on 2024.06.18
Committee member	Yang, Rui-Long	2	0	100.00	Relieved office on 2024.06.18

Note: The actual attendance rate (%) is calculated based on the number of meetings held during the term of and the number of actual attendance.

Other matters:

- I. If the Board of Directors does not adopt or amend the proposals of the Remuneration Committee, please state the date and session of the Board meeting, proposals, resolutions from the Board of Directors, and handling of the Remuneration Committee's opinions (such as the difference and reason why the salary and remuneration approved by the Board of Directors are higher than those proposed by the Remuneration Committee and the reason): None.
- II. Where resolutions of the Remuneration Committee include dissenting or reserved opinion which is on record or stated in a written statement, the date, session, contents discussed, opinions from every member, and handling of the members' opinions shall be described in detail:

Date of the Remuneration Committee	Proposals	Resolution of the Remuneration Committee	The Company's response to the comments of the Remuneration Committee
2024.03.04	2023 Employee and Director Remuneration Distribution Proposal	All members approved.	None
2024.05.06	Amendments to rules, regulations, methods and operating procedures.	All members approved.	None
2024.08.20	1. Amendments to rules, regulations, methods and operating procedures. 2. Proposal to adjust the salary and remuneration of the Company's managers.	All members approved.	None

Date of the Remuneration Committee	Proposals	Resolution of the Remuneration Committee	The Company's response to the comments of the Remuneration Committee
2024.12.19	1. Proposal for the appointment of a new "Information Technology Director" of the Company 2. Proposal on the payment of year-end bonuses to managers in 2024	All members approved.	None

(VI) Implementation of Sustainable Development and deviations from the " Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies " and reasons thereof

Evaluation items	Operating status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
I. Has the company established a governance structure to promote sustainable development, and set up a dedicated (part-time) unit to promote sustainable development, which is authorized by the board of directors to have senior management level handle, and supervised by the board of directors?	✓		<p>1. Governance structure and implementation status for promoting sustainable development:</p> <p>The Company has always adhered to the core concept of "working together to create leading engineering and manufacturing technology" to promote economic, environmental and social progress, practice corporate sustainable development as the goal, thus realizing the Company's vision. On August 20, 2024, the Company established the "Sustainability Committee Organization Charter" and established the "Sustainability Management Committee" as a dedicated unit for information integration and follow-up of sustainability issues of the Group. Its main responsibility is to promote overall sustainability measures to the Group's operating activities, hoping to contribute to positive responses from society and the environment.</p> <p>The "Sustainability Management Committee" is chaired by the Chairman. Under the supervision of the Board of Directors, it assigns responsible units to follow the principle of materiality based on the three aspects of environment, society, and governance, identify environmental, social or governance risks related to corporate operations, and implement risk control and response measures. It also collects issues of concern to stakeholders as an important reference for formulating business strategies. By tracking and reviewing the implementation results of action plans and improvement plans every quarter, we can reasonably ensure the achievement of sustainable development goals, enhance the attention paid to the rights of stakeholders and the transparency of operational information.</p> <p>The Chairman shall regularly report to the Board of Directors on the communication status with stakeholders and the effectiveness of the management of various sustainable issues, so that the Board of Directors can review the feasibility and foresight of the sustainable strategy and provide guidance or urge adjustments when appropriate.</p> <p>2. The Board of Directors' supervision of sustainable development:</p> <p>The following sustainable development issues have been submitted to the Board of Directors in the most recent year. After the Board of Directors has reviewed the implementation direction and measures, the progress of greenhouse gas inventory and verification implementation should be</p>	No deviation

Evaluation items	Operating status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof										
	Yes	No	Description											
			<div>continuously reported to the Board of Directors every quarter. Other ESG implementation plans will be implemented by various units according to the plans.</div> <table><tr><th>Submission date</th><th>Issues submitted</th></tr><tr><td>2024.08.20</td><td>Establishment of the "Sustainability Management Committee"</td></tr><tr><td>2024.11.11</td><td>Establish a timeline and schedule for the 2024 Sustainability Report and Greenhouse Gas Inventory</td></tr><tr><td>2024.12.19</td><td>1. Implementation progress of the 2024 Sustainability Report: Completed the initiation meeting, identification of major issues and stakeholders, distribution of stakeholder questionnaires and collection of ESG report data (first round). 2. 2024 Greenhouse Gas Inventory Implementation Progress Report: Promote carbon inventory projects in subsidiaries and branches.</td></tr><tr><td>2025.03.04</td><td>1. Implementation progress of the 2024 Sustainability Report: Conduct interviews with senior managers and collect ESG report data (quantitative). 2. 2024 Greenhouse Gas Inventory Implementation Progress Report: Collect carbon emissions data.</td></tr></table>	Submission date	Issues submitted	2024.08.20	Establishment of the "Sustainability Management Committee"	2024.11.11	Establish a timeline and schedule for the 2024 Sustainability Report and Greenhouse Gas Inventory	2024.12.19	1. Implementation progress of the 2024 Sustainability Report: Completed the initiation meeting, identification of major issues and stakeholders, distribution of stakeholder questionnaires and collection of ESG report data (first round). 2. 2024 Greenhouse Gas Inventory Implementation Progress Report: Promote carbon inventory projects in subsidiaries and branches.	2025.03.04	1. Implementation progress of the 2024 Sustainability Report: Conduct interviews with senior managers and collect ESG report data (quantitative). 2. 2024 Greenhouse Gas Inventory Implementation Progress Report: Collect carbon emissions data.	
Submission date	Issues submitted													
2024.08.20	Establishment of the "Sustainability Management Committee"													
2024.11.11	Establish a timeline and schedule for the 2024 Sustainability Report and Greenhouse Gas Inventory													
2024.12.19	1. Implementation progress of the 2024 Sustainability Report: Completed the initiation meeting, identification of major issues and stakeholders, distribution of stakeholder questionnaires and collection of ESG report data (first round). 2. 2024 Greenhouse Gas Inventory Implementation Progress Report: Promote carbon inventory projects in subsidiaries and branches.													
2025.03.04	1. Implementation progress of the 2024 Sustainability Report: Conduct interviews with senior managers and collect ESG report data (quantitative). 2. 2024 Greenhouse Gas Inventory Implementation Progress Report: Collect carbon emissions data.													
II. Does the company conduct risk assessments on environmental, social and corporate governance issues related in accordance with the principle of importance, and formulate relevant risk management policies or strategies?	✓		<div>1. Risk assessment boundaries: The risk assessment boundary of Lemtech Holdings Group is mainly based on the design and production related activities of its subsidiaries - Lemtech Precision Materials, Lemtech Slides and Lemtech Electronics.</div> <div>2. Identify the risk assessment standards, processes, results and risk management policies or strategies for major issues of environment, society and corporate governance: Lemtech Holdings Group's risk management system is divided among various departments to implement risk control and reduce the Company's operational risks. It also combines international standard systems such as "ISO27001 Information Security", "ISO45001 Occupational Safety and Health", "ISO90001 Quality Management", and "ISO14001</div>	No deviation										

Evaluation items	Operating status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
			<p>Environmental Management" to confirm the effectiveness of risk management measures through annual internal and external audits.</p> <p>The Board of Directors is the highest decision-making unit for the Company's risk management, and the Audit Committee assists the Board of Directors in supervising the operation of the Company's risk management and various risks to ensure compliance with relevant laws and regulations and the effectiveness of the risk management mechanism. The Sustainability Management Committee is the executive unit that promotes each responsible department to identify environmental, social or governance risks related to corporate operations and to implement relevant risk control and response measures. It is required to report the risk control status to the Audit Committee and the Board of Directors every year.</p> <p>The Company identifies major risks based on the principle of materiality and summarizes the risk items and countermeasures proposed by each unit (please refer to pages 51~53): In 2024, the overall environment was affected by high interest rates, high inflation, and international instabilities (Russia-Ukraine war, Israel-Hamas conflict, tariff barriers), resulting in fluctuations in raw material costs and increased overall corporate operating risks.</p> <p>In 2025, the overall environmental situation will continue to face factors such as geopolitical instability, tariff issues, financial fluctuations, abnormal climate and unstable global supply chain in 2024. Currently, all risks can be controlled within an acceptable range.</p>	
<p>III. Environmental issues</p> <p>(I) Has the Company established environmental management systems proper to its industry's characteristics?</p>	✓		<p>(I) The Company operates as a holding company with minimal impact on the surrounding environment. The subsidiaries under the Group have established relevant environmental management systems and policies in accordance with laws and regulations and sustainable development, and have appointed environmental safety specialists to implement relevant systems and reduce waste emissions.</p> <p>The Group's subsidiaries, Lemtech Precision Materials, Lemtech Slides and Lemtech Electronics, have all obtained environmental management system certification (ISO14001:2015), which is valid from April 29, 2023 to April 28, 2026. They have effectively implemented carbon reduction, electricity conservation, water conservation and business waste management to reduce the impact on the environment during operations..</p>	No deviation



Evaluation items	Operating status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
(II) Does the Company endeavor to utilize all resources more efficiently and use renewable materials that have low impact on the environment?	✓		<p>(II) The Company is a holding company and has no production plants. The energy consumption category is mainly purchased electricity, so the overall business activities have a low impact on the environment. The main production and manufacturing activities come from the Group's subsidiaries. In order to comply with the government's green electricity policy, the Group's subsidiary Lemtech Precision Materials has obtained (ISO50001: 2018) energy management system certification (valid from June 25, 2023 to June 24, 2026). Through a systematic approach to improve energy application, each plant also implements a solar power generation system to reduce external power supply and carbon emissions.</p> <p>The solar photovoltaic power generation capacity of 1,603,000/Kwh by 2024 will reduce carbon dioxide emission by 1,128.42 tons per year, which is equivalent to planting 62,689 teak trees; at the same time, the addition of riveting station at the end of part molding in the continuous mold has realized the integrated operation of part molding and riveting; through the riveting mechanism, the rivets are able to rivet with the parts directly in the mold, eliminating the need for additional assembly steps. Through the riveting mechanism, the rivets can be riveted to the parts directly in the molds, eliminating the need for additional assembly steps, which significantly improves the assembly efficiency of automobile parts and saves approximately RMB550,000 in manpower costs for the year 2024. Meanwhile, in order to improve production efficiency and reduce labor, the Company's VE team has independently developed a number of automatic monitoring and automatic supply equipments, which will result in a cost saving of RMB600,000 in 2024. At the same time, it is planned to add 3,000 square meters of solar photovoltaic by the end of 2025, with an annual power generation of 300,000/Kwh. The addition of riveting station at the end of part molding in the continuous die realizes the integrated operation of part molding and riveting. Through the riveting mechanism, the rivets can be riveted to the parts directly in the mold without additional assembly steps, which significantly improves the assembly efficiency of automotive parts.</p>	
(III) Has the Company assessed the potential risks and opportunities arising from climate change at present and in the future and taken related countermeasures?	✓		<p>(III) In accordance with the "Risk Assessment Management Procedure", the Company's risk management team proposes risks and response measures for each risk category every year. These include the risks, opportunities and countermeasures brought about by climate change</p>	

Evaluation items	Operating status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof																																
	Yes	No	Description																																	
(IV) Has the Company the calculated the greenhouse gas emissions, water consumption, and total weight of waste over the past two years and established the policies with regard to energy conservation and carbon reduction, greenhouse gas reductions, water consumption, and waste management?	✓		<p>(please refer to page 40) and are disclosed in the sustainability report.</p> <p>(IV) The Company is a holding company and its operations have little impact on the surrounding environment. Our subsidiary, Lemtech Precision Material (China) Co., Ltd, will conduct Scope 1 and Scope 2 inventories in 2023 and 2024 in accordance with the ISO 14064-1:2018 standard, in order to effectively track and control the amount of water, electricity usage, and waste production.</p> <p>GHG emissions in the last two years:</p> <p style="text-align: right;">Unit: tons, CO2e</p> <table><tr><th>Year</th><th>Scope 1</th><th>Scope 2</th><th>Emission intensity</th></tr><tr><td>2023</td><td>481.634 tons</td><td>4,447.37 tons</td><td>9.120</td></tr><tr><td>2024</td><td>522.935 tons</td><td>4,285.13 tons</td><td>8.285</td></tr></table> <p>(1) The combined GHG emissions of Scope 1 and Scope 2 in 2024 are 4,808.065 tons of CO2e, mainly from Scope 2 electricity emissions, which account for 89.12% of the former emissions.</p> <p>(2) Setting energy saving targets and programs to reduce energy usage through annual audits of electricity consumption. Through the installation and replacement of relevant energy-saving equipment, it is expected that the total carbon emissions will be revised downward in a sustainable manner as a result of the proactive carbon reduction efforts.</p> <p>Water consumption in the past two years:</p> <table><tr><th>Year</th><th>Total Water Use</th><th>Water Intensity</th></tr><tr><td>2023</td><td>7,487 tons</td><td>13.853</td></tr><tr><td>2024</td><td>8,111 tons</td><td>13.977</td></tr></table> <p>In spite of the growth in operations, Lian Der Precision Materials, a subsidiary of the Company, has been able to effectively control water consumption and improve the efficiency of water resource utilization through the assistance of mechanical equipment (installation of water-saving valves and sensor-type water dispensing equipment).</p> <p>Waste Production in the Last Two Years:</p> <p style="text-align: right;">Unit: tons, CO2e</p> <table><tr><th>Year</th><th>Kitchen Waste</th><th>Municipal Solid</th><th>Wastewater Treatment</th><th>Hazardous Waste</th><th>Waste Intensity</th></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>	Year	Scope 1	Scope 2	Emission intensity	2023	481.634 tons	4,447.37 tons	9.120	2024	522.935 tons	4,285.13 tons	8.285	Year	Total Water Use	Water Intensity	2023	7,487 tons	13.853	2024	8,111 tons	13.977	Year	Kitchen Waste	Municipal Solid	Wastewater Treatment	Hazardous Waste	Waste Intensity						
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Evaluation items	Operating status						Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof		
	Yes	No	Description						
				Treatment	Waste Treatment		Treatment		
			2023	0.266 tons	130.680 tons	22.162 tons	0.599 tons	0.284	
			2024	0.231 tons	137.744 tons	24.009 tons	1.736 tons	0.282	
			Through paperless operations and the implementation of waste separation and recycling possibilities, we are able to control the total amount of waste while increasing revenue. (1) The proportion of annual electricity output value is ≤0.90% (2) The proportion of annual water fee output value ≤ 0.06% In 2024, 0.90% and 0.02% respectively achieved the goal.						
IV. Social issues (I) Has the Company formulated management policies and procedures following relevant regulations and international human rights treaties?	✓		(I) The Company formulates and implements "Human Rights Policies" and "Human Resources Management Rules" in accordance with labor laws and supports international human rights conventions, including the "United Nations Universal Declaration of Human Rights", "United Nations Global Compact", "United Nations Guiding Principles on Business and Human Rights", "International Labor Organization Core Conventions" and other principles, and clearly protects the labor rights and interests of employees, including employment conditions such as promotion, remuneration, working hours, training and promotion. There is no discrimination based on gender, race, age, marital status, religion, political stance and family status, and any form of forced labor and discrimination is prohibited. The employment of child labor is completely prohibited and labor laws are strictly observed. We have also introduced comprehensive production management activities and occupational safety and health management systems to implement various disaster prevention measures and hazard prevention in the workplace to provide employees with a safe and healthy working environment. The Human Resources Department coordinates the protection of various employee rights and interests, provides open and fair communication mechanisms and channels, and strives to promote harmonious labor-management relations. In addition, a "Supplier Corporate Social Responsibility Commitment" is established in accordance with the “Responsible Business Alliance (RBA) Code of Conduct”, and cooperating suppliers are invited to sign and abide by it. The Company's human rights management policy and specific management plan are summarized as follows:						No deviation

Evaluation items	Operating status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
(II) Does the Company establish and deliver reasonable employee welfare programs (including salary, compensated absences, and other benefits) and adjust employee compensation in relation to business performance?	✓		Human Rights Management Policy	Specific implementation situation
			Labor rights	Provide reasonable compensation, working hours, training and promotion systems based on industry standards and in accordance with laws and regulations, respect employees' wishes and prohibit any form of forced labor.
			Building good labor-management relations	Provide smooth communication channels and strive for harmonious labor-management relations.
			Prohibition of child labor	Employment standards must comply with the minimum age limit prescribed by law.
			Prohibition of any employment discrimination	The Company clearly stipulates that there will be no discrimination based on gender, race, age, marital status, religion, political stance, or family status, and that equal pay, employment conditions, training, and promotion opportunities will be implemented.
			Healthy and safe working environment	Various preventive measures and hazard prevention measures have been implemented to provide employees with a safe and healthy working environment.
			(II) The Company has formulated "Salary Management Rules" and "Employee Handbook" to clarify the salary, performance, welfare and reward and punishment systems, and regularly adjusts them according to relevant laws and market feedback. In addition to providing employee vacations in accordance with local laws of each subsidiary, the Group also provides various gift subsidies. In order to promote understanding and integration among employees, various cultural and personal activities are held to promote employee welfare measures. If the Company's operations are profitable, the results will be shared with employees in accordance with the dividend policy. 1. Employee welfare measures: The Company strictly abides by the local labor laws and regulations	

Evaluation items	Operating status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
(III) Does the Company provide a healthy and safe work environment, and does it organize health and safety training for its employees on a regular basis?	✓		<p>on various holidays, and grants special vacation days according to the employees' years of service. Meanwhile, the Company plans and provides high-quality benefits for colleagues, such as three festival gifts (Spring Festival, Dragon Boat Festival, Mid-Autumn Festival), birthdays, Women's Day, marriages, and childbirth.</p> <p>2. Business performance reflects employee remuneration: Pursuant to Article 94 of the Company's Articles of Association, if the Company makes a profit in the current year, it shall distribute no less than 0.05% of the profit as employee remuneration. In addition, the Company participates in workplace salary surveys, referring to industry salary levels, economic trends and personal performance-based salary adjustments to maintain overall salary competitiveness. In 2024, the average salary increase for the Company's supervisory and non-managerial employees was 4%.</p> <p>3. Workplace Diversity and Equality: Establish a competitive salary system - salary levels are determined based on employees' academic experience, professional knowledge/skills, and years of experience. Male and female employees are given equal pay and promotion opportunities based on their individual performance, regardless of gender, religion or political stance. In 2024, the proportion of female employees in our company stood at 45.65%, of which female supervisors accounted for 54.35%.</p> <p>(III) The Company is a holding company, and the working environment is an office. The building in the industrial park where it is located undergoes regular fire safety inspections and tests, and employee health checks are implemented every year in accordance with regulations. The Group's subsidiaries are the main production and operation units, providing a safe and healthy working environment for employees, establishing a secondary safety standardization management system, and passing the "International Environment and Occupational Safety System ISO45001" certification. They implement work-related accident tracking and improvement in accordance with regulations, and provide or subsidize health examinations every year. Employees in special positions are also required to undergo occupational disease examinations. Number of fire cases, deaths and injuries caused by work environment, and other employee occupational accidents reported in 2024: 0 cases.</p>	

Evaluation items	Operating status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
(IV) Has the Company established effective career development and training plans for its employees?	✓		(IV) The company has established [annual training program], through the systematic training to enhance the staff's personal qualities and professional competence, part of the staff to adopt the system of rotation to cultivate and explore personal expertise and make career adjustments accordingly. The company has established a perfect training system, targeting newcomers, technical personnel, rotating personnel, cadres at all levels, cadres promoted personnel, etc. to establish different training requirements, and managerial cadres, senior technical personnel with EMBA support program; 2024 effectively completed the annual training program, but also achieved a relatively satisfactory training results.	
(V) Has the Company followed relevant laws, regulations and international guidelines for the customer health and safety, customer d marketing and labeling of its products and services and established related consumer protection policies and grievance procedures?	✓		(V) The Company has formulated a "Customer Information Management Procedure" to effectively control customer information, and established a "Customer Complaint and Return Control Procedure" in accordance with customer requirements. Since the Company is a component manufacturer and its products are not directly sold to consumers, there is no need to establish a "Consumer Rights Policy". While improving customer service, the Company attaches great importance to protecting customer privacy and intellectual property rights. We sign confidentiality agreements with our customers to protect their confidential information, and use the "ISO27001 Information Security Management System" to ensure that colleagues in related businesses maintain confidentiality when conducting business transactions. As of the end of 2024, no violations of customer privacy or loss of customer information that harmed customer rights and interests have been found. The Company's "stakeholder complaint channel" email address: <a href="mailto:whistleblower@lemtech.com">whistleblower@lemtech.com</a>	
(VI) Has the Company established the supplier management policies requesting suppliers to comply with laws and regulations related to environmental protection, occupational safety and health or labor rights and supervised their privacy, and compliance?	✓		(VI) The Group is committed to complying with all applicable national and international laws, as well as codes of ethics and generally accepted practices for the regions in which the Company operates, including the promotion of fair competition, the safety of products and services provided to customers, compliance with labor laws and practices, human rights declarations, international standards and the protection of copyrights and company assets and intellectual property rights of any kind. Each of our subsidiaries has set up a "Supplier CSR Commitment" and an "EICC Commitment" according to the	

Evaluation items	Operating status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
			nature of their operations, and the supplier management department formulates an annual supplier audit plan and conducts audits every year. The audits cover quality, environment and safety. The subsidiary, Lemtech Electronics Technology Co., Ltd has signed the "Supplier CSR Commitment" with 37 suppliers, with a coverage rate of 100%; the subsidiary, Lemtech Precision Material (China) Co., Ltd, requires suppliers to provide raw materials without hazardous materials guarantee, and explicitly binds its internal management to comply with the environmental protection, safety, and EICC-related policies and regulations. 250 suppliers have signed the "Supplier CSR Commitment" by 2024, with a coverage rate of 69.44%.	
V. Does the Company, following internationally recognized guidelines, prepare and publish reports such as its ESG report to disclose non-financial information of the Company? Has the Company received assurance or certification of the aforesaid reports from a third-party accreditation institution?	✓	✓	<p>The Company prepared the 2024 Sustainability Report in accordance with the latest GRI Standards (GRI Standards 2011) issued by the Global Reporting Initiative (GRI) as the principles and framework for disclosure in the Sustainability Report, and also use the SASB Sustainability Accounting Standards Board (SASB) - Electronic Manufacturing Services and Original Equipment Design and Manufacturing (OEMS) guidelines for compilation in order to cover material issues of interest to stakeholders as well as environmental, governance and social information.</p> <p>The 2024 Sustainability Report will be prepared in 2025 and will be uploaded to the TWSE and published on the Company's website in August 2025 after approval by the Board of Directors.</p> <p>The 2024 Sustainability Report has not been verified by a third party.</p>	The "Sustainability Report" is prepared in accordance with the GRI standards.
<p>VI. If the Company has established the corporate social responsibility best practice principles based on the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," please describe any discrepancy between the Principles and their implementation:</p> <p>On December 19, 2014, the company's board of directors approved the formulation of the company's "Corporate Social Responsibility Code of Practice." On March 25, 2020 and November 11, 2022, the board of directors approved the revision of the code to strengthen the implementation of corporate social responsibility. The company regularly reviews the implementation of the code and improves accordingly, and there has been no difference in the implementation so far.</p>				
<p>VII. Other important information helpful to understand the implementation of the promotion of sustainable development:</p> <p>For details of the Company's relevant sustainability operations and performance, please refer to the Company's Annual Sustainability Report; Website: <a href="https://www.lemtech.com/tw/">https://www.lemtech.com/tw/</a></p>				

## Risk identification and countermeasures

Risk Category	Risky Projects/Scenarios	Control Units	Risk Countermeasures
Operational risk	<b>Raw material price fluctuations and supply chain risks</b> <ul style="list-style-type: none"> <li>The environmental protection policies of the government in the supplier's location limit the production capacity of raw materials, resulting in shortages or price increases of raw materials, which in turn limits the Company's production capacity and increases production costs.</li> <li>Raw material prices fluctuated due to the unstable international situation.</li> </ul>	Supply chain department	<ul style="list-style-type: none"> <li>Diversify procurement and integrate raw material needs; seek alternative raw materials and suppliers to stabilize supply sources.</li> <li>Control raw material safety stocks, monitor market changes, improve bargaining power for raw materials and products, and flexibly respond to production and market demands.</li> <li>Multiple logistics and transportation networks to flexibly adjust the supply of raw materials and products.</li> </ul>
	<b>HR risks</b> <ul style="list-style-type: none"> <li>Disharmonious labor-capital relations affect staff turnover and corporate image.</li> <li>Due to the aging population, social and industrial structure, salary competitiveness is relatively lower than that of the industry or competitors.</li> </ul>	HR Department  Management Department  Affiliated business units	<ul style="list-style-type: none"> <li>Ensure that human resources management and operations comply with international human rights standards and the laws and regulations of the places where operations take place.</li> <li>Smooth communication channels between labor and management to promote harmony between the two parties.</li> <li>Increase production automation, optimize manpower requirements and improve efficiency.</li> <li>Provide stable salary and benefits, and career development plans to facilitate talent retention and recruitment.</li> </ul>
	<b>Environmental protection and occupational safety and health risks</b> <ul style="list-style-type: none"> <li>Emergency disasters (such as fire, explosion, etc.) will cause harm to the environment and personnel inside and outside the factory.</li> <li>Industrial waste is harmful to the environment, residents around the factory, and employees.</li> <li>Improper operating procedures or controls may result in harm to personnel safety and health or financial losses to the company.</li> </ul>	Management Department  Affiliated business units	<ul style="list-style-type: none"> <li>Implement the "ISO14001 Environmental Management System" and "ISO45001 Occupational Safety and Health Management System" and urge all companies in the Group to implement energy conservation and carbon reduction, waste reduction and hazard prevention measures to reduce the occurrence of disasters.</li> <li>Conduct professional and general education training to enhance employees' awareness of environmental safety and health and ensure professional qualifications for various operations and health licenses, and organize various health</li> </ul>



Risk Category	Risky Projects/Scenarios	Control Units	Risk Countermeasures
			promotion activities and subsidies to shape a healthy workplace.
Financial risk	<b>Exchange rate fluctuation risk</b> <ul style="list-style-type: none"> <li>Exchange rate fluctuations due to interest rate policies of major central banks around the world.</li> </ul>	Finance and Accounting Department	<ul style="list-style-type: none"> <li>The finance department closely monitors exchange rate changes and adjusts foreign currency positions based on actual funding needs and exchange rate trends.</li> <li>Develop hedging strategies, such as "forward rate" hedging operations.</li> </ul>
Information risk	<b>Information security risks</b> <ul style="list-style-type: none"> <li>Due to improper design of information security architecture or insufficient control over systems, equipment, networks, and privacy management mechanisms, the Company's information system may be hacked and face the risk of operational interruption.</li> </ul>	Information Management Department	<ul style="list-style-type: none"> <li>Implement the "ISO27001 Information Security Management System" and integrate and strengthen relevant security mechanisms.</li> <li>Implement information security education and simulation drills to enhance information security intelligence and emergency response capabilities.</li> <li>Appoint dedicated information security supervisors and personnel to maintain information security protection affairs.</li> </ul>
Compliance and integrity risks	<b>Social, economic and regulatory compliances</b> <ul style="list-style-type: none"> <li>Operational risks arising from the failure of the company or its employees to comply with relevant laws and regulations (such as labor laws, company laws, securities and exchange laws, etc.).</li> </ul>	Management Department  Affiliated business units	<ul style="list-style-type: none"> <li>Establish various internal regulations to implement internal control work and set up a whistleblower mechanism to ensure that corporate operations and employees comply with laws.</li> <li>Keep abreast of changes in laws and regulations. Send personnel to participate in promotional meetings and courses organized by the competent authorities, and conduct education and training and legal identification to ensure compliance with relevant laws and regulations.</li> <li>Strengthen the promotion of honest business operations and intellectual property rights (education and training, and signing of compliance commitments).</li> </ul>
	<b>Climate change risks</b>		<ul style="list-style-type: none"> <li>Strengthen the decision-making management model of</li> </ul>

Risk Category	Risky Projects/Scenarios	Control Units	Risk Countermeasures
Other risks	<ul style="list-style-type: none"> <li>• The "Net Zero Carbon Emissions Initiative" of various countries limits corporate carbon emissions, impacts raw material supply, increases operating costs, and affects the Company's production capacity.</li> <li>• Various countries are developing carbon tax/carbon fee systems, thereby increasing corporate operating costs.</li> <li>• Requirements for corporate greenhouse gas inventory and verification report.</li> <li>• Extreme weather and climate events (high temperatures, droughts, floods, storms) increase the variability of crop production and reduce farming, affecting product demand. Climate events impact the supply of raw materials and affect production stability.</li> </ul>	<p>Sustainability Committee</p> <p>Affiliated business units</p>	<p>production, process, operation and supply chain to respond immediately to the impacts of climate change.</p> <ul style="list-style-type: none"> <li>• Formulate the Group's greenhouse gas inventory and verification plan to accelerate the cultivation of sustainable talent. Its subsidiaries have gradually introduced the ISO14064-1 greenhouse gas inventory standard and third-party verification to establish a compliance management mechanism.</li> <li>• Set water conservation targets to mitigate future water resource impacts through measurement and reduction.</li> <li>• Set energy-saving targets, expand self-generated green electricity equipment, and improve the utilization rate of renewable energy.</li> <li>• Set waste reduction goals and implement reduction plans (source reduction, recycling of scraps or waste) to reduce waste output and carbon emissions.</li> </ul>

(6) Climate-related information of listed companies climate-related information implementation status items:

1. Implementation of climate-related information Item Implementation

Item	Implementation
Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and the management.	The Board of Directors is the highest decision-making institute for climate risk management of the company and has assigned management to identify and assess climate-related risks to ensure compliance with relevant regulations, and to perform risk and opportunity assessment, strategy formulation, financial impact analysis, risk management, goal setting and so on. If the potential climate risk assessment is significant, external experts will be hired to provide opinions as appropriate to improve the quality of decision-making.
Describe how the identified climate risks and opportunities affect the	The Company's operating team has continued to pay close attention to climate risks and assess how the identified risks and opportunities affect the company's business, strategy and financial status (including short-term, medium-term and long-term). Regarding the impact that climate change may have on the company's operations,

Item	Implementation			
Company's business, strategy and finance (short, medium, and long-term).	management is responsible for coordinating various departments to establish emergency response procedures in order to improve the efficiency of process improvement, strengthen crisis response and handling capabilities, ensure the company's stable operations, and track the effectiveness of climate-related project implementation through meetings of department heads, and actively achieve the short, medium and long-term goals set by the management team.			
	Climate-related risks:			
	Timeline of risk impacts	Risk name	Potential impacts on operating strategy	Potential financial impacts
	Short term	Rising raw material costs	he international climate consensus has led to global suppression of the petrochemical fuel industry, resulting in a rise in raw material prices.	<ul style="list-style-type: none"> <li>The expected greater volatility in raw material costs will lead to higher cost expenditures.</li> </ul>
	Mid-term	Customer behavior changes	In compliance with regulations, as market and consumer awareness of sustainability rises, customers tend to seek supply chain partners that can meet carbon reduction expectations. For the Company, it is necessary to actively respond to and meet customer expectations.	<ul style="list-style-type: none"> <li>In terms of operations, new low-carbon technology equipment needs to be purchased or replaced to reduce carbon emissions.</li> <li>Loss of customers during the transformation period.</li> </ul>
	Long term	Imposition of carbon fee	Supply chain partners are included in the carbon fee collection targets, and the cost of purchasing components will increase.	<ul style="list-style-type: none"> <li>If the supply chain is listed as the target of carbon fee collection, the cost transfer effect will lead to an increase in component costs.</li> </ul>
	Climate-related opportunities			
	Timeline of opportunity impacts	Opportunity name	Potential impacts on operating strategy	Potential financial impacts
	Short term	Energy source	By installing solar panels or photovoltaic equipment, companies can reduce the amount of electricity purchased and lower	<ul style="list-style-type: none"> <li>Use low-carbon energy sources to reduce carbon emission costs.</li> </ul>

Item	Implementation			
			carbon emission costs.	
	Mid-term	ervice and product innovation	Use new technologies and new materials to improve product quality and service efficiency while establishing carbon footprint and upgrading processes to reduce carbon emissions.	<ul style="list-style-type: none"> <li>Invest in R&amp;D of carbon footprint assessment capabilities to meet customers' "net-zero emissions" requirements and expand cooperation opportunities</li> </ul>
Describe the financial impact of extreme climate events and transformation actions.	<p>Extreme weather events may cause supply chain or production line disruptions, which may in turn affect the production and sales of the company's products, thereby adversely affecting financial performance. As society attaches increasing importance to sustainable development, the company is expected to invest more resources in implementing transformation actions, such as automating production, improving energy efficiency, and optimizing labor rights. There may be an increase in operating costs in the short term, with a slight financial impact. However, the company's management has begun to take risk management and adaptive measures to ensure the company's long-term stable financial planning and development.</p> <p>The identification results of transition and physical risks and the impact paths on finance are shown in item 2 Climate Risk above. We further analyzed the financial impact factors and aspects of various climate-related risks and adopted corresponding response measures, as shown in the following table:</p>			
	Timeline of risk impacts	Risk name	Potential financial impacts	Countermeasures
	Short term	Rising raw material costs	<ul style="list-style-type: none"> <li>The expected greater volatility in raw material costs will lead to higher cost expenditures.</li> </ul>	<ul style="list-style-type: none"> <li>Diversify the supply chain database to avoid single supplier or excessive concentration.</li> <li>Develop core R&amp;D capabilities and implement strategic sourcing plans.</li> </ul>
	Mid-term	Customer behavior changes	<ul style="list-style-type: none"> <li>In terms of operations, new low-carbon technology equipment needs to be purchased or replaced to reduce carbon emissions.</li> <li>Loss of customers during the transformation period.</li> </ul>	<ul style="list-style-type: none"> <li>Research and develop "low energy consumption or high efficiency" process technology.</li> <li>Use low-carbon energy and materials to reduce carbon emissions.</li> <li>Diversify business scope, avoid centralization and reduce the risk of customer loss.</li> </ul>

Item	Implementation			
	Long term	Imposition of carbon fee	<ul style="list-style-type: none"> <li>• If the supply chain is listed as the target of carbon fee collection, the cost transfer effect will lead to an increase in component costs.</li> </ul>	<ul style="list-style-type: none"> <li>• Pay close attention to updates on local regulations at production locations.</li> <li>• Develop and maintain relationships with second and third-tier supply chains.</li> </ul>
Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	The company incorporates climate change and environmental risks into the enterprise risk management system, which is led by dedicated sustainability personnel, continuously monitoring the impact on operations, including international regulations and extreme weather events, and assess their financial impact. The company is gradually adjusting its management mechanism and proposing response strategies to enhance operational resilience. Through cooperation among various departments, the company assesses the impact of climate risks on business processes and train employees on climate change awareness to more effectively and comprehensively identify risks and opportunities. Then report it to senior management to make management decisions and response strategies for major risks.			
If a scenario analysis is used to assess the resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and main financial impacts used shall be described.	Through climate risk scenario analysis, the company studies the possible impacts of climate change and evaluates the extent and duration of the impact of these risks on the company's business, as well as the possible financial losses. When conducting the analysis, relevant parameters and assumptions are set, such as the frequency and intensity of climate change, and the costs and benefits of the company's response measures. The main analysis factors include the probability of risk occurrence, scope of impact, duration of business interruption, etc. Based on these analyses, the Company formulated specific optimization measures to improve corporate resilience and sustainability. For example, improving the flexibility of supply chains, strengthening the climate resilience of facilities and assets, optimizing inventory management, and expanding regional economies. At the same time, the company is also committed to cultivating the awareness and ability of employees and business partners within the organization to respond to risks in order to cope with possible challenges in the future.			
If there is a transformation plan in place to manage climate-related risks, specify the content of the plan, and the indicators and targets used to identify and manage	<p>In order to manage climate-related risks, the company has drafted a transformation plan. The plan includes:</p> <p>(1) Energy and greenhouse gas management measures: More efficient energy management measures will be implemented to reduce greenhouse gas emissions. This may include improving energy efficiency, increasing the use of renewable energy, reducing energy waste, etc.</p> <p>(2) Sustainable supply chain management: Work with supply chain partners to promote sustainable supply chain</p>			

Item	Implementation
physical risks and transformation risks.	<p>management, ensuring that suppliers comply with climate protection standards and requirements and promote carbon neutrality in the supply chain.</p> <p>(3) Automated manufacturing: Continuously adopt automated manufacturing technology to improve production efficiency and reduce energy consumption and greenhouse gas emissions.</p>
If internal carbon pricing is used as a planning tool, the basis for setting the price shall be stated.	The Company does not currently use internal carbon pricing as a planning tool.
If climate-related goals are set, the activities covered, the scope of greenhouse gas emissions, the planning period, and the progress of each year should be explained; if using carbon offsets or renewable energy certificates (RECs) to achieve the goals, it should be explained In exchange for the source and quantity of carbon reduction credits or quantity of Renewable Energy Certificates (RECs).	<p>The Company attaches importance to the issue of energy use and environmental impact. In order to fulfill its corporate responsibility, the Company will gradually inventory its greenhouse gas emissions, among which, the Group's subsidiaries, Lemtech Electronics Technology Co., Ltd and Kunshan Lemtech Slide Technology Co., Ltd., have obtained ISO14064-1 &amp; ISO14064-3:2019 certification on August 20, 2024, to inventory the carbon emission data of the production and manufacturing process, which will serve as a basis for the subsequent carbon management, and to further promote the management plan of energy saving and carbon reduction based on the results. Based on the result, we will promote the management program of energy saving and carbon reduction.</p> <p>In order to cope with the impact of climate change and strengthen sustainability measures, the Company will complete greenhouse gas inventory and related verification activities on time or in advance in accordance with the sustainable development roadmap plan of the Financial Supervisory Commission.</p>
Greenhouse gas inventory and assurance status, as well as reduction goals, strategies, and concrete action plans. (Also fill in 1-1 and 1-2).	<p>Please refer to the “Promotion of Sustainable Development” section of this annual report.</p> <p>According to the "Sustainable Development Roadmap for Listed Companies", the Company is not yet required to disclose greenhouse gas inventories and related information.</p>

(VII) The performance of the ethical corporate management and deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof

Evaluation items	Operating status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
<p>I. Establishment of ethical corporate management policies and programs</p> <p>(I) Has the Company established the ethical corporate management policies approved by the Board of Directors and specified in its rules and external documents the ethical corporate management policies and practices and the commitment of the Board of Directors and senior management to rigorous and thorough implementation of such policies?</p> <p>(II) Has the Company established a risk assessment mechanism against unethical conduct, analyze and assess business activities on a regular basis within its business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly, which shall at least include the preventive measures specified in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies"?</p> <p>(III) Has the Company specified in its prevention programs the operating procedures, guidelines, punishments for violations, and a grievance system and implemented them and review the prevention programs on a regular basis?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(I) The Company has clearly set out the principles and procedures of honest operation in its "Operating Procedures and Conduct Guidelines for Honest Business." The Board of Directors and management will regard honesty as the Company's operating philosophy.</p> <p>(II) The Company has formulated the "Operating Procedures and Conduct Guidelines for Honest Business" and specifically regulated the handling procedures for how relevant personnel of the Company prevent dishonest behaviors and violations.</p> <p>(III) The Company has clearly defined the operating procedures, guidelines for conduct, disciplinary and complaint systems for any violation against the "Operating Procedures and Conduct Guidelines for Honest Business" and encourages employees to report any violations of laws or ethical codes of conduct. the Company will timely advocate relevant personnel with high risk of dishonest conduct within the business scope to prevent the occurrence of dishonest conduct.</p>	No deviation

Evaluation items	Operating status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
			If it is a major incidental or illegal case, it will be reported to the competent authority or transferred to the judicial authority for investigation if necessary. There were no reports of major violations of integrity in business operations in 2024.	
II. Fulfill operations integrity policy				
(I) Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	✓		(I)Our company will assess the integrity records of cooperating vendors or customers and explicitly outline the relevant content and precautions for honest transactions in business contracts. If it is a major incidental or illegal case, it will be reported to the competent authority or transferred to the judicial authority for investigation if necessary. There were no reports of major violations of integrity in business operations in 2024.	No deviation
(II)Does the company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?	✓		(II) The Company is supervised by the "Corporate Governance Supervisors", and the Corporate Governance Team is a part-time unit that promotes corporate integrity management. It is responsible for revising and implementing this operating procedure and behavioral guidelines, and reports to the Board of Directors in the first half of each year on the implementation status of the previous year. The "2024 Integrity Management Situation" is scheduled to be approved by the Board of Directors on May 12, 2025.	
(III)Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	✓		(III)Our company has established a conflict of interest prevention policy and provided appropriate reporting channels in the 'Integrity Management Operation Procedures and Code of Conduct,' and we ensure its implementation.	



Evaluation items	Operating status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
(IV) Does the company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits?	✓		(IV) The Company has established both accounting and internal control systems. The internal audit unit formulates audit plans based on actual business and conducts regularly to ensure risk control. It also conducts special audits from time to time as needed and reports the audit results to the Audit Committee and the Board of Directors on a quarterly basis.	
(V) Does the company regularly hold internal and external educational trainings on operational integrity?	✓		(V) The Company holds integrity management education courses every year.	
III. Status of enforcing whistle-blowing systems in the Company				No deviation
(I) Has the Company established a concrete whistleblowing and rewarding system, and set up accessible methods for whistleblowers, and designate appropriate and dedicated personnel to investigate the accused?	✓		(I) The Company has a whistleblower system that provides internal and external personnel with the opportunity to file complaints and reports against those who violate the integrity regulations. This can be done by phone, letter, or directly to the General Manager. If the report is verified to be true, the violator will be punished according to the Company's regulations, and the receiving unit will have a confidentiality obligation to the reporter and shall not disclose the information at will.	
(II) Has the Company established the standard operating procedures for investigating reported misconduct, follow-up measures to be adopted after the investigation, and related confidentiality mechanisms?	✓		(II) The Company has established standard operating procedures for investigating reports in its "Integrity Management Operating Procedures and Behavior Guidelines". The investigation is handled in a confidential manner and assigned to dedicated personnel, and appropriate protection measures are taken to ensure the privacy of stakeholders.	
(III) Does the Company take any measures to protect whistleblowers so that they are safe from	✓		(III) The Company personnel handling whistle-blowing matters shall represent in writing they will keep the whistleblowers'	

Evaluation items	Operating status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
mishandling?			identity and contents of information confidential. the Company also undertakes to protect the whistleblowers from improper treatment due to their whistle-blowing.	
IV. Enhanced disclosure of corporate social responsibility information Does the Company disclose its ethical corporate management policies and the results of its implementation on the Company's website and MOPS?	✓		The Company has set up website ( <a href="https://www.lemtech.com/tw/">https://www.lemtech.com/tw/</a> ) with a dedicated person responsible for disclosing financial business and corporate governance related information, as well as disclosing the "Integrity Management Operating Procedures and Behavior Guidelines".	No deviation
V. Where the Company has stipulated its own ethical corporate management best practices according to the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies," please describe any differences between the prescribed best practices and the actual activities taken by the Company: The Company has formulated the "Operating Procedures and Conduct Guidelines for Honest Business" in accordance with the ethical corporate management principles There is no significant deviation in its operation and implementation, and the implementation state is normal.				
VI. Other important information to facilitate a better understanding of the Company's ethical corporate management policies (e.g., review and amend its policies) (if the Company reviews and amends its code of good faith, etc.): (I) The "Rules of Procedure for Board Meetings" of the Company stipulates a director's conflict of interest system. Any person who has a conflict of interest with himself or the legal person he represents and may cause harm to the interests of the Company shall not participate in the discussion and voting, and shall recuse himself from the discussion and voting, and shall not exercise the voting rights on behalf of other directors. (II) The Company's "Internal Important Information Processing and Insider Trading Prevention Management Procedures" stipulates that directors, managers and employees shall not disclose important internal information known to others, nor shall they inquire about or collect information unrelated to their personal duties from people who know the Company's internal important information, in order to protect the interests of investors and the Company. (III) The Company's "Integrity Management Operating Procedures and Behavior Guidelines" set out policies based on integrity, which are helpful in establishing corporate culture and sound development, and creating a sustainable business environment.				

(VIII) If the Company has formulated any corporate governance best practice principles or related bylaws, the inquiry method shall be disclosed:  
The Company has formulated relevant regulations such as "Rules of Procedure for Shareholders' Meetings," "Procedures for Selecting Directors," "Rules on the Scope of Duties of Independent Directors," "Code of Ethical Conduct for Directors and Managers," and "Operating

Procedures and Conduct Guidelines for Honest Business," as well as other relevant regulations. The Company operates in accordance with the spirit of corporate governance and implements relevant norms of corporate governance. the Company has also promoted the operation of corporate governance by revising relevant management measures, enhancing information transparency and strengthening the functions of the Board of Directors. Relevant regulations have been posted on the Company's website for shareholders' reference.

(IX) Other important information regarding corporate governance

1. The Company has a "Code of Ethical Conduct for Directors and Managers" to guide the conduct of directors and managers of the Company to conform to ethical standards and to enable the Company's stakeholders to better understand the Company's ethical standards. In addition, the Company also has the "Rules of Procedure of the Board of Directors" which stipulate the recusals of directors to protect the interests of the Company and the investing public.
2. 2024 Manager to attend corporate governance related courses for further study:

Title	Name	Date	Organizer	Course	Hours
Head of Corporate Governance	Jessy, Lu	2024.06.12	The Institute of Internal Auditors, R.O.C.	How Internal Auditors Interpret Operational Performance and Risks from IFRS Financial Statements	6
		2024.05.16	The Institute of Internal Auditors, R.O.C.	Explanation of Board and Functional Committee (Audit, Compensation) Regulations and Audit Highlights	6
		2024.07.03	TWSE	2024 Cathay Sustainable Finance and Climate Change Summit.	6

(X) Implementation of the internal control system  
1. Statement of Internal Control System

**Lemtech Holdings Co., Limited**  
Statement of Internal Control System

Date: Mar. 4, 2025

The Company hereby states the results of the self-evaluation of the internal control system for 2024 as follows:

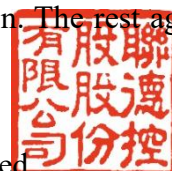
- I. The Company acknowledges that the establishment, implementation and maintenance of an internal control system is the responsibility of the Board of Directors and managers, and the Company has established an internal control system. The internal control system is designed to provide reasonable assurance for the effectiveness and efficiency of the operations (including profitability, performance and protection of assets), reliability, timeliness, and transparency of reporting, and compliance with applicable laws and regulations.
- II. The internal control system has innate limitations. No matter how robust and effective the internal control system, it can only provide reasonable assurance of the achievement of the foregoing three goals; in addition, the effectiveness of the internal control system may vary due to changes in the environment and conditions. However, the internal control system of the Company has self-monitoring mechanisms in place, and the Company will take corrective action against any defects identified.
- III. The Company uses the assessment items specified in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations") to determine whether the design and implementation of the internal control system are effective. Based on the process of control, the assessment items specified in the "Regulations" divide the internal control system into five constituent elements: 1. control environment; 2. risk assessment; 3. control activities; 4. information and communications; and 5. monitoring activities. Each constituent element includes a certain number of items. For more information on such items, refer to the "Regulations."
- IV. The Company has already adopted the aforementioned Regulations to evaluate the effectiveness of its internal control system design and operating effectiveness.
- V. Based on the findings of such evaluation, the Company believes that, as of Dec. 31, 2024, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency of reporting, and compliance with applicable rulings, laws and regulations.
- VI. This statement will constitute the main content of the Company's annual report and the prospectus and will be disclosed to the public. Any falsehood or concealment with regard to the above contents will entail legal liability under Articles 20, 32, 171 and 174 of the Securities and Exchange Act.

This statement has been approved by the Board of Directors of the Company on Mar. 4, 2025. Among the nine directors present, none of them has any objection. The rest agree with the contents of this statement and make this statement.

Lemtech Holdings Co., Limited

Chairman: Hsu, Chi-Feng

General Manager: Eu, Ricky



2. Entrust the accountant project to review the internal control system: None.

(XI) Major resolutions of shareholders' meeting and Board meetings during the most recent fiscal year up to the date of publication of the Annual Report:

1. Important resolutions and implementation of the 2024 Annual Shareholders' Meeting

Date	Important resolutions	Implementation status
2024.06.18 Annual shareholders' meeting	Approval of 2023 Business Report and Consolidated Financial Statements	Adopted through resolution.
	Approval of the earnings distribution for 2023	Adopted through resolution.
	Approval of amendment to Articles of Association of the Company	Adopted through resolution, and complete the Cayman registration filing.
	Approval of The issuance of common shares through private placement	Approved and implemented in accordance with the resolution of the shareholders' meeting.

2. Important resolutions of the Board of Directors for 2024 and up to the date of publication of the Annual Report

Date	Important resolutions
2024.03.04	<ol style="list-style-type: none"> <li>1. 2023 Annual Business Report and Consolidated Financial Statements</li> <li>2. 2023 Employee and Director Remuneration Distribution Proposal</li> <li>3. 2023 Earnings Distribution Proposal</li> <li>4. 2023 Q4 Distribution of cash dividends to shareholders</li> <li>5. 2023 Internal Control System Statement</li> <li>6. Amendment to the company's internal control system</li> <li>7. Proposal of director re-election</li> <li>8. Proposal of release the prohibition on directors from participation in competitive business</li> <li>9. Agenda for the 2024 regular shareholders' meeting, shareholders' proposals and matters related to the nomination rights of directors (including independent directors)</li> </ol>
2024.05.06	<ol style="list-style-type: none"> <li>1. 2023Q1 Consolidated Financial Statements</li> <li>2. 2023Q1 Earnings Distribution Proposal</li> <li>3. The issuance of common shares through private placement</li> <li>4. Formulate a general principle plan for the company's pre-approval of non-certified service policies</li> <li>5. Amendment to the company's internal control system</li> <li>6. The Company's application for financing facilities with banks</li> <li>7. Guarantee Provision Proposal</li> </ol>
2024.06.18	<ol style="list-style-type: none"> <li>1. Election of Chairman</li> <li>2. Appointment of remuneration committee members of the Company</li> </ol>
2024.08.20	<ol style="list-style-type: none"> <li>1. 2023Q2 Consolidated Financial Statements</li> <li>2. 2023Q2 Earnings Distribution Proposal</li> <li>3. The Company's intention to establish a plant in Thailand</li> <li>4. The Company's proposal to establish a factory in Malaysia</li> <li>5. Amendment to the company's internal control system</li> <li>6. For the proposed establishment of a Sustainable Development Committee under the Board of Directors and for the development of the Company's "Sustainable Development Committee Organization Procedures"</li> <li>7. For the proposed appointment of Chairman Mr. Hsu, Chi-Feng, General Manager Mr. Ricky Eu and Head of Finance and Accounting Mrs. Elaine Chien as members of the Sustainable Development Committee</li> </ol>

Date	Important resolutions
	<ul style="list-style-type: none"> <li>8. The Company's application for financing facilities with banks</li> <li>9. Guarantee Provision Proposal</li> <li>10. Adjustment the remuneration package of the Company's managers</li> </ul>
2024.11.11	<ul style="list-style-type: none"> <li>1. 2024Q3 Consolidated Financial Statements</li> <li>2. 2024Q3 Earnings Distribution Proposal</li> <li>3. Amendment to the company's internal control system</li> <li>4. Proposed increase in investment in Lemtech Mexico S.A. de C.V.</li> </ul>
2024.12.19	<ul style="list-style-type: none"> <li>1. 2025 Budget Proposal</li> <li>2. 2025 Annual internal audit plan</li> <li>3. Amendment to the company's internal control system</li> <li>4. The circumstances under which the Company periodically evaluates the independence of its certified public accountants</li> <li>5. The Company's intention to dispose of the land of Jungli Plant.</li> <li>6. The Company's application for financing facilities with banks</li> <li>7. Appointment of the Director of Information Technology of the Company.</li> <li>8. Review the 2024 year-end bonus for the company's managers</li> </ul>
2024.03.04	<ul style="list-style-type: none"> <li>1. 2024 Annual Business Report and Consolidated Financial Statements</li> <li>2. 2024 Employee and Director Remuneration Distribution Proposal</li> <li>3. 2024 Earnings Distribution Proposal</li> <li>4. 2024 Q4 Distribution of cash dividends to shareholders</li> <li>5. 2024 transfer of surplus to capital increase by issuing new shares</li> <li>6. The Company proposal of issue new shares of Restricted Stock Awards</li> <li>7. Termination of the 2024 Private Placement of the Company's Common Stock</li> <li>8. Proposed Replacement of Accountant and Assessment of Independence from Q1 2025</li> <li>9. 2024 Internal Control System Statement</li> <li>10. Proposed acquisition of equity interests in subsidiaries by the Company</li> <li>11. Agenda for the 2025 regular shareholders' meeting, shareholders' proposals</li> <li>12. Change in the Company's head of finance and accounting</li> <li>13. Change in the Company's head of corporate governance</li> <li>14. Amendment to the company's internal control system</li> <li>15. The Company's application for financing facilities with banks</li> <li>16. Guarantee Provision Proposal</li> </ul>

(XII) Any dissenting opinions on record or stated in a written statement made by directors or supervisors regarding key resolutions of the Board meetings in the most recent year up to the publication date of this annual report: None

#### IV. Information on CPA Fees

##### 1. Range of CPA Fees

Unit: NT\$1,000

CPA firm	Name of CPAs	Audit period	Audit fees	Non-audit fees	Total	Remarks
Deloitte & Touche	Xue, Jun-Min Chih, Jui-Chuan	2024/01/01-2024/03/31	5,000	0	5000	-
		2024/04/01-2024/06/30				
		2024/07/01-2024/09/30				
		2024/10/01-2024/12/31				

2. Where the Company changed the accounting firm and the audit fees paid for the year of change was less than that of the prior year, the amount of audit fees before and after the change and reasons shall be disclosed: None.

3. Where the audit fees paid for the current year were 10% less than those of the previous year or more, the sum, proportion, and cause of the reduction shall be disclosed: None.

#### V. Information Regarding Replacement of CPAs:

##### I. Information regarding the former CPAs

Date of replacemen	2025/03/04		
Reason for replacement and explanation	Due to the internal adjustment of Deloitte & Touche Accounting Firm, accountants Hsueh, Chun-Ming and Chih, Jui-Chua will be replaced by accountants Kuo, Nai-Hua and Hsueh, Chun-Ming from the first quarter of 2025.		
Describe whether the Company terminated or the CPAs terminated or did not accept the engagement	Parties		CPAs
	Circumstances		The Company
	Terminated the engagement		NA
If the CPAs issued an audit report expressing any opinion other than an unqualified opinion during the 2 most recent years, specify the opinion and the reasons	No longer accepted the engagement (discontinued)		NA
	NA		NA
	NA		NA
Disagreement with the Company?	Yes	-	Accounting principles or practice
		-	Disclosure of financial reports
		-	Audit scope or steps
		-	Other

	No	✓
	Specify detail	
Other disclosures (Any matters required to be disclosed under sub-items d to g of Article 10.6.A)	None	

## II. Information Regarding the Successor CPAs

Name of accounting firm	Deloitte & Touche
Names of CPAs	Kuo,Nai-Hua
Date of engagemen	Approved by the board of directors of our company on March 04, 2025.
Subjects discussed and results of any consultation with the CPAs prior to the engagement, regarding the accounting treatment of or application of accounting principles to any specified transaction, or the type of audit opinion that might be issued on the company's financial report	None
Successor CPAs' written opinion regarding the matters of disagreement between the Company and the former CPA	None

III. The reply letter from the former CPA regarding the Company' s disclosures regarding the matters under Article 10.6.A and 10.6.B(c) of the Regulations: Due to internal work adjustments within the accounting firm, they are not applicable.

## IV. Assessment of the Competence and Independence of Certified Public Accountants

The Company's Audit Committee evaluates the suitability and independence of the certified public accountants annually based on the following criteria and reports the results of the evaluation to the Board of Directors:

- (1) The CPA' s independence statement and audit quality index (AQI) report.
- (ii) The same accountant has not performed the certification service continuously for more than seven years.



(III) Annually, the CPA Competence and Independence Assessment Form is used to assess the CPA' s financial interests, business relationships, employment relationships, etc., in order to compile the assessment results of the CPA' s competence and independence.

The results of the most recent annual assessment were discussed by the Audit Committee on March 4, 2025 and submitted to the Board of Directors, which approved the assessment of the accountant's suitability and independence on March 4, 2025. The evaluation form is as follows:

Evaluation unit: Board of Directors		
Accounting firm: Deloitte Touche Tohmatsu CPA Ltd. Accountants: Guo Naihua, Xue Junmin		
Item	Assessment contents	Assessment results
1	The CPA has no direct or significant indirect financial interest relationship with the Company.	■Y □N
2	The CPA has no significant or close business relationship with the Company.	■Y □N
3	There is no potential employment relationship between the CPA and the Company during the audit period.	■Y □N
4	The CPA should ensure that the auditing personnel involved are honest, professional and independent.	■Y □N
5	The CPA has no monetary loan relationship with our company.	■Y □N
6	The CPA has not accepted any gifts or presents of significant value (meaning the value exceeds the general social etiquette standard) from the Company, its directors and managers.	■Y □N
7	The CPA does not engage in any other business that may cause loss of independence.	■Y □N
8	The CPA has not provided audit services to the Company for seven consecutive years.	■Y □N
9	The CPA does not hold any shares in the Company.	■Y □N
10	The CPA has no joint investment or interest relationship with our company.	■Y □N
11	The CPA does not have any management role in decision making for the Company.	■Y □N
12	The CPA, his/her spouse or dependent relatives have not served as a director, manager or any position that has a significant impact on the audit case during the audit period or in the past two years, and will not serve in the aforementioned positions during future audit periods.	■Y □N
13	Does the CPA comply with the independence requirements of the CPA Code of Professional Ethics Bulletin No. 10 and obtain the "Declaration of Independence"?	■Y □N
14	To date, the CPA has not been disciplined or had his independence compromised.	■Y □N

**VI. The Company's Chairman, General Manager, or Any Manager in Charge of Finance or Accounting Operations who Has, in the Most Recent Year, Held a Position at the Accounting Firm of Its CPA or at a Related Company: None.**

**VII. Equity Transfer or Changes to Equity Pledge of Directors or Managers Holding More than Ten Percent (10%) of Company Shares during the Year Prior to the Publication Date of This Report**

**(I) Change in shareholding by directors, managers, and major shareholders**

Title	Name	2024		As of Mar. 30, 2025	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Chairman	Hsu, Chi-Feng	0	700,700 (750,700)	(20,000)	0
Director and CTO	Ye, Hang	0	0	(20,000)	0
Director	Tan, Yong	(10,000)	0	(10,000)	0
Director	Chen, Hui-Min	0	0	0	0
Independent Director	Wang, Chi-Chuan	0	0	0	0
Independent Director	Cheng, Frank	0	0	0	0
Independent Director	Hsieh, Ainsley	0	0	0	0
General Manager	Eu, Ricky	0	0	0	0
Marketing Director	Murali Nair	0	0	0	0
Information Technology Director	Lim Chin Boon	0	0	0	0
Financial and Accounting Supervisor	Jed, Huang	0	0	0	0
Corporate Governance Supervisor	Chien, Yi-Ling	0	0	0	0

(II) Information on the counterpart of equity transfer being a related party of the Company's directors, managers and major shareholders: None.

(III) Information on the counterpart of equity pledge being a related party of the Company's directors, managers and major shareholders: None.

**VIII. Relationship Information, if among the Company's Ten Largest Shareholders Any One Is a Related Party or a Relative within the Second Degree of Kinship of Another**

Mar. 30, 2025 Unit: Share, %

Name	Current shareholding		Spouse & minor shareholding		Total shareholding by nominees		Among ten largest shareholders, name and relationship with any one who is a related party or a relative within the second degree of kinship		Remarks
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name	Relationship	
Hsu, Chi-Feng	8,273,981	13.30%	0	0	98,879	0.16%	None	None	
Ye, Hang	5,627,238	9.05%	0	0	0	0	None	None	
Chan Kim Seng Maurice	4,600,000	7.40%	0	0	0	0	None	None	
Liao, Mu	2,636,000	4.24%	0	0	0	0	None	None	
Tan, Yong	2,084,016	3.35%	0	0	0	0	None	None	
Liao, Wen-Yen	1,125,072	1.81%	0	0	0	0	None	None	
Liao, Wen-Yi	1,000,608	1.61%	0	0	0	0	None	None	
JP Morgan Securities investment account in the trusteeship of Chase Bank	968,938	1.56%	0	0	0	0			
PEI,HUI-FANG	958,000	1.54%	0	0	0	0	None	None	
HSBC Band(Taiwan) Limited is entrusted with the custody of Morgan Stanley investment account	890,000	1.43%	0	0	0	0	None	None	

**IX. Number of Shares Held and Combined Shareholding Ratio in the Same Reinvested Business by the Company, the Company's Directors, Managers, and Companies Directly or Indirectly Controlled by the Company**

Mar. 30, 2025 Unit: Share; %

Reinvested company	Investment by the Company		Investment by directors/supervisors/managers and by companies directly or indirectly controlled by the Company		Total investment	
	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage
Lemtech Global Solution Co. Ltd.	2,500,000	100	0	0	2,500,000	100
LemTech Precision Material (China) Co., Ltd.	125,400	0.19	65,874,600	99.81	66,000,000	100
LDC Precision Engineering Co., Ltd.	0	0	(Note1)	100	(Note1)	100
Lemtech Technology Limited	0	0	20,000	100	(Note1)	100
Lemtech Precision Material (Czech) s.r.o.	0	0	(Note1)	100	(Note1)	100
Lemtech USA Inc.	0	0	50,000	100	(Note1)	100
Lemtech Industrial Services Ltd	2,250,000	90	0	0	2,250,000	90
Kunshan Lemtech Slide Technology Co., Ltd.	0	0	(Note1)	100	(Note1)	100
Lemtech International Limited	7,000,000	100	0	0	7,000,000	100
Lemtech Energy Solutions Corporation (Former name: Cryomax Lemtech Co., Ltd.)	0	0	3,000,000	100	3,000,000	100
Lemtech Electronics Technology (Changshu) Co., Ltd.	0	0	(Note1)	100	(Note1)	100
LemTech Global Industries Ltd.	3,000,000	100	0	0	3,000,000	100
Lemtech Precision Engineering (Tianjin) Co.,Ltd	0	0	(Note1)	100	(Note1)	100
Lemtech Precision Material (Huizhou) Co.,Ltd	0	0	(Note1)	100	(Note1)	100
Lemtech Mexico S.A. de C.V.	0	0	(Note1)	100	(Note1)	100
Lemtech Techonology Malaysia Sdn. Bhd.	0	0	(Note1)	100	(Note1)	100
Lemtech Precision material (Thailand) Co.,Ltd	0	0	1,017,500	100	1,017,500	100

Note 1: As the Company is a limited liability company, there is no stock and nominal amount.

Note 2: Long-term investments made by the Company using the equity method.

## Chapter 3 Capital Overview

### I. Capital and Shares

#### (I) Sources of capital

##### 1. Share capital formation:

Unit: Thousand shares; NT\$1,000

Year/month	Issue price	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Sources of capital	Capital increase by assets other than cash	Others
2009.09	10	30,000	300,000	10	100	Capital stock at founding	None	-
2009.11	10	30,000	300,000	25,000	250,000	Conversion of capital 24,990 thousand shares	None	NT\$249,900 thousand are shares swapped with shareholders of Mauritius Super Solution Co., Ltd.
2011.04	10	30,000	300,000	27,800	278,000	Cash capital increase	None	FSC No. 1000009515, Mar. 17, 2011
2012.12	10	45,000	450,000	32,800	328,000	Cash capital increase	None	FSC No. 1010039209, Sep. 12, 2012
2014.07	10	100,000	1,000,000	32,800	328,000	None	None	Adjusted authorized capital
2015.07	10	100,000	1,000,000	39,828	398,281	Conversion of corporate bonds 7,028 thousand shares	None	FSC No. 1020054882, Jan. 17, 2014
2015.11	10	100,000	1,000,000	39,541	395,411	Buyback of treasury stock	None	TWSE-II- No. 1040023685, Nov. 20, 2015
2019.03	10	100,000	1,000,000	39,563	395,638	Conversion of corporate bonds 23 thousand shares	None	FSC No. 1070324423, Jul. 13, 2018
2019.09	10	100,000	1,000,000	47,472	474,720	Recapitalization of retained earnings	None	-
2020.05	10	100,000	1,000,000	46,967	469,670	Buyback of treasury stock	None	FSC No. 1090341924, May 7, 2020
2021.04	10	100,000	1,000,000	54,377	543,770	Conversion of corporate bonds 7,410 thousand shares	None	FSC No. 1090342822, May 13, 2020
2021.10	10	100,000	1,000,000	62,521	625,208	Recapitalization of retained earnings	None	-
2022.08	10	100,000	1,000,000	62,193	621,928	Buyback of treasury stock	None	FSC No. 1110349847, July 22, 2022
2024.07	10	100,000	1,000,000	62,193	621,934	Conversion of corporate bonds 652 shares	None	-

## 2. Type of shares:

Mar. 30, 2025 Unit: Share

Type of shares	Authorized capital			Remarks
	Issued shares	Unissued shares	Total	
Common shares	62,193,427	37,806,573	100,000,000	Listed company shares

Note: The above shares are all listed company shares, counted to book closure date on Mar. 30, 2025.

## (II) List of major shareholders

Mar. 30, 2025 Unit: Share; %

Shareholder's name	Shareholding (shares)	Percentage (%)
Hsu, Chi-Feng	8,273,981	13.30%
Ye, Hang	5,627,238	9.05%
Chan Kim Seng Maurice	4,600,000	7.40%
Liao, Mu	2,636,000	4.24%
Tan, Yong	2,084,016	3.35%
Liao, Wen-Yen	1,125,072	1.81%
Liao, Wen-Yi	1,000,608	1.61%
JP Morgan Securities investment account in the trusteeship of Chase Bank	968,938	1.56%
PEI,HUI-FANG	958,000	1.54%
HSBC Band(Taiwan) Limited is entrusted with the custody of Morgan Stanley investment account	890,000	1.43%

## (VI) Dividend policy and implementation

### 1. Dividend policy:

- (1) If the Company is profitable this year, the employee remuneration and director remuneration shall be allocated in the following proportion. The allocation plan of employee remuneration and director remuneration shall be reported to the shareholders' meeting. However, the Company shall reserve a portion for the accumulated losses, if any, in advance.
  - (a) The employee remuneration shall be no less than 0.5% and may be paid either in cash or stocks. The targets include the subsidiary companies' employees matching certain conditions, which are determined or revised by the Board meeting.
  - (b) The director remuneration is up to 2%.

- (2) The Company shall allocate earnings or cover losses at the end of each quarter in accordance with the listing regulations. The Company's proposal of allocating earnings or covering losses for the first three quarters shall be reviewed, together with the business report and financial statement, by the independent directors of the Audit Committee, and then reported to the Board meeting for approval.

When allocating earnings in accordance with the provisions of the preceding paragraph, the Company shall first estimate and reserve tax payable and cover losses according to law.

When the Company allocates earnings in accordance with the provisions of the first paragraph, all or part of dividends may be allocated by issuing new shares upon special resolution of the shareholders' meeting according to the listing regulations. Issuing cash shall be subject to the resolution of the Board meeting.

Earnings allocation or losses compensation by the Company in accordance with the provisions of the preceding three paragraphs shall be made based on the financial statements audited or reviewed by a certified public accountant.

- (3) If there is any surplus upon the final accounting, the Company shall first pay the tax, cover the previous losses, and withdraw special reserve, if any. If there is still a remaining surplus, except those reserved by the Board meeting as the undistributed surplus, the remaining amount may be distributed as shareholder dividends and bonuses according to the shareholders' shareholding ratio. The Board of Directors shall then draw up an allocation plan and submit it to shareholders' meeting for resolution.

The Company's dividend policy considers the Company's stable growth, sustainable operation, capital needs, sound financial structure and maintenance of shareholders' rights. The total shareholders' bonus shall not be less than 10% of the distributable surplus. The shareholders' dividend bonus shall be allocated in cash or stock, where the cash dividends shall be no less than 50% of the total shareholders' bonus. If the Company is free of losses, it can, considering its financial, business and operating factors, allocate all or part of the statutory surplus reserve and capital reserve according to laws or competent authority's regulations.

- (4) When allocating dividends or bonuses in accordance with the preceding paragraph, the Company shall, in accordance with the listing regulations, allocate all or part of the dividends or bonuses by issuing new shares upon the special resolution of the shareholders' meeting. Amount less than one share shall be allocated in cash.

When allocating dividends or bonuses in accordance with the preceding paragraph, the Company shall allocate all or part of the distributable dividends or bonuses by issuing cash upon resolution consented by a majority of present directors, who shall be over 2/3 of all directors from the Board of Directors, and report to the shareholders' meeting.

## 2. Implementation:

Profit distribution for each quarter in 2024:

### (1) Cash dividends:

The Company's 2024 cash dividend distribution totals NT\$106,226,207. The distribution will be processed after the 2024 Board of Directors' resolution is passed and will be reported at the 2025 Annual Shareholders' Meeting.

The cash dividend distribution for each quarter in 2024 is as follows:

Dividend period	Board resolution date	Cash dividend per share (New Taiwan Dollar)	Total profit distribution (New Taiwan Dollar)	Cash dividend payment date
2024 1 <sup>st</sup> quarter	2024/05/06	0.255	15,859,158	2024/08/23
2024 2 <sup>nd</sup> quarter	2024/08/20	0.712	44,281,720	2024/10/24
2024 3 <sup>rd</sup> quarter	2024/11/11	0.741	46,085,329	2025/01/08
2024 4 <sup>th</sup> quarter	2025/03/04	0	0	NA

### (2) Stock dividends:

The Company's 2024 stock dividend distribution: As approved by the Board of Directors on March 4, 2025, 50 shares will be distributed for every 1,000 shares according to the shareholders and shareholdings recorded in the shareholder register on the dividend base date. After the 2025 General Shareholders' Meeting passes the resolution and is submitted to the competent authority for approval, the Board of Directors is authorized to set the stock dividend schedule.

## (VII) Impact on the Company's business performance and earnings per share (EPS) of share dividends proposed by this shareholder's meeting

The Company did not earnings per share (EPS) of share dividends proposed, therefore it is not applicable.

## (VIII) Remuneration for employees and directors

### 1. Percentage or range of remuneration for employees and directors as stipulated in the Company's Articles of Association:

If the Company is profitable this year, the employee remuneration and director remuneration shall be allocated in the following proportion, and the allocation plan of employee remuneration and director remuneration shall be reported to the shareholders' meeting. However, the Company shall reserve a portion for the accumulated losses, if any, in advance.

(a) The employee remuneration shall be no less than 0.5% and may be paid either in cash or stocks. The targets include the subsidiary companies' employees matching certain conditions, which are determined or revised by the Board meeting.

(b) The director remuneration is up to 2%.

### 2. Basis for estimating the amount of remuneration to be allocated to employees and directors, basis for calculating the number of shares to be distributed as employee remuneration and accounting treatment for discrepancies between the actual and estimated amount of remuneration to be distributed for this period:

The Company's employee remuneration in 2024 is estimated based on the amount of pre-tax net profit for the current year with employee remuneration and director's remuneration not deducted in proportion. If there is any change until the date of resolution made by the shareholders' meeting, the estimated amount will be subject to change in accounting estimates, and adjusted and credited in the year of resolution made by the shareholders' meeting.



3. Remuneration approved by the Board of Directors:

- (1) If the employee's remuneration and director's remuneration distributed in cash or stock differs from the annual estimated amount of the recognized expenses, the difference, reasons and treatment shall be disclosed:

Upon resolution of the Board meeting, the Company proposed that both the employee remuneration and director remuneration are allocated at the rate of 1% in 2024. The amount of employee remuneration and director remuneration is NT\$4,147,357, respectively, which will be issued in cash.

- (2) The ratio of employee remuneration distributed in share to the sum of net income after tax specified in the parent company only or individual financial statements and total remuneration paid to employees: Not applicable, as there is no employee remuneration distributed in share.

4. If there is any discrepancy between the actual amount of remuneration distributed to employees and directors (including number and amount of shares distributed, as well as share price) and the recognized amount of remuneration to employees and directors in the previous year, the amount, reasons and treatment of such discrepancies shall be stated:

The Company's annual shareholders' meeting on June 18, 2024 passed the resolution of NT\$2,069,684 of employee remuneration and NT\$2,069,684 of director remuneration, which was proposed by the Board meeting on March 4, 2024 and has no difference with the amount actually allocated approved by the shareholders' meeting.

(IX) Share repurchases

1. Share repurchases (completed): As of the date of publication of the annual report, there is no such situation.
2. Share repurchases (in progress): As of the date of publication of the annual report, there is no such situation.

**II. Corporate Bonds : None.**

**III. Preferred Shares: None.**

**IV. Overseas Depository Receipt: None.**

**V. Status of Employee Stock Option: None.**

**VI. New Restricted Employee Shares: None.**

**VII. Issuance of New Shares in Connection with Mergers or Acquisitions or with Acquisitions of Shares of Other Companies: None.**

**VIII. Implementation of Capital Utilization Plan**

1. As of the previous quarter of the publication of the annual report, plans that are not yet completed in the previous issuances or private offerings of marketable securities, or the plans that have been completed in the most recent three years with no obvious benefits: None.
2. Implementation: As of the previous quarter of the publication of the annual report, the Company's capital utilization plans for the previous public issuance of marketable securities have been completed.

## Chapter 4 Operational Highlights

### I. Business Activities

#### (I) Scope of business

1. Main content: The Company mainly engages in research and development, production and sales of precision metal stamping components, including various electronic product thermal modules, electronic product components, automotive components and building material components made by stamping and forming, as well as stamping die support for automotive and electronic product manufacturers. The Company's products are either standardized or non-standardized parts and components that are tailored to different customers.

2. Percentage of business

The Company's main product items, sales performance and percentage, as well as its percentage of business in 2024 are as follows:

Unit: NT\$1,000

Item	2024	
	Net revenue	Percentage of business
Automotive Components	3,044,918	52.50%
Electronic Components	2,318,248	39.97%
Connected Fitness Equipment	288,955	4.98%
Others	147,590	2.55%
Total	5,799,711	100.00%

3. The Company's current product items and new products planned

- (1) The Company's current product items

Category	Application
Electronic Components	Computers, radiators related stamping parts, servo slides, cloud computing and intelligence equipment
	Mobile phone internals, vapor chamber
	Metal stamping parts for medical equipment
Automotive Components	Airbags, seat belt buckles, engines, steering systems, skylights, door hinges, seat brackets, electric vehicle power systems, electronic control units, batteries, inverters, and related applications.
Connected Fitness Equipment	Digital fitness training equipment assemblies
Others	Tooling manufacture, semi-conductor equipment manufacture, building material fixed metal tools

- (2) New products planned

The Company is a comprehensive supplier of multiple fields including stamping parts and components. To protect the Company from the impact of change in a single industry prospect, the Company has gradually changed from the original single product production mode to industry development with research and development of die technology-focused and products developing towards diversified fields. The Company now keeps developing different application products based on the existing four segments, such as cloud storage server cooling module, electric vehicle cooling plate, electric vehicle battery shell, semiconductor equipment, smart equipment and other related metal stamping products.

## (II) Industry overview

### 1. Industry status and development

The Company is a professional design manufacturer of thermal modules, with production and sales of various thermal module design products as its main business, which are widely used for cloud storage, 3C electronic stamping components, including notebook and desktop PC thermal fins, thermal components, mobile phone shields, computer server brackets, auto stamping parts, like door hinges, power steering wheels, skylights, airbags and seat belts, as well as digital fitness training equipment. One of the Company's important core technologies is the development and production of dies, which are mainly used for metal stamping process. The Company is mainly committed to the development and manufacture of continuous dies. An example of the metal stamping industry and the thermal industry is given below for a detailed description:

#### (1) Metal stamping industry

Stamping is a forming method in which plates, strips, pipes and profiles are applied with external force by stamping equipment and dies to cause plastic deformation or separation, so as to obtain workpieces (stamped parts) with desired shape and size. As defined by the metal center: Stamping die is a processing tool for forming thin sheet metal through the stamping process. The shape of the sheet metal depends on that of the upper and lower dies (in general, the upper die is movable while the lower is not). Simple shape can be made by a pair of dies, but complex shape needs to be completed by more than a pair of dies.

Through stamping, both extremely small-sized instrument parts and large parts such as automobile frames and pressure vessel heads can be manufactured, and both parts with general dimensional tolerance levels and shapes and parts with precision (micron-level tolerance) and complex shapes can be produced. Therefore, metal stamping is very important in the manufacture of automobiles, machinery, household appliances, motors, instruments, aerospace, weapons, etc. The characteristics of precision stamping products are as follows: consistent product quality, i.e. same model of products shall be highly consistent in quality and replaceable with each other; assembly adaptability, i.e. all parts must be perfect in matching with other parts in assembly, especially the precision components of high-precision electromechanical equipment, which requires a very strict dimensional error; production efficiency, i.e. compared with other metal forming processes such as casting and forging, the stamping process has clear advantages in production efficiency.

China has become the world manufacturing center, and achieved rapid development in automotive, communications, electronics, household appliances and other industries in the last 10 years, increasing the demands for metal stamping components. Many multinational companies have repositioned complete machine manufacturing to China, accompanied by supporting factories, with the purchase of domestic accessories increasing rapidly year by year, driving the rapid development of related industries in China. In this context, the metal stamping industry, one of the basic manufacturing industries, has also achieved rapid development. With the popularity of new energy vehicles, the demand for stamping parts has increased. Since new energy vehicles are significantly different from traditional fuel vehicles in structure and design, there is a higher demand for specific types of stamping parts. Components such as battery packs, motor casings and chassis of new energy vehicles all need to be manufactured through the stamping process. Therefore, as the new energy vehicle market continues to expand, the demand for stamping parts continues to grow.

#### (2) Thermal industry

As the functions of high-tech products are increasingly stronger, the electrical power required is higher, and more heat is generated therefrom. Therefore, it is increasingly

important to dissipate heat to keep the system running stably. In recent years, the thermal issue has become an increasingly important technical topic in the design and manufacturing of various 3C products, such as computers (desktops, notebooks, servers), DVD recorders/players, plasma display panels (PDP), LED modules, etc. Due to the large potential in thermal market, an independent "thermal management industry" has been developed. What's more, due to the continuous enhancement of the central processing unit (CPU) and graphics chipset in computing clock rate lead to more heat generated, the thermal solution has become an important part of the personal computer (PC) industry. The current thermal module is composed of thermal fins, heat pipes, fans and other components, which are properly designed. The main design concept is transferring heat generated by CPU, through metal material with high thermal conductivity, such as close contact of copper or aluminum and CPU surface, via heat pipes to the endmost thermal fins, and cooling it with a fan to form convection, thereby keeping CPU running at a certain working temperature, without causing the crash from overheating.

Thermal management products are collectively known as thermal modules, which are now widely used in desktop (DT), notebook (NB), server and other PC product lines, which are considered as the most mature application fields. Therefore, the growth of thermal industry is closely related to the prosperity of the global information and computer industry. With the advances in technology and improvement of product development technology, the demands of many electronic products or equipment for heat dissipation are gradually emerging, such as communication equipment and emerging light-emitting diode (LED) products that are used in the lighting field. In addition, the automobile industry also shows huge demand. The current automobile industry is developing in the direction of smart cars; autonomous driving, electric drive and electronic control, battery management systems, etc. are becoming increasingly intelligent and need a lot of calculations, which in turn generates a lot of heat, so that heat dissipation such as water cooling and liquid cooling are required.

## 2. Relevance of industry up-, mid-, and down-streams

Upstreams	Midstreams	Downstreams
<ul style="list-style-type: none"> <li>• Raw Material Supplier</li> </ul> <hr/> <p>Metal Raw Material</p>	<ul style="list-style-type: none"> <li>• Stamping Products Supplier</li> </ul> <hr/> <p>1. Electronic product components 2. Motor components 3. Building components</p>	<ul style="list-style-type: none"> <li>• Server industry</li> <li>• LED industry</li> <li>• PC industry</li> <li>• Smart phone industry</li> <li>• Motor Industry</li> <li>• Building material industry</li> </ul>

The relevance of industry up-, mid-, and down-streams that the Company belongs to is shown above. The Company is a professional metal stamping and die manufacturer, with the main raw materials of aluminum, iron, and copper. Its upstream involves manufacturers, agencies, processors or distributors of metal raw material, and the mid-stream involves stamping product manufacturers and component manufacturers in various industries. The Company is a stamping component manufacturer, delivering the manufactured products to various component manufacturers for assembly and then selling to down-stream OEMs or manufacturers. The products of the Company have been applied in a wide range of industries, covering 3C electronic stamping components, including notebook and desktop thermal fins, thermal components, mobile phone shields and computer server brackets, auto stamping parts, including door hinges, power steering wheels, skylights, airbags and seat belts, as well as building material stamping parts, including support fitting for house

skylights and exterior wall plaques.

### 3. Various product trends

The Company is a professional metal stamping and mold manufacturer. Currently, our products are mainly used in heat dissipation modules for slide rails, servers, and automobiles, etc. We would like to analyze the future development trend of our products as follows:

#### A. Electronics Industry

##### (1). Thermal Module Industry

According to data from Yole Intelligence and Trend Force research institutions, the scale of the global heat dissipation industry is estimated to reach US\$18.5 billion in 2024, with an annual growth rate of approximately 13%. Among them, the liquid cooling market enjoys the fastest growth, and the CAGR (Compound Annual Growth Rate) is expected to reach 18% by 2026. Air cooling is still the mainstream technology in the market, but its market share is declining year by year, and is about to be replaced by cold plate liquid cooling and immersion liquid cooling. Currently, Taiwanese counterparts have the advantages of technology and supply chain integration that led the global market, but they still need to invest in new material R&D and supporting design for AI application scenarios in order to maintain the competitiveness in the field.

##### (2) Slide Rail industry

In 2024, the global rail output value is estimated to be about 4.8~5.2 billion U.S. dollars, of which about 30% will be used in servers and communication equipment. The annual growth rate of the server rail market will be as high as 18~20%, which is much higher than that of the furniture/general-purpose rail market, and the weight-bearing and heat expansion and cold contraction design requirements of various brands of servers will be raised, and the rail will no longer be just a structural accessory but a modular component integrating the chassis, ducts, and heat transfer. In 2025, the rail industry is expected to continue to develop towards high value, modularization and global localization, especially in the server, communication equipment, industrial control automation and cooling modular structure applications, the global rail output value is estimated to reach: 5.8 to 6.2 billion U.S. dollars.

##### (3) Server industry

According to IDC's estimates, the compound growth rate of AI investment in the Asia-Pacific market from 2020 to 2025 is as high as 25.2%, and the largest investment is in hardware spending, accounting for 49.8% of the total, with servers accounting for 80% of the total, followed by storage, and software spending coming in after hardware at 31%.



According to Synergy research group surveys and forecasts, the number of large data centers operated by hyperscale providers is close to 900. New data from Synergy Research Group shows that they now account for 37% of all data center capacity worldwide. About half of hyperscale capacity comes from owned data centers and half is in leased facilities. With non-hyperscale hosting accounting for 23% of capacity, on-premises data centers account for only 40% of total capacity. This is in sharp contrast to five years ago, when nearly 60% of data center capacity was in on-premises facilities. Looking ahead to the next five years, hyperscale operators will account for more than half of all capacity, while on-premise deployments will fall below 30%.

Ten years ago, enterprises spent more than \$80 billion annually on IT hardware and software in their own data centers, while spending on emerging cloud infrastructure services was well under \$10 billion. Now, spending on data center hardware and software is growing at an average of only 2% per year, while spending on cloud services is surging, growing at an average of 42% per year, reaching \$227 billion in 2022. As enterprises fundamentally reshape their IT investments and spend less on their own data centers, leading cloud providers have rapidly built massive global networks of hyperscale data centers. The rapid development of consumer-oriented digital services such as social networks, e-commerce and online games has further fueled the growth of hyperscale operators.

In addition, while enterprise spending on data center equipment has maintained or grown slowly, more and more data center equipment has been pushed to off-site colocation facilities. On-premises data centers are not going away anytime soon, but their scale is increasingly being replaced by hyperscale and colocation.

## B. Motor Industry

According to the statistics of China Association of Automobile Manufacturers (CAAM), on January 13, 2025, the data of China's automobile sales in 2024 was released. The report shows that in 2024, the annual automobile production and sales completed 31.282 million units and 31.436 million units respectively, with a year-on-

year growth of 3.7% and 4.5%, hitting a new record high, and continuing to maintain the scale of more than 30 million units. Among them, the sales volume of passenger cars amounted to 27.563 million units, a year-on-year increase of 5.2%; the sales volume of commercial vehicles amounted to 3.805 million units, a year-on-year decrease of 5.8%. Sales of new energy vehicles amounted to 12.866 million units, an increase of 35.5% year-on-year, accounting for 40.9% of total vehicle sales. In addition, domestic vehicle sales in 2024 will be 25.577 million units, up 1.6% year-on-year, while vehicle exports will be 5.859 million units, up 19.3% year-on-year.

In the global automotive situation analyzed by the China Passenger Car Association, its data show that the total global automobile sales in 2024 will reach 90.6 million units, a year-on-year increase of 2%. A total of 16.03 million new energy vehicles were sold, with a penetration rate of 17.7%. China's new energy vehicle sales performance was particularly outstanding, with cumulative retail sales of 10.899 million units throughout the year, a significant year-on-year increase of 40.7%.

#### 4. Competitive situation

The Company is a manufacturer specializing in the design and manufacture of metal precision dies and the stamping of hardware precision components and parts. Since its establishment, it has focused on the improvements of die manufacturing, manufacturing procedures and heat-dissipating devices. With the constant change in market demands, the Company has timely adjusted the business and development direction, actively introduced advanced equipment and continued to develop and upgrade processing technology, so it has smoothly turned to single-equipment continuous processing and combination of equipment and manipulator for continuous processing technology from engineering processing. At the same time, in order to comply with customer demands, it has gradually transformed into the assembly and production of components from single product manufacturing. This has further improved the Company's competitiveness and profitability.

Consequently, the Company has the capability to set foot in automotive components and building materials products from the manufacturing of heat sink. In addition, the Company has also conducted market research and surveys, continuously improving its existing production processes, and developing products with higher value-added.

In summary, the Company, relying on excellent die sinking technology and the high sensitivity to market, gradually adjusts its operating strategy in this competitive industry. In the future, it will focus on products with higher added value, such as actively developing with cloud computing and smart device hubs, electric vehicle parts and other fields, continuous improvement of solderless thermal module technology and vertical integration of thermal module process. Through diversified product lines, the Company also looks forward to reducing the influences of single market competition or declining industry, lessening the impact of competitive imitation of the Company's thermal patent technology and profit compression, and maintaining its market position and competitiveness.

(III) Technology and research & development overview

1. R&D expenses invested in the most recent year and as 2024.

Unit: NT\$1,000

Item \ Year	2023	2024
R&D expenses	210,569	229,225
Net operating revenue	4,664,224	5,799,711
Ratio of R&D expenses to net operating revenue	4.51%	3.95%

2. Successfully developed technologies or products in the past two years

Year	R&D results	Description	Scope of application
2023	Development of automatic welding production process for automobile seat belt components	The automobile seat belt components and their automatic welding equipment developed in this project can adjust the height of the end seat and the movable rod in the movable groove through the coordination of the elastic adjustment component, the end seat and the movable groove for adjusting the height of the entire seat belt webbing. When used by people of different heights, the height of the seat belt can be adjusted freely and is easy to operate.	Automotive parts and other products
2023	Development of on-line inspection process for automatic production of automobile steering parts	The automatic production line inspection device for automobile steering parts developed in this project can automatically locate the product inspection position through the guidance mechanism and realize automatic online inspection. It can detect products in a full range through multiple cameras and light sources, and can automatically sort according to the detection results, which greatly improves detection efficiency and detection quality.	Automotive parts and other products
2023	Development of mold process for automatic production of automobile steering parts	The automatic production mold for automobile steering parts and its production process developed in this project solve the problem in the existing technology that tapping and stamping need to be separated into two work steps, which leads to increased costs and reduced productivity. Production efficiency can be effectively improved.	Automotive parts and other products
2023	Development of deburring process for automotive mold strip area	The deburring process for the strip area of automobile molds developed in this project uses a thinning punch set in the upper die set of the continuous die to stamp the strip of flat strip corresponding to the strip. The parts of the material area are thinned. Production efficiency can be effectively improved.	Automotive parts and other products



Year	R&D results	Description	Scope of application
2023	Development of new energy vehicle rear wing production process	The new energy vehicle rear wing preform mold developed in this project enables the product to automatically rebound when demolded, reducing the design cost of the mold, greatly shortening product production time and mold adjustment time, and enabling mass production in a short time.	Automotive parts and other products
2023	Development of new energy vehicle shock absorber production process	The continuous molding mold for new energy vehicle shock absorbers developed in this project can realize tooth drilling in the mold, which can solve the technical problems of high product requirements and high scrap rate of product teeth using CNC machining technology. It can reduce the dimensional requirements of the previous stamping process, save processing costs, and improve product stability and reliability.	Automotive parts and other products
2023	Development of automatic production process for automobile seat belt frames	The automatic production process and detection technology of the automobile seat belt frame developed in this project optimizes the structure of the mold and reduces the frequency of maintenance of the convex and concave molds. At the same time, it also ensures the stability of the product's shape and bump size, so that the product can be produced smoothly and meet the requirements, saving maintenance costs and labor costs, and increasing production capacity.	Automotive parts and other products
2023	New liquid cooling radiator	The new liquid cooling radiator improves heat transfer efficiency, providing more efficient thermal conduction performance, reliability and service life.	Applicable to server communication products
2023	A liquid cooling plate structure	The use of a vapor chamber and liquid cooling structure allows faster heat transfer from the heating element, more complete coolant exchange, and more uniform heat transfer. Compared with products with only a single flow channel, this product can dissipate the heat in the flow channel twice, resulting in a better heat dissipation effect.	Suitable for automotive parts and other products
2023	A temperature-uniform liquid cooling plate structure	The vortex generated by the liquid is eliminated to make the liquid evenly distributed. The microchannels of the heat exchange fins absorb heat energy at the same time and transfer the heat to the lower temperature environment at the far end to release the heat. This repetitive work improves the overall temperature uniformity and heat exchange efficiency, and adjusts the heat dissipation structures of different sizes to achieve good matching compatibility.	Applicable to energy storage and new energy products
2023	A pressure differential testing machine	The automatic regulating valve and the pipeline are connected to the inlet of the solenoid valve to ensure that the automatic regulating valve and the pump combination are used for flow regulation, so that the test is accurate and efficient, and the production efficiency is improved.	Applicable to servers and new energy products
2023	A high-strength support plate structure	The support plate is easy to use, has high processing efficiency, low defect rate, and is highly mass-producible and market-competitive. The high-strength support plate generates a pound force after the screws are locked, which can maintain the overall deformation and reliability of the product. The overall deformation of the heat	Applicable to server communication products

Year	R&D results	Description	Scope of application
		exchange plate is therefore controllable, thereby ensuring the heat dissipation performance of the entire structure.	
2023	A double-layer multi-channel water-cooled plate heater	The heating plate and the upper and lower liquid cooling plate structures can make the heat transfer of the heating element faster. The water-cooling plate improves the heat transfer efficiency. The heat conduction method is the "multi-dimensional plane and multi-directional" heat dissipation of the heating plate, which makes the heating efficiency higher. The entire technical product is made of corrosion-resistant materials and provides high-efficiency thermal conductivity, reliability and durability without the need for surface treatment.	Applicable to new energy vehicle products
2023	A new liquid cooling channel structure	The cost and workload of the splicing structure will be greatly reduced when the flow channel is optimized and changed, and the timeliness will be improved accordingly. The corresponding water-cooled plate has significantly improved the variability of the liquid cooling plate flow channel. In terms of design, features can be reduced or added at any position, which has good compatibility with complex structures. The entire technical product can use one or two characteristic substrates and complete the processing of multiple flow channels by changing the splicing method.	Applicable to energy storage and new energy products
2024	A composite liquid cooling plate	The vapor chamber is used as the bottom plate structure of the liquid cooling plate and is in contact with the heat source. Due to the characteristics of the vapor chamber, it can quickly absorb heat and maintain a constant temperature. Its surface is in direct contact with the coolant, which can make the heat transfer faster and the temperature more uniform. The vapor chamber is designed with an upper convex plate and a liquid cooling channel cover plate combined to form a composite channel, which increases the heat exchange area, makes the working fluid exchange more sufficient, and the heat transfer more uniform, thereby improving the cooling efficiency of the liquid cooling plate per unit area and the stable and reliable operation of the battery pack.	Applicable to new energy products
2024	A liquid cooling plate with composite fins	This type of liquid cooling plate with composite fins allows for quick and efficient assembly, and the liquid cooling effect is sufficiently reliable, thereby enhancing heat exchange efficiency. °	Applicable to new energy products
2024	A vapor chamber powder filling machine	After filling the powder, apply force to separate the material blocking plate from the powder falling hole on the orifice plate to block the powder falling from the orifice plate, then remove the powder-filled fixture and replace it with the next set.	Applicable to server communication products
2024	An ultra-thin temperature-averaging liquid cold plate	This type of liquid cooling plate has a thin sheet-shaped structure as a whole. The heat is transferred to the liquid cooling plate through the circulation of liquid to achieve heat dissipation and temperature uniformity. It is especially suitable for installation in consumer electronic bodies. Product features: simple and compact appearance, large	Applicable to consumer electronics

Year	R&D results	Description	Scope of application
		temperature uniformity surface, simple structure, easy molding and assembly, and good practicality.	
2024	An internally reinforced temperature-averaging liquid cooling plate structure	This structural design enables the temperature-averaging liquid cooling plate to have a reinforced flow channel inside, and the heat exchange is uniform and reliable. Moreover, the combined heat exchange structure can be replaced as a whole when actually needed, without replacing the upper cover plate.	Applicable to new energy products
2024	A low flow resistance and high turbulence liquid cooling plate	The flow channel adopts a multi-branch shunt and confluence structure design, which relieves pressure layer by layer and greatly reduces the flow resistance of the cold plate. The heat conduction method is multi-directional heat exchange. The confluence of multiple flow channels enhances the turbulence of the liquid and improves the heat absorption efficiency. Meanwhile, the entire product is corrosion-resistant, providing more efficient heat conduction performance, reliability and service life.	Applicable to energy storage and new energy products
2024	A "combined evaporator" vapor chamber and its processing method	By independently designing and combining the evaporator and the lower cover, the difficulty of component processing and the amount of material used are reduced, while saving raw material costs.	Applicable to server communication products
2024	A high-density vapor chamber with capillary structure	his high-density vapor chamber with a capillary structure reduces the overall height space, ensuring reliable heat dissipation conduction and improving efficiency.	Applicable to server communication products
2024	A high-precision quick buckle	This high-precision quick clip is used for quick clip assembly of radiator and motherboard, realizing automated operation and saving manpower and time. It is not easy to break or fall off after application, which greatly improves the assembly efficiency and reliability of radiator and motherboard.	Applicable to server communication products
2024	An evaporator forming tool	The metal powder with preset thickness is sintered on the side wall and bottom surface of the groove between adjacent fins to form a capillary structure, which effectively improves and ensures the evaporation area of the evaporator, and has good effect and is easy to use.	Applicable to server communication products
2024	A temperature-adjustable liquid cooling plate structure	When many transistors need to dissipate heat at the same time, the temperature range of the transistors in a certain local area can be controlled, thereby achieving the effect of regulating the temperature of the water cooling plate.	Applicable to new energy products
2024	A long strip high-density vapor chamber	It is suitable for long-strip vapor chambers, with lower thermal resistance, fewer processing steps, lower production costs, and improved heat dissipation efficiency. It also complies with the trend of lightweight and thin development of modern electronic products.	Applicable to server communication products
2024	A jig for making FIN	Copper strips are selected according to the length, width and thickness of the FIN, and annealed at 650°C to soften the copper. Several groups of copper strips are placed in the gap, the front end of the push plate is inserted into the gap, and the bottom is	Applicable to new energy products

Year	R&D results	Description	Scope of application
		supported on the upper surface of the pad, so that the copper strips are transformed into the shape of the FIN sheet and finally become the finished product. It is suitable for small batch production of FIN. It has a simple structure and is easy to manufacture, thus reducing the cost of R&D and trial production.	
2024	A welding positioning fixture	The mold frame and the liquid cooling plate cover are locked by screws to prevent the reinforcing rib holes on the cover from shifting. After welding is completed, screws are unscrewed and the length of the lifting column is adjusted to raise the main frame and remove the liquid cooling plate cover to complete the argon arc welding process. This process is repeated to ensure reliable welding of the reinforcing ribs in the cavity of the liquid cooling plate cover.	Applicable to energy storage products
2024	Research and development of thread rolling technology for automobile air suspension shock absorbers	This project uses a three-petal slider to fix the product to ensure that the outer diameter of the product does not change during thread rolling; a connecting rod mechanism is used to drive the gear to extrude the product in both directions to ensure the balance of radial force between the mechanism and the product.	Suitable for automotive parts and other products
2024	Research and development of automatic riveting mechanism in continuous forming molds	This project integrates the parts forming and riveting processes to achieve an integrated operation flow, successfully reducing the process transfer and waiting time, and significantly improving production efficiency.	uitable for automotive parts and other products
2024	Research and development of continuous forming process for automotive powertrain structural parts	This project integrates multiple forming steps into a continuous production line. Such innovation not only simplifies the production process, but also improves production efficiency and product quality.	Suitable for automotive parts and other products
2024	Research and development of integrated laser inspection mechanism for automobile chassis system components	This project integrates laser processing with visual inspection, allowing the aluminum casing to be directly inspected after laser processing. This solves the problem of multiple transfers and inspections required in traditional processes, and improves production efficiency and inspection accuracy.	Suitable for automotive parts and other products
2024	Research and development of continuous molding process and visual inspection mechanism for automotive safety system components	This project integrates visual inspection, go/no-go inspection, automated transfer and sorting functions into one inspection system, making the seat belt frame inspection process more automated and efficient.	Suitable for automotive parts and other products
2024	Research and development of fine blanking and shaping dies for automobile body system parts	This project adds a convex hull pre-forming step during the arc forming stage to effectively reduce the problem of shape loss due to material rebound in subsequent processing, thereby improving the forming accuracy and stability of the product.	Suitable for automotive parts and other products

Year	R&D results	Description	Scope of application
2024	Research and development of an air-suspended aluminum casing production line based on automated loading and unloading technology	This project applied the automatic side loading technology to punch press production for the first time, solving the problem that the traditional feeding system could not adapt to sheet material feeding. This technology not only improves production efficiency, but also reduces employees' workload and safety risks.	Suitable for automotive parts and other products
2024	Research and development of positioning and conveying devices for automated production of precision electronic structural parts	This project is the first to apply the side loading and dual multi-axis robotic arm collaborative operation mode to the electronic parts production line, realizing a fully automated production process from material placement, semi-finished product transfer, product processing to finished product collection.	Suitable for electronic parts and other products

## Short-term and long-term business development plans

### 1. Clarify market positioning

#### **Positioning:**

To become a "one-stop, highly flexible" comprehensive manufacturing solution provider, providing diversified products and production conversion capabilities.

#### **Capability goal:**

Be able to quickly respond to tariff and policy changes in different regions, and flexibly adjust production line configuration and export strategies.

### 2. Focus on high-potential industries

#### **AI industry:**

Focus on cloud computing and smart devices, optimize the supply chain in the US market, and reduce dependence on shipments from China.

#### **Automotive industry:**

Focus on electric vehicle (EV) components and module assembly, giving priority to customers and cooperation in the United States and Mexico.

#### **Semiconductor industry:**

Provide high-precision processing and module integration services for semiconductor equipment manufacturing, and strengthen supporting measures for North American customers.

### 3. Production transformation and automation

Accelerate the introduction of automation and robotics applications to reduce dependence on labor-intensive markets (such as China).

Improve flexible manufacturing capabilities: Production lines can be quickly built/converted in multiple locations to respond to export controls or tariff adjustments.

### 4. Technological innovation and operational efficiency

#### **(a) Strategic Priorities:**

- Accelerate the construction and expansion of manufacturing bases in North America and Southeast Asia, and reduce the proportion of exports from mainland China.
- North American Base: As a frontline factory in response to the US tariff policy, it supports the needs of domestic US customers.
- Southeast Asian base: Become an alternative production center, especially for exports to the United States.

#### **(b) Mergers, acquisitions and cooperation:**

- Prioritize integration with local resources in North America or Southeast Asia to promote the integration of manufacturing with local markets.
- Target companies with “non-China supply chain” advantages for strategic investment and mergers and acquisitions.

#### **(c) Tariff Countermeasures:**

- Negotiate pricing and supply adjustment plans with key customers in advance.
- Establish a multi-origin strategy to reduce the risk of product concentration in a specific tariff area.

Long-term development strategy:

1. Establish a global standardized manufacturing and service platform
  - Resource integration: Integrate the professional resources of business departments in various regions to create a unified and replicable manufacturing and delivery model.
  - Platform-oriented: Develop a universal platform to provide customers with globally consistent industrial solutions, product modules and delivery standards.
  - Flexible layout: Ability to quickly adjust according to market and policies, such as selecting production sites based on regional tariffs and ESG indicators.
2. Embrace global sustainable development values and enhance corporate resilience
  - Social and environmental collaboration: Setting ESG goals (environmental, social, and corporate governance) together with employees, customers, suppliers, and local governments.
  - Corporate culture transformation: Cultivate internal culture and encourage participation in sustainable projects, such as energy transformation, local community participation, and public welfare cooperation.
  - Business resilience building: Strengthen the ability to respond to unexpected changes (such as climate disasters, supply chain disruptions, and political tariffs).
3. Comprehensively introduce environmental sustainability practices
  - Carbon neutrality commitment: In the medium and long term, we will promote manufacturing bases and supply chains towards the goal of carbon neutrality and introduce green electricity and energy management systems.
  - Waste reduction: Introduce the design principle of "reduce, reuse and recycle" (3R) from design, process and packaging.
  - Stakeholder cooperation:
    - (1) Develop low-carbon manufacturing processes with customers.
    - (2) Sign sustainability guidelines with suppliers.
    - (3) Collaborate with governments and NGOs on local environmental protection or energy conservation projects.

## II. Analysis of the Market as Well as Production and Marketing Situation

### (I) Market analysis

#### 1. Sales region(s) of main products

Unit: NT\$1,000; %

Geographical region \ Year	2023		2024	
	Amount	Ratio	Amount	Ratio
Asia	2,870,103	46.10	3,302,440	56.94
America	1,087,632	41.18	1,436,503	24.77
Europe	706,489	12.72	1,060,768	18.29
Total	4,664,224	100.00	5,799,711	100

#### 2. Market share

The Company's main products include thermal components for mobile phones, notebooks and servers, as well as auto parts and building parts. By now, the Company and its subsidiaries have transformed from the production of thermal fin to the production of complete thermal modules. Our sales targets are multinational corporation customers in the North America, Europe, and Asia, among which the Company and its subsidiaries have a good market share. In addition, the Company and its subsidiaries keep conducting market research and investigations, continue to improve the existing production processes, and are committed to developing products with higher added value, which further improves the Company's competitiveness and profitability, and maintains the Company's market position and share.

#### 3. Supply and demand, growth and competition niche of future market

##### (1) Supply and demand

There are numerous manufacturers of metal stamping products both at home and abroad, with a great difference in production scale and product precision. The Company's current main products can be divided into 3C electronic components, automotive stamping components and other stamping products. 3C electronic components principally are thermal components for mobile phones, notebooks and servers. The market supply and demand are closely related to the downstream industries.

### (II) Growth

#### A. Information Industry

##### (1). Thermal Module Industry

##### 2025 Market Outlook

Lemtech Holdings Group continues to focus on the research, development and application of water-cooled thermal technologies, covering three major areas: AI data centers, new energy vehicles and energy storage systems. Through the in-depth R&D and application of water-cooled technology, we have created cross-industry and scalable thermal management solutions, and our major core developments are as follows:

- By deepening collaboration with global customers, accelerating technology commercialization, and expanding the flexibility of the global supply chain, Unitech is expected to not only achieve a dominant position in the AI



infrastructure wave, but also realize the dual goals of long-term growth and value creation.

- Highly efficient cooling technology centered on water cooling will become mainstream to meet the extreme cooling performance requirements of AI and EVs.
- Intelligent control and heat dissipation simulation designs are utilized to enhance product energy efficiency and safety, and to strengthen the competitive edge of differentiation.
- Diversified designs, such as modularization and lightweighting, meet the needs of customization and system integration.
- Globalized production capacity and automated production ensure stable quality and flexible supply to meet rapidly changing customer needs.
- Deepen the cooperation between the R&D base and the industrial chain, accelerate the commercialization of new technologies, and develop competitive advantages in the field of high-level heat dissipation.

As the global AI and high-performance computing industries enter a period of rapid growth, Lemtech Holdings is now facing a strategic development window: strong demand for AI servers and high-end chips will drive double-digit growth in the non-memory semiconductor market, creating huge business opportunities for Unidux's AI data center water cooling solutions. In order to capitalize on this trend, the company must be forward-looking, strengthen its core R&D capabilities, and continue to introduce high-performance, intelligent cooling products to consolidate its technology leadership position.

## (2) Slide Rail industry

### 2025 Market Outlook

Since 2017, Lemtech Holdings has been doing business with server Tier one brand manufacturers, and has been providing server rail products and after-sales service to customers for a long time. The new generation of products is expected to start mass production in May this year, and Q325 will start mass shipment. This product is mainly for customers' mainstream product planning, according to the customer's different product categories, with different server product design.

In addition, the development of business with domestic and foreign ODM factories is also ongoing, in view of the current server product performance is getting better and better, the precision of each component is getting higher and higher, the testing of the product and the safety coefficients are also more stringent. The current progress is to complete the project of Lemtech's server rail products, so that customers can directly choose the product that perfectly suits them, without the need for subsequent development of molds for new components. At the same time, CSP customer part, the server rail has RFQ demand, mainly for high U-number products. The main target is 6U and 7U server rail development. At present, we have been in the preliminary sampling and testing stage, and we will start to ship the products when the customer introduces the 2nd source program, and we will take 30% of the quota as the target for mass production quotation.

NCNT (None China None Taiwan) strategy: Lemtech will invest US\$5 million in Malaysia to build a server rail and thermal module factory. Server rails are expected to be introduced into several main models and 2-3 assembly lines, and semi-/full-automated modules are introduced into the front-end manufacturing and back-end assembly to improve the quality and stability of the products, and will enter the pilot production stage in 2025Q3 for mass production after customer verification. We will continue to improve on raw material development, mechanism design, product validation, durability testing, and automated production. In addition, additional R&D staff will be established in Taiwan and Malaysia, which is expected to serve customers nearby and solve the problems between R&D and manufacturing.

(3) Server

According to several market research organizations, the global server market will continue to show steady growth in 2025, with both shipments and market size increasing. In particular, driven by the strong demand for artificial intelligence (AI) servers, the overall market momentum has increased significantly, becoming a key driver for the growth of the server industry

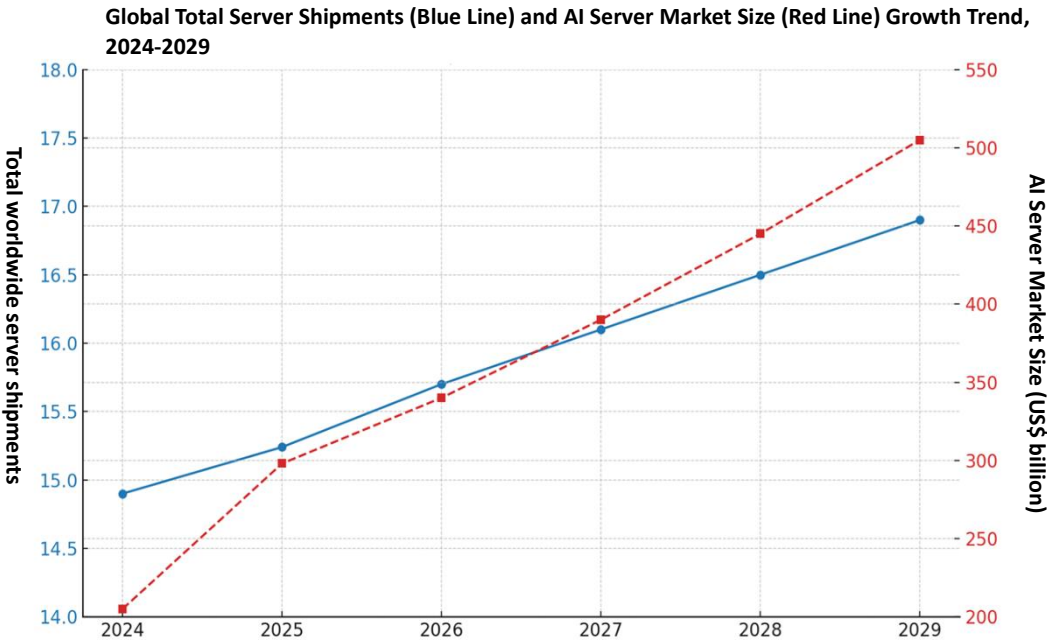
Market Size and Growth Rate Estimates:

(A) Total Global Server Market:

- Shipment Estimate: 15.24 Million Units (2.3% CAGR, DIGITIMES data)
- Market Size: CAGR Estimated at 7.6%, with CAGR sustained through 2029 (Technavio Report)

(B) AI Server Market:

- By the end of 2024, the market size is estimated to be around US\$306 billion, with AI servers accounting for more than 70% of the overall server market. (TrendForce, Precedence Research)
- By 2025, AI server shipments will increase by 28% annually, accounting for more than 15% of all server shipments.



## Key Regional Market Observations:

### (A) North America:

- The U.S. market is estimated to reach US\$113.22 billion, mainly driven by the expansion of large-scale cloud service providers and enterprise AI application deployment.

### (B) Asia:

- China and India have become major growth regions due to the rapid development of digital infrastructure and proprietary server brands.

Demand for its AI data center water cooling products is expected to grow significantly in 2025 as AI infrastructure construction accelerates. The company will be able to increase its R&D investment to further optimize the performance and energy efficiency of its AI data center water-cooling products to meet the demand for higher performance and energy efficiency. For example, it will develop more efficient heat dissipation technologies and smarter temperature control systems to enhance the competitiveness of its products.

## B. Automobile

The latest market forecast released by the China Association of Automobile Manufacturers (CAAM) shows that China's total automobile sales volume is expected to reach 32.9 million units in 2025, representing a 4.7% increase from 2024. Among them, the sales volume of new energy vehicles is expected to reach 16 million units, a year-on-year increase of 24.4%, continuing to lead the transformation and development of the automotive industry.

S&P Global Mobility expects global sales of light vehicles (including passenger cars, sport utility vehicles and pickup trucks) to grow 1.7% year-over-year to 89.6 million units in 2025, partly as a result of continued improvement in supply-chain stability, with U.S. light-vehicle sales projected to grow 1.2% year-over-year to 16.2 million units. At the same time, S&P Global Mobility also predicts that global light-vehicle production next year will fall 0.4% year-on-year to 88.7 million, of which the U.S. light-vehicle production will fall 2.9% year-on-year to 9.9 million, while China and South America are the only regions that may see growth.

## (3) Competitive niches

### A. Excellent die development and design capabilities

Metal stamping is a process formed by applying external force to the metal relying on the stamping equipment and die. The die design and manufacture are the key to this process. Since the establishment, the Company has been committed to design, R&D and manufacturing of precision die, and has established a special die development department. Through cooperation and exchanges with large die development companies in Europe and the United States, it has continuously improved its die development level. So far, the self-used dies are 100% developed all by itself.

The advanced nature of the Company's die R&D and design is demonstrated in two aspects: The Company conducts analogue analysis for dies to simulate the potential problems in the actual assembly and debugging phase in advance by using Press CAD and Key creator software in the die design stage. Meantime, in order to promote the

standardization of die development and manufacturing, the Company develops the ERP software with a software development company specifically for die development and manufacturing, significantly improving its die development efficiency. For example, the die-sinking time of the thermal module products in the industry is about three weeks. The Company can shorten it to 12 days with the standardization die production process. Automotive mold development is also shortened by 15-20 days. In addition, the Company has advanced die production equipment, such as Japan's OKUMA CNC machining center and Swiss CHARMILLES wire cutting machine and other high-precision die manufacturing equipment, to ensure that the quality and precision of the dies produced are industry-leading.

The large three-plate multi-station concatenation die developed by the Company can complete all forming processes such as ribbing, hole drawing, bending, deburring, bumping and deep drawing only using a set of dies according to the structural characteristics and forming characteristics of the parts. Meanwhile, it has high-precision guidance and accurate distance setting system, and is provided with automatic feeding, automatic ejection and security detection devices for realizing automatic continuous stamping production. Compared with the traditional single-operation stamping production process, the large three-plate multi-station concatenation die improves the work efficiency by more than seven times, and reduces more than 70% of the staffs, and the die can be used for 10 million times and has reached the die technology level of developed countries.

#### B. Excellent quality control ability

The quality of metal stamping parts directly determines the quality of the complete machine products. Since its establishment, the Company has passed the ISO14001:2015 and ISO / TS16949:2016 quality control system certifications of AFAQ/BsetCERT, Ltd. It conducts quality control and management in strict accordance with quality control system and special customer requirements. Moreover, the Company has purchased three-coordinate measuring machines produced by Hexagon and profilometer and other high-precision product quality measurement High-precision product quality measurement and testing equipment such as cleanliness testers, profilometers, and material testing machines from Germany, Japan, Switzerland and other countries. The Company is equipped with Minitab process analysis software to ensure the effective operation of the quality system and effective control of product quality.

Over the years, the Company has gained recognitions of the customers with its product quality. From 2010 to 2014, it has won the Excellent Supplier Award of AUTOLIV, the world's largest automotive safety system manufacturer for many times, and has won the 2017 Best Cooperation Award and 2016 Quality Excellence Award of BorgWarner, the 2017 General Manager Award of Wuhan Tianhe and many other awards. Over the years, the company's product quality has been recognized and affirmed by customers. From 2010 to 2023, it won the Excellent Supplier Award from Sweden's Autoliv, the world's largest automotive safety system manufacturer, multiple times, and won Bergwarner's 2020 Quality Award. Quality Excellence Award 2023, Quality Excellence Award 2024 ; the company also won ZF's 2020 Best Quality Award, 2021

Excellent Supplier, 203 Global Operational Excellence Award, and 2024 Asia Pacific Operational Excellence Award, 2024 Cost Optimization and Strategic Cooperation Award, won the Minth Group 2024 Corporate Synergy Award, and won the ESG100 - 2024 Annual Corporate Governance Award.

C. Rich product structure

The Company has built diversified product lines and customer bases with its excellent die development and design capabilities and precise stamping technology. At present, its products can be used in communications, consumer electronics, home appliance, automotive, construction and medical industries, etc. The Company also has fixed customers in different industries, which is not limited to a single product or a single industry, effectively reducing its operating risks. In addition, the levels of the Company's stamping equipment range from 60t to 800t, meeting the different needs of customers.

D. Continuous R&D abilities

The Company is mainly engaged in the R&D, production and sales of precision metal stamping components. Since its establishment, it has focused on the metal stamping and has improved its own technical reserves through continuous R & D and innovation. The Company was recognized as Kunshan science and technology R&D institution by Kunshan Science and Technology Bureau in 2009. Since 2010, it has been recognized as a high-tech enterprise by Jiangsu Provincial Department of Science and Technology, Department of Finance of Jiangsu Province, State Tax Bureau of Jiangsu Province and Local Tax Bureau of Jiangsu Province. In 2013, it was recognized as a foreign-funded R&D institution in Jiangsu Province by Jiangsu Provincial Department of Science and Technology. In 2018, the R&D center passed the identification of Jiangsu Engineering Technology Center and Jiangsu Enterprise Technology Center; In 2021, it passed the certification of "Jiangsu Province Intelligent Workshop", in 2022 it passed the certification of "Kunshan Harmonious Labor Relations Enterprise", in 2023 it passed the "Jiangsu Province Green Factory", "Jiangsu Province Specialized New Enterprise" and "ISO50001 Energy Management System Certification, Passed the "ISO45001 Occupational Health and Safety Management System" certification in 2024.

E. Complete employee development system

Since its establishment, the company has always focused on the growth and development of its employees and has formed an effective employee development system, which includes a training system, a promotion system, a performance appraisal system, and a rank system. career plan.

4. Favorable and unfavorable factors of development prospect and countermeasures

(1) Favorable factors

A. Global layout

In addition to the production base in China, the Company has set up branches in many countries and regions such as Taiwan of China, Mainland China, Thailand, , the United States and the Czech Republic because there is a market plate movement caused by the increasing production costs in China, and the rise of trade barriers in various countries, and the Company intends to provide customers with localized and most immediate

production and sales services. Therefore, the Company can make full use of China's advantageous production environment and effectively meet the domestic demands of China. It also arranges production bases in ASEAN region and arranges sales branches in Europe and the United States in order to meet the needs of customers in real time by nearby service and reduce the impacts of US-China trade war. Therefore, the Company's global layout is an indispensable favorable factor affecting its future development.

**B. Wide range of application of products**

The Company's products are used in many fields such as motor machinery, 3C, automotive electronics, sports equipment, building materials, and medical care industry. Since the metal material has always been an indispensable element in various industries, the overall market of this industry is promising and it is worthy of continuous development. Although the industry has entered a mature stage, the industry's market will be able to grow steadily every year, unless the global economy encounters unfathomable major adverse factors. The Company's products will be applied in more fields benefiting from the scale economies and ever-increasing design capabilities, providing a good environment and innate factors for the Company's sustainable operation and sustainable development. In order to better cooperate with and serve customers, the company set up a factory in Huizhou, China, after the Tianjin factory, and set up a factory in Mexico abroad. Reduce packaging and transportation costs to improve bidding advantages and gain new business and markets.

**C. Economies of scale and advantages of die design capabilities**

The design and manufacture of dies is critical for stamping manufacturing and the purchase quantity of economies of scale is beneficial for reducing raw material procurement costs, which are critical for a company to maintain a competitive edge in the fierce market competition. Since the establishment, the Company has been concentrating on design, R&D and manufacturing of precision dies, and established a special die development department to continuously improve its own die development level. At present, the Company can develop dies all by itself for self-use and sell these dies to other stamping factories. With the high-precision product quality measurement and testing equipment, the entire process of the Company's raw materials, production and shipment are strictly measured and controlled to ensure that the Company's product quality meets certification requirements. In addition, the development and application of continuous dies improved the Company's production efficiency and production capacity, so its business scale continues to grow. The Company's ability to bargain in raw material procurement improves with the increase in economies of scale, making the Company a long-term partner for customers to jointly enhance their competitiveness.

**(2) Unfavorable factors and countermeasures**

**A. Higher risk of enterprise management caused by short product life cycle**

Currently, half of the products of the Company are 3C consumer products which will be replaced frequently, so the efficiency is high in the entire production process. The products are characterized by short development time, more design changes, short

production cycle and poor versatility of tailor-made parts without accurate production forecast information provided by the customers.

Countermeasures:

For such parts, the Company takes the initiative to keep in touch with customers to obtain customer information as soon as possible. It also continuously develops 3C new products, diversifies the source of customers to avoid the risk of concentrated sales, and actively develops non-3C electronic stamping components such as auto parts, digital fitness training equipment and semiconductor equipment parts, to strengthen the stability of the Company's product structure and reduce the impact caused by 3C electronic products changing rapidly. In addition, Build-to-Order is preferred in the production schedule, raw materials in special specifications are strictly controlled, and the inventory is cut to decrease the loss of product stockpiling.

B. Many companies in the industry and fierce price competitions

Although there is a large number of companies in the industry in China, most of them have a relatively poor performance in terms of business philosophy, process development, product design, equipment and die and human resources compared with the international advanced companies. The entire stamping industry is facing price competitions, many small and medium-sized enterprises have gradually withdrawn from the market, and the investment in equipment has been less than that of the past.

Countermeasures:

The Company continuously improves technologies and introduces new technologies, shortens die sinking time, increases the application of robots in production, reduces dependence on labor, improves production efficiency and product quality, improves service quality, and maintains close cooperative relations with manufacturers to gain customer trust and stabilize the existing market. In addition, the Company has continued to improve the management quality and effectively improve the operating efficiency. With the continuous improvement of existing technology and the development of diversified products, the Company's competitive advantage can be maintained.

C. Frequent fluctuations of the price of raw materials

The Company's products are widely used in computers, mobile phones, automobiles, building materials and consumer electronics. The materials used include copper, aluminum, iron, stainless steel and special materials. Due to the unsettled market in recent years, the price of raw materials has changed frequently.

Countermeasures:

The Company implements price management of quoted raw materials. When the new product cases are developed, the business personnel will record the quoted raw material price and notify the purchasing staffs. The Purchasing Department will conduct the weighted average for the price of materials purchased each time and the stock price of raw materials in the inventory to obtain the price of raw materials in the inventory. After comparing and analyzing the quoted raw material price and the price of raw material in the inventory, the Purchasing Department can adjust inventory immediately to reduce the risk of raw material price fluctuations.

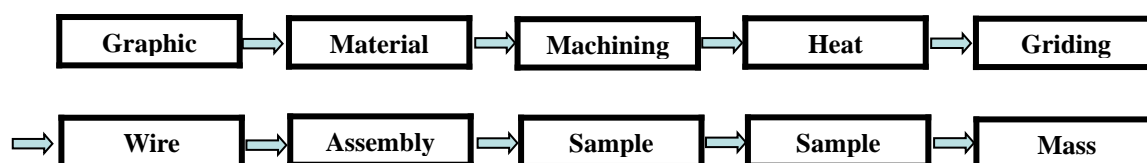
## (II) Main functions and production process of main products

### 1. Major functions

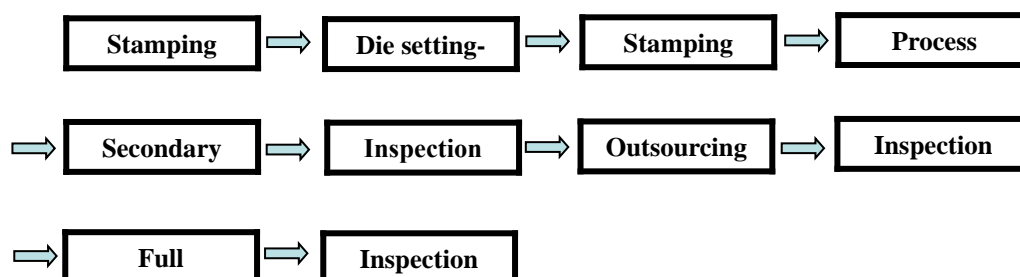
Major products	Products (services) applications
Electronic Components	Computers, radiators related stamping parts, server slides, cloud computing and intelligence equipment
	Mobile phone internals, vapor chamber
	Metal stamping parts for medical equipment
Automotive Components	Airbags, seat belt buckles, engines, steering systems, skylights, door hinges, seat brackets and other metal parts
Connected Fitness Equipment	Digital fitness training equipment assemblies
Others	Tooling manufacture, semi-conductor equipment manufacture, building material fixed metal tools

### 2. Production process

#### (1) Die production process



#### (2) Production process of stamping products



## (III) Supply of primary raw materials

The Company mainly engages in production and sales of precision metal stamping components, which are widely used in computers, mobile phones, automobiles, building materials and consumer electronics. The materials used include copper, aluminum, iron, stainless steel and special materials. In recent years, the quality of raw materials provided by dealers in mainland China has been improved, and has met the needs of the Company's customers. In consideration of cost and delivery time, the Company mainly purchases raw materials from mainland China, and assesses suppliers' cost, quality and delivery time at regular intervals to ensure product quality and yield. It also maintains a close partnership with major raw material suppliers, and maintains more than two suppliers providing major materials such as copper, iron and aluminum to ensure the supply of raw materials and reduce the risk of shortage of materials, and the supply of raw materials should be evaluated as being in good conditions.

## (IV) A list of any suppliers and customers accounting for 10% or more of the Company's total



procurement (sales) in either of the 2 most recent years, the percentage of total procurement (sales), and an explanation of the reason for changes in these figures

- Names of suppliers who accounted for more than 10% of the gross purchases of the Company in the last two years, and the amount and ratio of purchases:

Unit: NT\$1,000

	2023				2024			
Item	Name	Amount	Proportion to net purchases of goods for the entire year (%)	Relationship with the issuer	Name	Amount	Proportion to net purchases of goods for the entire year (%)	Relationship with the issuer
1	Others	2,595,606	100.00	None	Others	3,166,175	100.00	None
2	Net purchase	2,595,606	100.00		Net purchase	3,166,175	100.00	

1. None of the vendors reached 10% or more of the Consolidated Company's net purchases.

2. Main change reasons: None of the vendors reached more than 10% of the Consolidated Company's net purchases.

- Name and gross sales of major clients that have accounted for at least 10% of sales in either of the most recent two years, and the percentage against total sales:

Unit: NT\$1,000

	2023				2024			
Item	Name	Amount	Proportion to net sales of goods for the entire year (%)	Relationship with the issuer	Name	Amount	Proportion to net sales of goods for the entire year (%)	Relationship with the issuer
1	Company J	579,304	12.42	None	Company J	803,678	13.86	None
2	Company Z	593,260	12.72	None	Company Z	666,701	11.50	None
3	Company A	525,118	11.26	None	Company A	594,640	10.25	None
4	Others	2,966,542	63.60	-	Others	3,734,692	64.39	-
	Net sales	4,664,224	100.00	-	Net sales	5,799,711	100.00	-

1. Main change reasons: Increased sales to the top three customers due to sales growth in 2024.

2. As of the printing date of the annual report, there is no information that has been certified or reviewed by a certified public accountant for the year 2025.

### III. The Number, Average Year of Services, Average Age, and Educational Background of the Employees in the Most Recent Two Years as of the Publication Date of the Annual Report

Year		2023	2024	As of Mar. 30, 2025
Number of employees	Direct personnel	401	677	487
	Indirect personnel	500	431	500
	Total	901	1108	987
Average age		36.33	35.53	34.92
Average year of services		4.62	2.80	2.99
Educational background	PhD	0.33%	0.09%	0.10%
	Master	3.88%	3.34%	3.95%
	Bachelor	39.40%	56.50%	53.70%

Year		2023	2024	As of Mar. 30, 2025
	High school	24.97%	15.70%	13.58%
	Below high school	31.41%	24.37%	28.67%

#### IV. Disbursements for Environmental Protection

- (I) In the most recent years as of the publication date of the annual report, the losses due to the environment pollution (including indemnity) and total amount of punishment: All of the Company's expenditures were normal (hazardous waste disposal fee, environmental monitoring fee and domestic garbage disposal fee, etc.), and the total expenditure was NT\$2,243 thousands in 2024.
- (II) Countermeasures in future (including improvement measures) and possible expenditures (including the estimated amount of loss, punishment, and indemnity that may occur if no countermeasure is taken. If it cannot be reasonably estimated, give a reason): It is estimated that the expenditure in 2025 will be about NT\$4,834 thousands. The company will standardize the company's internal management in accordance with the government's requirements to avoid unreasonable expenditures.

#### V. Relation of employer and employee

##### (I) Employee benefit measures

##### 1. Employee Benefits

- (1) We have established reasonable wages and remuneration in accordance with the labor market, provided a stable salary adjustment policy, and granted employees the vacations they deserve in accordance with the law.
- (2) The Company arranges for employees to receive labor insurance, employment insurance and national health insurance, and also provides employees with group insurance, business trip and travel insurance, etc. If an employee dies due to a non-occupational accident, a pension will be paid in accordance with the regulations.
- (3) We have arranged various employee subsidies for weddings, funerals, celebrations and emergencies for our employees, including subsidies for marriage, childbirth, employee retirement, employee bereavement and the bereavement of their dependents.
- (4) The Company organizes various leisure activities from time to time, such as family days, domestic and international travel activities, department dinners, festival activities, and year-end parties.
- (5) Mid-Autumn Festival, Dragon Boat Festival, year-end and birthday gift money.
- (6) Flexible working hours.
- (7) The Company provides regular health checks and regularly reviews the health status of its employees.

##### 2. Employees' continuing education and training

- (1) The Company actively develops employees and enhances their professional capabilities. In addition to irregularly organizing internal education and training to enhance employees' skills and irregularly sending employees to participate in external training and studying, it also encourages employees to engage in advanced studies to improve work performance, so that employees can have long-term planning and

investment in company services.

- (2) The results of the Company's education and training in the most recent year are as follows:

Course	Total training hours	Fees (NT\$1,000)
Internal training	31,386	4,250
External training	3,544	

- (3) Finance personnel obtaining relevant qualifications specified by the competent authority:

Title	Name	Organizer	Course title	Hours of courses
Financial and Accounting Supervisor	Chien, Yi-Ling	Shih Chien University Continuing Education Center	Training class for principal accounting officers of issuers, securities firms, and securities exchanges	12
Finance Manager	Jed Huang	Shih Chien University Continuing Education Center	Training class for principal accounting officers of issuers, securities firms, and securities exchanges	12

### 3. Retirement system

In accordance with the Labor Standards Act and Labor Pension Regulations, the Company implements employee retirement management regulations and allocates a fixed amount of retirement funds to employees every month.

Retirement benefits provided under the Labor Standards Act (Old System):

- (1) A retirement fund of 2% of the total monthly salary of employees shall be allocated to the Labor Retirement Reserve Supervisory Committee and deposited in a special account at the Bank of Taiwan in the name of the committee. If, before the end of the year, it is estimated that the balance in the special account is insufficient to pay employees who are expected to meet retirement requirements within the year, the difference will be paid in one lump sum before March of the following year.
- (2) Retirement Eligibility and Payment of Pension: An employee who meets any of the following conditions may apply for retirement and his/her pension will be calculated based on his/her years of service and average salary in the six months prior to his/her retirement.
  - a. Worked for more than 15 years and aged 55 or above
  - b. Worked for more than 10 years and over 60 years old
  - c. Those who have worked for more than 25 years

Retirement funds allocated in accordance with the Labor Pension Act (New System):

A retirement fund of 6% of the employee's monthly insured salary is allocated to the individual account of the Bureau of Labor Insurance. When an employee reaches the age

of 60, he or she may apply for a retirement fund from the Bureau of Labor Insurance.

4. Measures for safeguarding labor-management agreements and all employee rights and interests

Establish workers and employees' congress, and select employees' representatives to operate the congress and handle various employee welfare matters and labor-management relations. The Company's relevant labor-management relations are well handled in accordance with relevant laws, and the implementation situation is good.

The Company has always been committed to maintaining harmonious labor-management relations. So far, no major disputes or losses have occurred. In addition, various employee rights protection measures shall be taken in accordance with the relevant laws and regulations.

(II) List the losses due to labor disputes in the most recent year up to the publication date of this annual report, and disclose the estimated amount arising both at present and in the future and the countermeasures. If the amount cannot be reasonably estimated, facts of which estimation cannot be made shall be explained

1. The Company has always focused on labor-management relations. In the most recent year up to the publication date of this annual report, no labor disputes or losses caused by labor disputes have occurred.
2. The Company has established an open communication channel between the employers and the employees, and the labor-management relations are rational and harmonious. In the future, if there are no other external factors impacting changes in the labor-management relations, no amount loss will occur.

(III) Protection measures and implementation of employee personal safety and working environment:

1. Safety Production Management System AQ/T9006-2010

Externally based on the consequences of safety production accidents and government regulatory requirements, internally based on the people-oriented corporate philosophy and long-term healthy development demands, led by the General Manager's Office to establish "safety first, prevention first, compliance with laws and regulations, implementation of responsibility and sound system supervision and implementation of all staff participating in continuous improvement" safety general policy. In 2017, the company received the AQ/T9006-2010 "Enterprise Safety Production Standardization" certification and the system continues to operate and optimize at present.

The safety production management system is based on the general idea of "safety first, prevention first, and comprehensive management", focusing on personnel safety training, safety risk inspection and control, and safety hazard management, and prevent personnel from false operations, reduce employees' hazards and risks, ensure a safe production environment, and improve employees' safety awareness in systematical ways. Based on good safety management, in 2024, there will be no industrial accidents and occupational injury cases in all departments of the company.

2. Safety Education

The company has established an annual safety education and training plan to ensure that supervisors at all levels and all employees receive necessary safety training, so as to achieve the purpose of mastering post safety operation specifications, fire protection knowledge, and improving safety awareness. We ensure that regular workers, labor workers, transfer workers, and interns receive corresponding safety training on the first day of employment, and can only enter the post after passing the assessment. For outsourced contractors entering the factory, they must also undergo corresponding training and audits before they can operate.

At the same time, for risk operators, we ensure that they have received professional government functional training and obtained relevant qualification certificates before

arranging operations.

The continuous safety training also corresponds to the "people-oriented" concept, which is the basis for the continuous improvement and progress of the company's safety management.

## **VI. Information Security Management :**

(I) Describe the information security risk management framework, the information security policy, the concrete management plans and the resources involved in the information security management, etc.:

### **1. Information Security Risk Management Framework**

- (1) The information department of the company is responsible for planning, implementing and promoting information security management matters, and promoting information security awareness.
- (2) The audit office of the company is the audit unit of information security supervision. If any defects are found in the audit, it will immediately request the audit unit to propose relevant improvement plans and report it to the board of directors, and regularly track the improvement results to reduce internal information security risks.

### **2. Information Security Policy**

- (1) Maintain the continuous operation of various information systems
- (2) Prevent hackers, various viruses from invading and destroying
- (3) Prevention of improper and illegal use with human intent
- (4) Prevent sensitive data from leaking
- (5) Avoid human error
- (6) Maintain physical environment security

### **3. Concrete Management Plans**

- (1) The company established an information security committee in July 2021, with the general manager as the chairman, responsible for coordinating the company's information security policies and governance matters. In order to confirm the suitability, adequacy and effectiveness of the information security management system, the general manager reviews the information security management system once a year. The management review includes the evaluation of whether the information security management system needs to be improved or changed, as well as the evaluation of the security policy and security objectives.
- (2) In July 2022, the company's board of directors revised the "Computer Information Cycle" and set up the posts of information security specialist and information security officer to comprehensively manage information security policy promotion and resource scheduling.
- (3) The Information Security Management System (ISMS) was certified by a third-party vendor in September 2021 and passed the ISO27001 international standard certification, which improved the information security management policy and related management procedures. For related management policies, please refer to the "Information Security Management Manual".
- (4) The company started the TISAX system certification for the automotive industry in July 2022, and passed the certification to obtain an official label. This is a more industry-standard safety system based on ISO27001, combining with the actual situation of the company, determine information security policies and goals, effectively manage information security risks. The company launched the TISAX system certification for the automotive industry in July 2022, and successfully passed the VDA-TISAX-AL3 information security assessment and exchange assessment audit in February 2023, and obtained the VDA-TISAX-AL3 official authorization label, which is a more industry-standard security system based on ISO27001. It ensures that all employees understand

and follow the implementation of information security management system documents, and continuously improve the effectiveness of the information security management system to achieve the goal of continuous improvement

- (II) List the losses, possible impacts and countermeasures of major information security incidents in the most recent year and up to the date of publication of the annual report. If it cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be stated: None.

## VII. Important Contracts

Nature of contract	Counterparty	Effectiveness and termination/cancellation date	Major contents	Restrictions
Lease contract	Kunshan Jinliang Plastic Electronics Co., Ltd.	2023.06.01 2028.05.31	Building lease contract	None
Lease contract	LCJ Invest, a.s.	2022.02.16 2032.02.15	Building lease contract	None
Lease contract	Jiangsu Baixue Electronics Co., Ltd.	2021.02.01 2026.01.31	Building lease contract	None
Lease contract	Kunshan Hengrunsheng Plastic Technology Co., Ltd.	2024.01.01 2026.12.31	Building lease contract	None
Lease contract	Tianjin Xeda group Co. Ltd.	2022.02.16 2027.02.15	Building lease contract	None

## Chapter 5 Review and Analysis of the Company's Financial Position and Financial Performance, and Listing of Risks

### I. Financial Position

(I) The main reasons for the significant changes in assets, liabilities and equity in the past two years and their impacts

Unit: NT\$1,000

Item \ Year	2023	2024	Difference	
			Amount	%
Current assets	4,069,269	5,936,429	1,867,160	45.88
Property, plant and equipment	1,542,958	1,767,026	224,068	14.52
Intangible assets	17,779	12,973	(4,806)	(27.03)
Other non-current assets	1,639,120	698,098	(941,022)	(57.41)
Total assets	7,269,126	8,414,526	1,145,400	15.76
Current liabilities	2,340,392	3,007,738	667,346	28.51
Non-current liabilities	1,411,940	1,500,681	88,741	6.29
Total liabilities	3,752,332	4,508,419	756,087	20.15
Share capital	621,928	621,934	6	0.00
Capital surplus	1,462,967	1,463,061	94	0.01
Reserved earnings	1,389,191	1,636,866	247,675	17.83
Other equity interest	(59,066)	93,456	152,522	(258.22)
Non-controlling interests	101,774	90,790	(10,984)	(10.79)
Total shareholder equity	3,516,794	3,906,107	389,313	11.07
<p>If the difference in comparison with the adjacent periods exceeds 20%, and the amount exceeds NT\$10 million, the main reason is analyzed as follows:</p> <ol style="list-style-type: none"> <li>1. Increase in current assets: Mainly due to the reclassification of investment properties to non-current assets available for sale.</li> <li>2. Decrease in other non-current assets: Mainly due to the reclassification of investment properties to non-current assets held for sale.</li> <li>3. Increase in current liabilities: Mainly due to increase in short-term loans and accounts payable.</li> <li>4. Other equity: Represents the increase in accumulated translation differences from the financial statements of foreign operating entities.</li> </ol>				

(II) Where the effect is of material significance, the annual report shall disclose the measures to be taken in response: No major impact on the Company's finances and business.

## II. Financial Performance

(I) The main reasons for any material change in operating revenues, operating income, or income before tax during the past two fiscal years

Unit: NT\$1,000

Item \ Year	2023	2024	Amount Of increase (decrease)	Percentage of increase (decrease) (%)
Net operating revenue	4,664,224	5,799,711	1,135,487	24.34
Operating costs	3,639,661	4,413,097	773,436	21.25
Gross profit	1,024,563	1,386,614	362,051	35.34
Operating expenses	696,040	826,530	130,490	18.75
Net operating profit	328,523	560,084	231,561	70.49
Non-operating income and expenses	(28,953)	(26,072)	2,881	(9.95)
Net income before tax	299,570	534,012	234,442	78.26
Income tax expenses	25,071	104,867	79,796	318.28
Net profit for this period	274,499	429,145	154,646	56.34
Other comprehensive income	(49,154)	122,288	171,442	(348.79)
Total comprehensive income attributable to owners of the parent	215,025	554,499	339,474	157.88
Total comprehensive income attributable to non-controlling interests	10,320	(3,066)	(13,386)	(129.71)
<p>If the difference in comparison with the adjacent periods exceeds 20%, and the amount exceeds NT\$10 million, the main reason is analyzed as follows:</p> <ol style="list-style-type: none"> <li>1. Net profit before tax: Gross operating profit increases as revenue increases, resulting in an increase in net profit before tax.</li> <li>2. Net profit for the current period: The net profit before tax increased (for the reasons mentioned above), so the income tax expense increased, but the net profit for the current period still increased.</li> <li>3. Other comprehensive income: Mainly due to the appreciation of the U.S. dollar, which resulted in an increase in the exchange rate difference in the translation of the financial statements of overseas operating entities.</li> </ol>				

(II) The expected sales and its basis, the possible impact on the Company's future financial business and the countermeasures: No significant impact on the Company's finance and business.



### III. Cash Flow

(I) Analysis on the changes in cash flow in the most recent fiscal year

Units: NT\$1,000; %

Item	2023	2024	Amount of increase (decrease)	Percentage of increase (decrease) (%)
Operating activities	1,124,424	656,875	(467,549)	(41.58)
Investing activities	(310,369)	(303,001)	7,368	(2.37)
Financing activities	(807,851)	26,245	834,096	(103.25)
Description about material changes:				
1. Operating activities: Mainly due to the increase in accounts receivable and inventory at the end of this year, which led to a decrease in net cash inflow from operating activities.				
2. Financing activities: Mainly short-term borrowings, which led to an increase in net cash inflows from financing activities.				

(II) Plan for improving insufficient liquidity: No shortage of cash.

(III) Cash liquidity analysis for the following year

Unit: NT\$1,000

Opening cash balance	Net cash inflow from operating activities throughout the year	Cash flow from investing and financing activities throughout the year	Cash balance (deficit)	Remedial measures for estimated cash deficit	
				Investing plan	Financing plan
1,915,075	707,014	(627,796)	1,994,293	-	-
1. Cash flow change analysis for the following year:					
(1) Net cash inflow from operating activities mainly due to the cash received from operating.					
(2) Cash outflow is mainly due to operating expenses, purchase of machinery and equipment, and distribution of dividends.					
2. Remedial measures for estimated cash deficit and cash liquidity analysis: The Company's cash outflow in the following year is estimated mainly based on future operating needs. In addition to cash inflow from operating activities, bank loans will be used in case of cash deficit.					

### IV. Effect upon Financial Operations of Any Major Capital Expenditures during the Most Recent Fiscal Year

- Investing in the Mexico factory, which has already invested 5 million dollars. After the completion of the plant, the production capacity will be further expanded.
- Invested in the Malaysia factory, which has already invested US\$5 million. Upon completion of the plant, production capacity will be further expanded.
- Investing in a factory in Thailand, which has already invested US\$3 million. After the completion of the plant, the production capacity will be further expanded.

### V. Company Reinvestment Policy for the Most Recent Fiscal Year, Main Reasons for Profits/Losses Generated Thereby, Plan for Improving Re-investment Profitability, and Investment Plans for Coming Year

(I) The Company's reinvestment policy

The Company is a holding company, and the main profit comes from main businesses of subsidiaries. In addition, there are reinvestments for strategic purposes of industrial or business development. All subsidiaries of the Company's main business are profitable, and companies that make strategic reinvestments are not for profiting.

(II) Main reasons for profits/losses of reinvestment for the most recent year and plan for improving re-investment profitability

Unit: NT\$1,000

Reinvestment company	2024 investment profit (loss)	Main reason for such profit or loss	Improvement plan
Lemtech Global Solution Co. Ltd.	204,998	Mainly caused by recognition of investment gains of Lemtech Precision Materials (China) Co., Ltd.	-
Lemtech International Limited	222,821	Operations are in good condition	-
Lemtech Industrial Services Ltd	29,520	Mainly caused by recognition of investment gains of Lemtech Slide Co.,Ltd	-
LemTech Global Industries Ltd.	81,653	Operations are in good condition	-
Lemtech-Eahwa Precision Technonlogy Co., Ltd.	3,547	In view of the Group's business planning, the deregistration was completed in November 2024.	-
Zhenjiang Emtron Surface Treatment Limited	(28,385)	In view of the Group's business planning, the deregistration was completed in December 2024.	-
Keycore Technology Corp.	(149)	Due to the unsatisfactory operation of the Company, the Company sold its equity interest in the Company in September 2024.	-
LemTech Precision Material (China) Co., Ltd.	325,252	Operations are in good condition	-
Lemtech Technology Limited	(49,872)	Group policy changed to LIL accepting orders	-
LDC Precision Engineering Co., Ltd.	(12,505)	As the epidemic slows down, orders for home fitness equipment decrease	Continue to win customer orders, expand business scale to achieve profits
Lemtech Precision Material (Czech) s.r.o.	78,986	Operations are in good condition.	-
Lemtech USA Inc.	304	It is for maintaining relationship with US customers and obtaining real-time business information, not for profit	
Aapico Lemtech (Thailand) Co., Ltd.	(683)	In view of the Group's business planning, the deregistration was completed in April 2024.	-
Kunshan Lemtech Slide Technology Co., Ltd.	80,072	Operations are in good condition	-
Lemtech Electronics Technology (Changshu) Co., Ltd.	14,963	Operations are in good condition	-
Lemtech Energy Solutions Corporation	61,165	Operations are in good condition.	-

Reinvestment company	2024 investment profit (loss)	Main reason for such profit or loss	Improvement plan
Lemtech Precision Engineering (Tianjin) Co.,Ltd	(26,755)	Newly established company and has not yet entered the mass production stage.	After the actual mass production, it should be able to improve the profit.
Lemtech Mexico S.A. de C.V.	(59,278)	Still in the factory construction stage	-
Lemtech Techonology Malaysia Sdn. Bhd.	(1,584)	Still in the factory construction stage	-
Lemtech Precision material (Thailand) Co.,Ltd	(1,264)	Still in the factory construction stage	-
Lemtech Precision Material (Huizhou) Co.,Ltd	(1,450)	Still in the factory construction stage	-

(III) Investment plans for coming year: The Company expects that there is no material investment plan in the following year.

## VI. Risks Items

(I) Impacts of interest rate, fluctuation in exchange and inflation on corporate gains and losses and future countermeasures

### 1. Interest rate movements

#### (1) Impact on the Company's revenue and profit

The interest expense of the Company and its subsidiaries in 2023 and 2024 accounted for 1.37% and 1.27% of the net operating income respectively, with a low proportion. Therefore, the change in interest ratio will not have a significant impact on the profit and loss of the Company and its subsidiaries.

#### (2) Specific countermeasures

The Company's Finance Department adjusts the use of funds in time in light of changes in financial interest rates in response to financial risks caused by changes in interest rates.

### 2. Exchange rate changes

#### (1) Effect of exchange rate changes on the Company's revenue and profit

The Company and its subsidiaries purchase and sell goods in USD and RMB as the main collection currencies. The amount of exchange (losses) gain in 2023 and 2024 was NT\$32,294 thousand and NT\$ (14,932) thousand respectively, accounting for 0.69% and (0.26)% of the net operating income.

#### (2) Specific countermeasures

In the face of risks arising from exchange rate fluctuations, the group's internal financial professionals have taken the following specific countermeasures:

- A. The Company's Business Department has considered the influence of exchange rate fluctuations on the sales price, and adjusted the product price by measuring the changes in the exchange rate in response to the exchange rate fluctuation, ensuring the profits of the Company's products.
- B. The financial unit will discuss the exchange rate trend with the foreign exchange unit of the bank, engage external professionals to give hedging advice to the Company's exposed positions, and adopt appropriate hedging strategies at the appropriate time to reduce the risk of exchange rate.

- C. In addition to net assets and liabilities for a specific project, foreign exchange exposed positions arising from routine sales still adopt natural hedging as the main strategy for exchange rate risk control, and adjust foreign currency assets and liabilities at the appropriate time to reduce the risk of exchange rate changes.
3. Inflation: The Company's profits and losses in the past have not exerted a significant impact due to inflation. If the purchase cost increases due to inflation, the Company will also adjust the price appropriately. The Company has continued to monitor market price fluctuations and maintained a positive, interactive relationship with both suppliers and customers. There has been no significant impact caused by inflation.
- (II) Policies on high risk, high-leverage investments, loans to other parties, endorsements, guarantees, and derivatives trading, the main reasons for profits or losses generated thereby, and future countermeasures
1. Policies on high risk, high-leverage investments, the main reasons for profits or losses generated thereby, and future countermeasures:  
The Company has always adhered to a stable and conservative business strategy. In recent years, it has not engaged in high-risk, high-leverage investment and other transactions, so the risk is limited.
2. Policies on loans to other parties, the main reasons for profits or losses generated thereby, and future countermeasures:  
In the most recent year and as of the publication date of the annual report, the Company and its subsidiaries provided loans for each other in consideration of the overall use of funds. The Company and its subsidiaries have set up the "Procedures for Loans to Other Parties" as the basis for relevant operations, and the risk status has been considered and the regulations are implemented carefully.
3. Policies on endorsements and guarantees, the main reasons for profits or losses generated thereby, and future countermeasures:  
In the most recent year and as of the publication date of the annual report, the Company and its subsidiaries provided endorsements and guarantees for each other in consideration of the overall use of funds. The Company and its subsidiaries have set up the "Procedures for Endorsement Guarantee Operation" as the basis for relevant operations, and the risk status has been considered and the regulations are implemented carefully.
4. Policies on derivatives trading, the main reasons for profits or losses generated thereby, and future countermeasures:  
In the most recent year and as of the publication date of the annual report, the Company did not engage in derivatives trading. In the future, the Company will always take measures subject to the "Investment Cycle" and "Procedures Governing Acquisition and Disposal of Assets" when engaging in derivatives trading due to operational needs.
- (III) Future R&D projects and anticipated R&D expenditures to be invested  
At present, the group has R&D departments in mainland China and Taiwan. The department in mainland China mainly focuses on the development and process improvement of metal stamping products such as heat dissipation, auto parts, building materials parts, etc. In response to future growth, the Company established the R&D center with mainland higher professional institutions in 2010, and conducted school-enterprise cooperation to cultivate professional and technical talents. The department in Taiwan is actively committed to the development of new hub products and new heat dissipation systems with high added value. In 2020, it established cooperation with universities in mainland China in production, learning and research to realize the technical development of high precision multi-position continuous stamping die. Through a complete upstream and downstream industrial chain and a close system

(which means production, government, college and research department), we can recruit excellent talents and obtain technical information to improve the Company's R&D competitiveness.

In 2024, the Company invested approximately NT\$229,225 thousand in research and development of product, production technology innovation and process improvement. In 2025, the Company continued to invest NT\$269,740 thousand in research and development. In the future, the Company will continue to invest in research and development of automated production lines and will gradually use robots to replace employees in technical positions to improve production efficiency and quality, and reduce manufacturing costs. Meanwhile, it assesses the rapid growth of China's labor costs, maintains sustainable development and improves horizontal competitiveness.

Item	Program	R&D Expenses (NT\$ million)	Completion Time
R&D of production technology for automobile trailer systems	For automobile trailer system parts manufacturing	1,897	05-2025
R&D of liquid cooling CDU (L2L) for AI servers	Liquid cooling system for AI servers	350	05-2025
R& D of production technology for automobile trailer systems	For automobile trailer system parts manufacturing	596	05-2025
R&D of laser welding technology for ADAS water cooling plate	For automobile liquid cooling system parts manufacturing	85	09-2025
R&D of high stability sliding bracket shaft structure	A sliding bracket shaft structure	860	10-2025
R&D of intelligent retractable slide rails and dynamic locking control technology	A three-section slide rail/an unfolding locking structure of a slide rail	645	10-2025
R&D of deep drawing process for stainless steel parts	For automotive powertrain parts manufacturing	1,925	10-2025
R&D of automotive air suspension system components based on cold heading process	For automobile air suspension system parts manufacturing	2,154	11-2025
R&D of high-load-bearing bracket slide integrated technology	A bracket slide rail	645	12-2025
R&D of high-load-bearing bracket slide integrated technology	A locking structure for cabinet columns	645	12-2025
R&D of slide rail full-scenario adaptation and reliability enhancement technology	A kind of unfolding locking structure of slide rail	645	12-2025
R&D of welding technology for automotive power and chassis system components	For the manufacture of automotive power and chassis system parts	1,879	12-2025
R&D of production technology for power battery housing and cover of new energy vehicles	Manufacturing of parts for new automotive power battery systems	1,971	12-2025
R&D of automotive safety system components based on mold forming technology	For automobile safety system parts manufacturing	1,490	12-2025

Item	Program	R&D Expenses (NT\$ million)	Completion Time
R&D of production technology for automobile sunroof and its control lock structure	For automobile sunroof system parts manufacturing	1,810	12-2025
R&D of new gearbox seal production process	For automobile transmission system parts manufacturing	1,879	12-2025
R&D of automobile seat belt retractor assembly based on continuous die automatic feeding riveting	For automobile safety system parts manufacturing	2,108	04-2026
Total		21,584	

(IV) Changes to local and overseas policies and laws that impact the Company's financial operations and countermeasures

The Company is registered in Cayman Islands and mainly operates in mainland China. Its execution of all business is subject to important domestic and foreign policies and legal regulations, and it keeps abreast of important domestic and foreign policy development trends and law changes so as to respond promptly to changes in the market environment and take appropriate countermeasures. As of now, the Company's finance and business have not been affected by important changes of domestic and foreign policies and laws.

(V) Impact of changes in technology and industry on the Company's financial operations, and countermeasures

The Company takes the initiative to keep in touch with customers to obtain customer information as soon as possible. It also continuously develops new products, diversifies the source of customers to avoid the risk of concentrated sales, and actively develops automobile parts and building materials parts and other non-3C electronic stamping parts and components to strengthen the stability of the Company's product structure and reduce the impact caused by electronic products changing rapidly. On the whole, the metal stamping parts are in great demand and will not be replaced by other high-tech products in the foreseeable future.

The company established an information security committee in July 2021, with the general manager as the chairman, responsible for coordinating the company's information security policies and governance (including information security risks). The Information Security Management System (ISMS) was certified by a third-party vendor in September 2021 and passed the ISO27001 international standard certification, which improved the information security management policy and related management procedures.

The company has established network and computer-related information security protection measures to ensure their appropriateness and effectiveness by continuously reviewing and evaluating its information security regulations and procedures. Even so, there is still no guarantee that companies will not be affected by new risks and cyberattacks in the ever-changing information security threats. In order to prevent and reduce the damage caused by such attacks, the company implements and continuously updates strict information security measures:

- (1) The company has professionals in charge of dealing with matters related to information system security prevention and crisis management, so as to prevent computer network crimes and crises and maintain information system security.
- (2) The company has established a computer network system security control mechanism to ensure the security of network transmission data.
- (3) For cross-company computer network systems, the company especially strengthens



network security management, installs anti-virus software internally, and sets up external network firewalls to prevent computer viruses and aggressive malicious software from invading, causing damage to the company network and paralyzing the system.

- (4) To educate employees on the concept of using legal software correctly, encourage employees to correctly recognize the threat of computer viruses, and further enhance employees' information security vigilance.

- (VI) Impacts of changes in corporate image on corporate crisis management and countermeasures

Since the establishment, the Company has actively strengthened internal management, improved the management quality, and it is committed to maintaining the corporate image and legal compliance. In the most recent year, there has been no major image change affecting corporate crisis management.

- (VII) The expected benefits and possible risks to engaging in mergers and acquisitions (M&A) and countermeasures: None.

- (VIII) Expected benefits and possible risks of plant expansion and countermeasures

Company name	Lemtech Precision Material (Thailand) Co.,Ltd.
Purpose of Expansion	Considering the market and customer needs, we decided to set up a factory in Thailand to provide better services. This new plant is expected to develop the automotive parts market in Southeast Asia and lay the foundation for the long-term development of the Group.
Anticipated benefits	<ol style="list-style-type: none"> <li>1. The average wage in Thailand's manufacturing industry is lower than China's and there is an abundant supply of workers.</li> <li>2. Serving local customers reduces transportation costs and strengthens customer stickiness, potentially increasing order volume.</li> <li>3. Diversify geopolitical risks and use Thailand as a hub to radiate emerging markets such as Vietnam and Indonesia.</li> </ol>
Risks and Countermeasures	In the early days of the company, sales were based on the transfer of mass production projects from existing customers and a few new projects, and the number of customers was relatively small. It is difficult for the company to achieve a breakthrough in turnover in the short term, and it needs to develop new customers in the Thai market to increase revenue in the future.
Company name	Lemtech Technology Malaysia Sdn. Bhd.
Purpose of Expansion	The purpose is to respond to the de-Sinicization strategy and maintain existing American customers.
Anticipated benefits	<ol style="list-style-type: none"> <li>1. As the AI server market continues to grow, it is imperative to establish production bases outside of mainland China and Taiwan.</li> <li>2. A global layout in the heat dissipation industry will be beneficial to the development of the business and can better provide all-round services to existing American customers.</li> </ol>
Risks and Countermeasures	Since the Company's customers are relatively concentrated, any changes in orders or customer operating conditions will have a significant impact on the Company. In addition to focusing on the core business and providing performance and technology, it is a good strategy to expand product lines and develop new customers, thus diversifying the risk of over-concentration.

(IX) Risks resulting from concentration of purchasing or sales operations and countermeasures

In the most recent year of the company and as of the publication date of the annual report, the number one customer has changed with the growth of different businesses. Other than the first largest customer, which accounts for about 19% of the revenue, and the new second largest customer, which accounts for about 11% of the revenue, the rest of the customers account for less than 10% of the revenue. The company continues to actively expand new customer sources and develop new markets, and there is no risk of sales concentration. In the most recent year and as of the publication date of the annual report, the company's largest customer has changed with the growth of different businesses, and the customer's revenue share is less than 10%. The company continues to actively expand new customer sources and develop new markets, and there is no risk of sales concentration.

For procurement from suppliers, in the most recent year and as of the publication date of the annual report, the main suppliers did not exceed 20% of the total purchase amount. Unless specified by the customer, there will be at least two main raw material suppliers with good quality reputation. The Company's main suppliers all keep long-term cooperation with the group, and the source of procurement is still stable.

(X) The impact on the Company, and risks arising from the major exchange or transfer of shares by directors or major shareholders with over 10% of shareholdings, and the countermeasures

In the most recent year and as of the publication date of this annual report, there is no mass transfer or change in shareholding of directors or major shareholders with a shareholding ratio of 10% or more.

(XI) Impact, risk, and response measures related to any change in governance rights

There has been no change in governance rights in the most recent year and as of the publication date of this annual report.

(XII) If there has been any substantial impact upon shareholders' equity or prices for the Company's securities as a result of any litigation, non-litigious proceeding, or administrative dispute involving the Company that was finalized or remained pending, the facts in dispute, amount in dispute, commencement date, main parties involved, and current status of the case up to the publication date of this annual report shall be disclosed : None.

(XIII) Other important risks and response measures: The Company has no other important risk events in the most recent year and as of the date of publication of the annual report.

## VII. Other Important Matters

The Company was registered in the British Cayman Islands, which is only the registered place of the group, and operates in mainland China, Taiwan, China and Hong Kong, China. Changes in the overall economic and political environment of the registered place and operation places and fluctuations in the exchange rate will affect the operation of the group. There are many different provisions between the company law of the British Cayman Islands and the company law of Taiwan, China. Although the Company has amended its Articles of Association in accordance with the Taiwan Stock Exchange's "Checklist for Protection of Shareholders' Rights and Interests in the Registered Place of Foreign Issuers", there are still many differences between the two laws and regulations on the operation of the company. Investors still need to know and consult experts about the risks of investment.

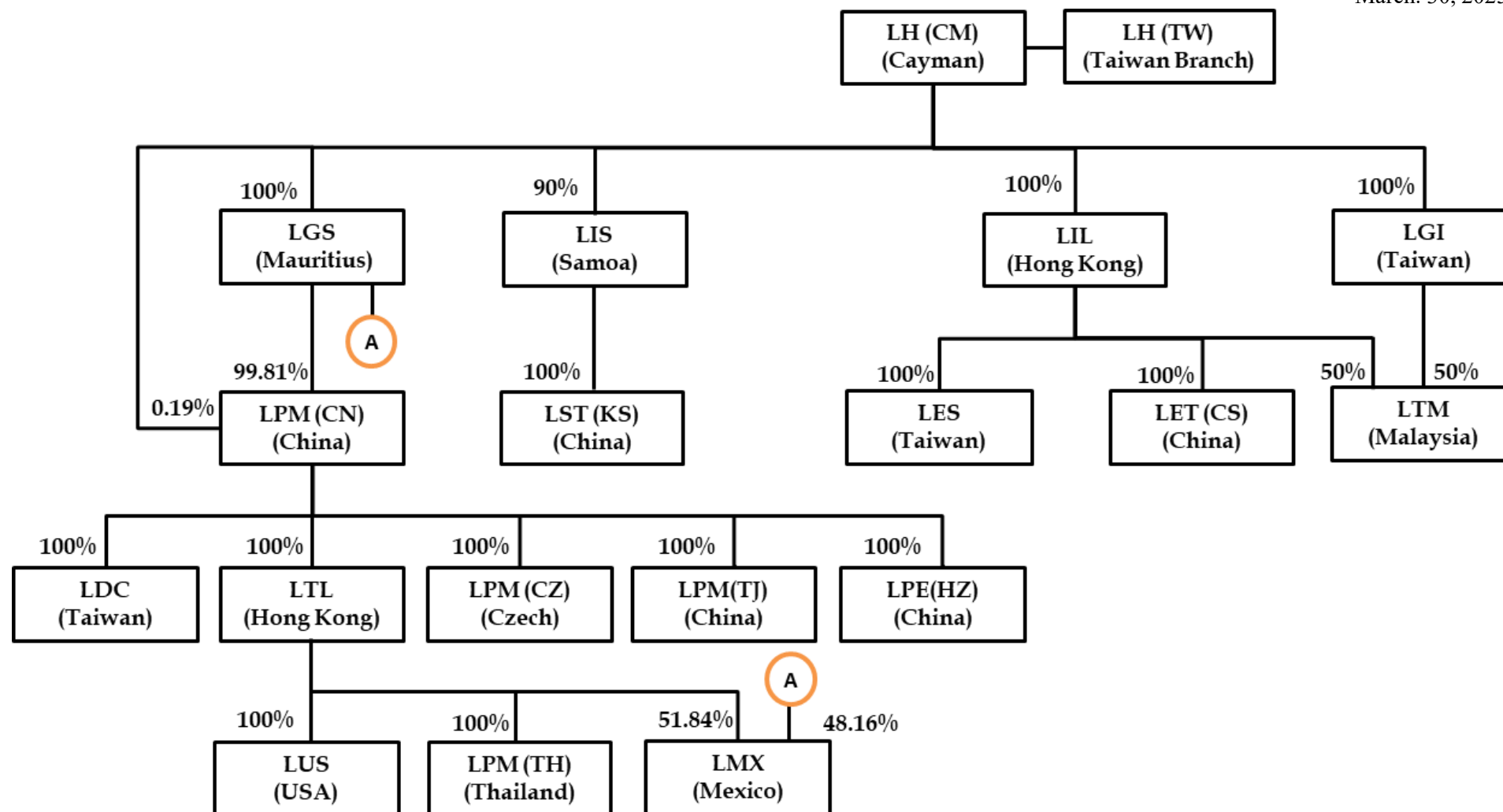


## Chapter 6 Special Disclosure

### I. Information on the Company Affiliates

#### (I) Profiles and status of affiliates

March. 30, 2025



## (II) Basic information of all affiliates

Dec. 31, 2020 Unit: NT\$1,000

Short name of company	Company	Date of incorporation	Address	Actual paid-in capital	Scope of business or production
LGS	Lemtech Global Solution Co. Ltd.	2003.01	3rd Floor, Standard Chartered Tower, Cybercity, Ebene 72201, Mauritius	US\$2,500	Investment holding companies
LPM(CN)	LemTech Precision Material (China) Co., Ltd.	2003.03	No. 128, Weita Road, Zhangpu Town, Kunshan City, Jiangsu Province	RMB66,000	Production and design of new electronic components such as computers, mobile terminals, materials for servers, materials for automobiles, various fine blanking dies, die-casting dies, non-metallic dies, computer connectors, and computer thermal modules; and sales of self-produced products
LDC	LDC Precision Engineering Co., Ltd.	2010.05	12F.-3, No. 3, Yuanqu St., Nangang Dist., Taipei City 115, Taiwan(R.O.C.)	NT\$9,524	Manufacturing and wholesale of electrical appliances, audio-visual products, other motors and electronic mechanical equipment, automobiles and their parts, and other optical and precision machinery
LUS	Lemtech USA INC.	2013.06	185 Estancia Dr, Suite 117, San Jose, CA 95134	US\$50	U.S. business development, business information collection, provision of market intelligence and industry information
LTL	Lemtech International Limited	2014.04	Room 2702-03, CC Wu Building, 302-8 Hennessy Road, Wanchai, Hong Kong	US\$20	Sales of automotive, electronics and computer peripheral parts
LIS	Lemtech Industrial Services Ltd	2015.12	Offshore Chambers, P.O. Box 217, Apia, Samoa	US\$2,500	Sales of electronics and computer peripheral components
LST(KS)	Kunshan Lemtech Slide Technology Co., Ltd.	2016.07	Factory Building No. 11, No. 486, Yangguang West Road, Zhangpu Town, Kunshan City, Jiangsu Province	RMB15,000	Design and production of slide rails, spindles and related accessories, and sales of self-produced products
LPM(CZ)	Lemtech Precision Material (Czech) s.r.o.	2016.09	Logistické Centrum Jihlava LCJ/Jipocar Hala B, 588 11 Střítěž u Jihlavy 3, Czech	CZK152,000	Production of automotive components (sunroofs, brakes and seat belts, SRS, etc.) and assembly parts (steering wheel transmission shafts, etc.), and supply of consumer electronic parts and server products

Short name of company	Company	Date of incorporation	Address	Actual paid-in capital	Scope of business or production
LES	Lemtech Energy Solutions Corporation	2015.04	No. 39, Ruiyuan Street, Bade District, Taoyuan City	NT\$30,000	Manufacturing and wholesale of mechanical equipment, dies, electrical appliances and audio-visual products, other motors and electronic mechanical equipment, automobiles and their parts, and other optical and precision equipment
LIL	Lemtech International Limited	2019.06	Room 2702-03, CC Wu Building, 302-8 Hennessy Road, Wan Chai, Hong Kong	US\$ 7,000	Investment holding company
LET(CS)	Lemtech Electronics Technology Co., Ltd. (Changshu)(China)	2020.09	Building A2, No. 8, Baixuexin Road, Shajiabang Town, Changshu City, Jiangsu Province	US\$12,500	Manufacturing & wholesale of electronic components, manufacturing/sales/R&D of special electronic materials, manufacturing & sales of lighting equipment, manufacturing of automotive parts and accessories, manufacturing & sales of solar energy equipment and components, manufacturing of computer software and hardware, and sales of communication equipment
LGI	LemTech Global Industries Ltd.	2021.05	No. 109, Dazhu Road, Luzhu District, Taoyuan City	NT\$ 30,000	Manufacturing and wholesale of electrical appliances, audio-visual electronic products, other electrical and electronic machinery equipment, automobiles and their parts, and other optical and precision machinery
LPE(TJ)	Lemtech Precision Engineering (Tianjin) Co.,Ltd (China)	2022.02	Building No.4, No.28, Saida Wuzhi Road, XiQing Economic and Technological Development Zone, Tianjin City, China	US\$ 4,000	Manufacturing of auto parts and accessories; mold manufacturing; manufacturing of metal parts for construction; manufacturing of mobile terminal equipment; manufacturing of communication equipment; Manufacturing of computer hardware and software and peripheral equipment; manufacturing of electronic

Short name of company	Company	Date of incorporation	Address	Actual paid-in capital	Scope of business or production
					components; sales of mechanical parts and components; sales of molds; retailing of electronic components; sales of metal accessories for construction
LMX	Lemtech Mexico, S.A. DE C.V.	2023.03	Calle 2, 135/5, Benito Juárez, 76120, Querétaro, Querétaro, Querétaro, México	MXN 184,092	Manufacturing of auto parts and accessories; mold manufacturing; manufacturing of metal parts for construction; manufacturing of mobile terminal equipment; manufacturing of communication equipment; Manufacturing of computer hardware and software and peripheral equipment; manufacturing of electronic components; sales of mechanical parts and components; sales of molds; retailing of electronic components; sales of metal accessories for construction
LPM (HZ)	Lemtech Precision Material (Huizhou) Co.,Ltd	2023.12	Changling section of Tianliao Economic Cooperative, Huzhen Town, Huzhen Village, Boluo County, Huizhou City, Guangdong Province, China	RMB 7,000	Manufacture of automobile parts and accessories; manufacture of molds; manufacture of metal parts for construction; manufacture of mobile terminal equipment; manufacture of telecommunication equipment; manufacture of computer software, hardware and peripherals; manufacture of electronic components; sale of mechanical parts and components; sale of molds; retail sale of electronic components; sale of metal parts for construction.
LTM	Lemtech Techonology Malaysia Sdn. Bhd.	2024.07	PT39, PT40, PT41 & PT42 Jalan Zamrud 1, Kawasan Perindustrian Nilai 2, 71800 Nilai, Negeri Sembilan, Malaysia	MYR 21,944	Manufacture and wholesale of electrical appliances, audio-visual electronic products, other electrical and electronic machinery and equipment, and other optical and precision machinery.

Short name of company	Company	Date of incorporation	Address	Actual paid-in capital	Scope of business or production
LPM (TH)	Lemtech Precision material (Thailand) Co.,Ltd	2024.09	700/775 Moo 1, AMATA City Chonburi Industrial Estate, Phan Thong Sub-District, Phan Thong District, Chonburi Province 20160, Thailand	THB 101,036	Research and development, production, manufacturing and assembly of automotive, electronic and computer peripheral parts.

(III) Shareholders in common of the Company and its subsidiaries with deemed control relationship and subordination: None.

(IV) Information on directors, supervisors, and General Manager of all affiliates

Dec. 31, 2022 Unit: Share; %

Name of affiliate	Title	Name or representative	Shareholding	
			Shares	Shareholding percentage
Lemtech Global Solution Co. Ltd.	Director	Hsu, Chi-Feng	-	-
	Director	Ye, Hang	-	-
LemTech Precision Material (China) Co., Ltd.	Chairman	Hsu, Chi-Feng	-	-
	Director	Ye, Hang	-	-
	Director	Tan, Yong	-	-
	Director	Tsai, Wen-Lung	-	-
	Director and General Manager	Li, Pei-Yu	-	-
	Supervisor	Hu,Hsu-Tao	-	-
	Supervisor	Ku,Yun-Chiao	-	-
	Supervisor	Chu,Chia-Pin	-	-
LDC Precision Engineering Co., Ltd.	Chairman	Hsu, Chi-Feng	-	-
Lemtech USA INC.	Director	Hsu, Chi-Feng	-	-
	Director	D Murali Nair	-	-
Lemtech Technology Limited	Director	Hsu, Chi-Feng	-	-
Lemtech Industrial Services Ltd	Director	Hsu, Chi-Feng	-	-
Kunshan Lemtech Slide Technology Co., Ltd.	Chairman	Hsu, Chi-Feng	-	-
	General Manager	Chay Chin Tat	-	-
	Supervisor	Pang, Chun-Liang	-	-
Lemtech Precision Material (Czech) s.r.o.	Director	Hsu, Chi-Feng	-	-

Name of affiliate	Title	Name or representative	Shareholding	
			Shares	Shareholding percentage
Lemtech Energy Solutions Corporation	Director	Ye, Hang	-	-
	General Manager	Stanislav Stepanek	-	-
	Chairman	Hsu, Chi-Feng	-	-
	Supervisor	Eu, Ricky	-	-
	General Manager	Liao, Feng-shi		
Lemtech International Limited	Director	Hsu, Chi-Feng	-	-
	Director	Ye, Hang	-	-
Lemtech Electronics Technology (Changshu) Co., Ltd.	Chairman	Hsu, Chi-Feng	-	-
	Director	Tsai, Wen-Lung	-	-
	Director	Ye, Hang	-	-
	Director and General Manager	Tsai, Wen-Lung	-	-
	Supervisor	Lu, Lin-Sheng	-	-
LemTech Global Industries Ltd.	Chairman	Hsu, Chi-Feng		
	Supervisor	Eu, Ricky		
Lemtech Precision Engineering (Tianjin) Co., Ltd	Chairman	Hsu, Chi-Feng		
	Director	Tsai, Wen-Lung		
	Director	Li, Pei-Yu		
	Supervisor	Zhao Wei-bin		
Lemtech Mexico S.A. de C.V.	Director	Hsu, Chi-Feng	-	-
Lemtech Precision Material (Huizhou) Co., Ltd	Director	Li, Pei-Yu		
Lemtech Techonology Malaysia Sdn. Bhd.	Director	Hsu, Chi-Feng		
	Director	Liu, Ching-Chung		
Lemtech Precision material (Thailand) Co., Ltd	Director	Hsu, Chi-Feng		
	Director	Li, Chuan-Hsin		

## (V) Operation of affiliates

Dec. 31, 2024 Unit: NT\$1,000

Name	Capital	Total assets	Total liabilities	Net value	Operating revenue	Operating profit	Profit or loss (after tax)	Earnings per share (after tax)
Lemtech Global Solution Co. Ltd.	112,397	3,954,165	125,115	3,829,050	0	(134)	204,998	(Note1)
LemTech Precision Material (China) Co., Ltd.	286,242	5,033,738	1,858,789	3,174,949	2,490,825	322,355	325,252	4.93
LDC Precision Engineering Co., Ltd.	9,524	429,978	17,406	412,572	8,120	(42,225)	(12,505)	(Note1)
Lemtech Technology Limited	597	738,365	193,297	545,068	386,285	(56,580)	(49,872)	(Note1)
Lemtech Precision Material (Czech) s.r.o.	195,984	730,652	466,924	263,727	989,067	100,744	78,986	(Note1)
Lemtech USA INC.	1,502	962	0	962	9,198	304	304	(Note1)
Lemtech Industrial Services Ltd	82,091	248,890	37,750	211,140	0	(20,569)	51,790	(Note1)
Kunshan Lemtech Slide Technology Co., Ltd.	69,758	539,365	315,511	223,854	708,032	79,060	80,072	(Note1)
Lemtech International Limited	214,320	1,083,511	639,037	444,474	1,794,578	142,425	222,821	(Note1)
Lemtech Energy Solutions Corporation	30,000	272,245	143,093	129,152	548,564	67,595	61,165	20.39
Lemtech Electronics Technology (Changshu) Co., Ltd.	368,705	395,942	107,731	288,211	305,052	12,955	14,963	(Note1)
Lemtech Precision Engineering (Tianjin) Co.,Ltd	120,868	168,651	70,296	98,355	29,905	(26,753)	(26,755)	(Note1)
Lemtech Mexico S.A. de C.V.	320,995	375,027	145,044	229,982	1,329	(41,242)	(59,278)	(Note1)
LemTech Global Industries Ltd.	30,000	658,342	391,791	266,551	574,843	77,903	81,653	27.22
Lemtech Techonology Malaysia Sdn. Bhd.	161,004	242,801	89,347	153,454	0	(2,666)	(1,584)	(Note1)
Lemtech Precision material (Thailand) Co.,Ltd	98,355	95,947	4	95,943	0	(597)	(1,264)	(Note1)
Lemtech Precision Material (Huizhou) Co.,Ltd	31,014	35,270	4,809	30,461	0	(1,286)	(1,450)	(Note1)

Note 1: Not a shares limited company; hence EPS is not applicable.

(VI) Consolidated financial statements of the affiliates: Same as the Consolidated Financial Statements of the Parent Company and Subsidiaries. Please refer to pages 134 to 212.

(VII) Reports of the affiliates: Not applicable.

**II. In the Most Recent Year as of the Publication Date of the Annual Report, Any Private Placement of Securities:**

The Company's previous private placement of 5,600,000 new shares in a cash capital increase approved by the shareholders at the June 18, 2024 regular shareholders' meeting was not executed due to the fact that an appropriate strategic investor had not been secured by the expiration of the issuance deadline of June 17, 2025, and was terminated upon the board of directors' resolution of March 4, 2025, and report on the status of the transaction will also be presented at the May 28, 2025 regular meeting of shareholders.

**III. Holding or Disposal of the Company's Shares by Subsidiaries in the Most Recent Year as of the Publication Date of the Annual Report:**  
**None.**

**IV. Other Necessary Additional Information: None.**



## V. Any Material Differences from the Rules of Taiwan, China in Relation to the Protection of Shareholders' Equity

Important Matters for the Protection of Shareholders' Rights and Interests	Related articles of 《Company Act》 or 《Securities and Exchange Act》	Article of Association	Regulations & Difference
<b>II. Convening Procedures and Resolutions of Shareholders' Meetings</b>			
<p>1. Regular meeting of shareholders should be held at least once every year. The regular meeting of shareholders referred to in the preceding Paragraph shall be convened within six months after close of each fiscal year. A shareholders meeting shall be convened by the Board of Directors.</p> <p>2. A company may explicitly provide for in its Articles of Incorporation that its shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.</p> <p>3. In case a shareholders' meeting is proceeded via visual communication network, the shareholders taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.</p> <p>4. The shareholder meeting shall be held via visual conference, and the company shall comply with the conditions, operating procedures, and other matters to be complied with in accordance with the Securities Act of ROC.</p> <p>5. The physical shareholder meeting of the company shall be held within the territory of the Republic of China. If a physical shareholder meeting is held outside the Republic of China, it shall report to the stock exchange for approval within two days after the resolution of the board of directors or the shareholder obtains the permission to</p>	<p>1. Company Act Article 170</p> <p>2. Company Act Article 172-2</p> <p>3. Company Act Article 172-1</p> <p>4. Company Act Article 173-1 &amp; 2, 173-1</p> <p>5. Company Act Article 172 and Securities and Exchange Act 26-1 &amp; 43-6</p>	<p>Article 23</p> <p>Article 25</p> <p>Article 26</p> <p>Article 29</p> <p>Article 32</p> <p>Article 33</p>	<p>The revision of the Company Act this time didn't add "The shareholder meeting shall be held via visual conference, and the company shall comply with the conditions, operating procedures, and other matters to be complied with in accordance with the Securities Act of ROC." And "The physical shareholder meeting of the company shall be held within the territory of the Republic of China. If a physical shareholder meeting is held outside the Republic of China, it shall report to the stock exchange for approval within two days after the resolution of the board of directors or</p>

<p>convene from the authority.</p> <p>6. Shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a company may propose to the company a proposal for discussion at a regular shareholders' meeting via written or electronic form. Unless where the subject (the issue) of the said proposal cannot be settled or resolved by a resolution to be adopted at a meeting of shareholders, shareholders who propose hold less than 1% of the shares, where the said proposal is submitted on a day beyond the deadline fixed and announced by the company for accepting shareholders' proposals, where the said proposal containing more than 300 words or more than one matters in a single proposal, the board of directors of the company shall include the proposal submitted by a shareholder in the list of proposals to be discussed. A shareholder proposal proposed under Paragraph One for urging a company to promote public interests or fulfill its social responsibilities may still be included in the list of proposals to be discussed at a regular meeting of shareholders by the board of directors.</p> <p>7. Any or a plural number of shareholder(s) of a company who has (have) continuously held 3% or more of the total number of outstanding shares for a period of one year or a longer time may, by filing a written proposal setting forth therein the subjects for discussion and the reasons, request the board of directors to call a special meeting of shareholders.</p> <p>If the board of directors fails to give a notice for convening a special meeting of shareholders within 15 days after the filing of the request under the preceding Paragraph, the proposing shareholder(s) may, after obtaining an approval from the competent authority, convene a special meeting of shareholders on his/their own.</p>			<p>the shareholder obtains the permission to convene from the authority" is revised.</p> <p>The article wasn't added that the shareholder meeting shall be held via visual conference, and the company shall comply with the conditions, operating procedures, and other matters to be complied with in accordance with the Securities Act of ROC because if the shareholders' meeting is held by video conference, the company shall abide by the Securities and Exchange Act, and must meet the relevant conditions, operating procedures and other matters to be complied with before holding a video conference of shareholders. This obligation of compliance does not have to be expressly stated otherwise in the Articles of Association, the</p>
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<p>8. Shareholders continuously holding 50% or more of the total number of outstanding shares of a company for a period of three months or a longer time may convene a special shareholders' meeting. The calculation of the holding period and holding number of shares in the preceding paragraph shall be based on the holding at the time of share transfer suspension date.</p> <p>9. The following matters shall be specified in the notice of a general meeting with the description of their major content, and shall not be proposed as ad hoc motions; the major content may be posted on the website designated by the Commission, the TPEx or the TWSE or the Company, and such website shall be indicated in the above notice:</p> <ul style="list-style-type: none"> <li>(a) election or discharge of Directors &amp; Supervisors.</li> <li>(b) amendments to the Memorandum of Association and/or these Articles;</li> <li>(c) capital reduction;</li> <li>(d) application for the approval of ceasing the Shares to be publicly offered;</li> <li>(e) winding-up, Merger/Consolidation or Spin-off of the Company;</li> <li>(f) entering into, amendment to, or termination of any contract for lease, management by others, or regular joint operation with others of its business in whole;</li> <li>(g) the transfer of the whole or any material part of its business or assets; and</li> <li>(h) taking over another's whole business or assets, which will have a material effect on the business operation of the Company;</li> <li>(i) carrying out a Private Placement of equity securities;</li> <li>(j) granting a waiver to the Director's non-competition obligation;</li> <li>(k) distributing part or all of its dividends or bonus by way of issuance of new Shares; and</li> <li>(l) capitalization of the Legal Reserves and</li> </ul>			<p>company shall abide by the relevant laws and regulations. In other words, Relevant laws and regulations should not be separately stipulated in the articles of Company Act. Therefore, the revision of the Company Act this time didn't add "The shareholder meeting shall be held via visual conference, and the company shall comply with the conditions, operating procedures, and other matters to be complied with in accordance with the Securities Act of ROC." There is no risk of conflict with the protection of shareholders' rights and interests.</p> <p>As for unrevised part "The physical shareholder meeting" due to regulation in Article 25 of Company Act of the Company that during listing, all shareholder meetings of the Company shall be held within the</p>
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<p>capitalization of the Capital Reserve of the Company, the Share Premium Account of the Company and/or the income from endowments received by the Company as Capital Reserve, by issuing new Shares or cash to</p> <p>(m) its existing Members in proportion to the number of Shares being held by each of them.</p>			<p>territory of the Republic of China. If board of directors resolve a physical shareholder meeting is held outside the Republic of China, the Company shall report to the stock exchange for approval within two days after the resolution of the board of directors or the shareholder obtains the permission to convene from the authority according to Article 26. From the Article, whether the company convenes a shareholders' meeting in a physical, video, or video-assisted way, in principle, it should be held within the territory of the Republic of China. When exceptionally holding a shareholders' meeting outside the Republic of China, regardless of whether it is held in a physical, video, or video-assisted way, it must be approved by the competent authority before it</p>
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			<p>can be held. This Article is stricter than 111 Annual Review Checklist for Amendments to the Protection of Shareholders' Rights and Interests of Foreign Issuers. Since the Article has included the content of 111 Annual Review Checklist for Amendments to the Protection of Shareholders' Rights and Interests of Foreign Issuers, there is no risk of conflict with the protection of shareholders' rights and interests. To sum up, there is no discrepancy between the content of the company's amendments to the Articles of Association and the protection of shareholders' rights and interests.</p>
<ol style="list-style-type: none"> <li>1. The shareholders' meeting shall adopt the electronic transmission as one of the methods for exercising the voting power. °</li> <li>2. The company whose shareholders may exercise their voting power in writing or by way of electronic transmission in a shareholders' meeting shall describe in the shareholders' meeting notice the method of exercising their voting power. A shareholder who exercises his/her/its</li> </ol>	<ol style="list-style-type: none"> <li>1. Company Act Article 177-1</li> <li>2. Company Act Article 177-2</li> </ol>	<p>Article 46 Article 47 Article 47-1 Article 48 Article 54</p>	<p>In full compliance with Checklist for the Protection of Shareholders' Rights and Interests of Registration of Foreign Issuers in the Country after revision</p>

<p>voting power at a shareholders meeting in writing or by way of electronic transmission shall be deemed to have attended the said shareholders' meeting in person , but shall be deemed to have waived his/her/its voting power in respective of any extemporary motion(s) and/or the amendment(s) to the contents of the original proposal(s) at the said shareholders' meeting.</p>			
<p>3. In case a shareholder elects to exercise his/her/its voting power in writing or by way of electronic transmission, his/her/its declaration of intention shall be served to the company two days prior to the scheduled meeting date of the shareholders' meeting, whereas if two or more declarations of the same intention are served to the company, the first declaration of such intention received shall prevail; unless an explicit statement to revoke the previous declaration is made in the declaration which comes later. In case a shareholder who has exercised his/her/its voting power in writing or by way of electronic transmission intends to attend the shareholders' meeting in person, he/she/it shall, two days prior to the meeting date of the scheduled shareholders' meeting and in the same manner previously used in exercising his/her/its voting power, serve a separate declaration of intention to rescind his/her/its previous declaration of intention made in exercising the voting power under the preceding Paragraph Two. In the absence of a timely rescission of the previous declaration of intention, the voting power exercised in writing or by way of electronic transmission shall prevail.</p>			
<p>4. In case a shareholder has exercised his/her/its voting power in writing or by</p>			

<p>way of electronic transmission, and has also authorized a proxy to attend the shareholders' meeting in his/her/its behalf, then the voting power exercised by the authorized proxy for the said shareholder shall prevail.</p> <p>5. In case a shareholder has exercised his/her/its voting power in writing or by way of electronic transmission, and has also authorized a proxy to attend the shareholders' meeting in his/her/its behalf, then the voting power exercised by the authorized proxy for the said shareholder shall prevail.</p>			
<p>1. This Company shall announce meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting.</p> <p>2. If the shareholders' meeting of the company adopts the written way of voting rights, the above-mentioned materials and the written paper shall be sent to the shareholders together.</p> <p>3. The Company shall prepare the shareholders meeting agenda and supplemental meeting materials and announce before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. If, however, the Company has the paid-in capital of NT\$2 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year,</p>	<p>1.Regulations Governing Content and Compliance Requirements for Shareholders' Meeting Agenda Handbooks of Public Companies Article 5</p> <p>2.Regulations Governing Content and Compliance Requirements for Shareholders' Meeting Agenda Handbooks of Public Companies Article 6</p>	<p>Article 28 Article 31</p>	<p>In full compliance with Checklist for the Protection of Shareholders' Rights and Interests of Registration of Foreign Issuers in the Country after revision</p>

transmission of these electronic files shall be made by 30 days before the regular shareholders meeting.			
<p>1. When a shareholders' meeting resolves any of the following matters, dissenting shareholders shall have the right to request the company to purchase their shares:</p> <p>(a) The company's split, merger, acquisition, or share exchange;</p> <p>(b) The company enters into, modifies, or terminates contracts regarding the lease of all business operations, the entrustment of business management, or joint operation with others, the transfer of all or a substantial part of business or assets, or the acquisition of all business or assets from another that significantly impacts the company's operations.</p> <p>2. Shareholders requesting the above must submit their request in writing within twenty days from the date of the shareholders' resolution, specifying the requested purchase price. If the shareholders and the company reach an agreement on the purchase price, the company shall pay the amount within ninety days from the date of the shareholders' resolution. If no agreement is reached, the company shall pay the amount it deems fair within ninety days from the resolution date to the shareholders who did not reach an agreement; if the company fails to make the payment, it is deemed to have agreed to the shareholders' requested purchase price.</p> <p>3. Shareholders who voted against or waived their voting rights at the shareholders' meeting and request the company to purchase their shares under the reason specified in subparagraph 1 of paragraph 1, if no agreement on the purchase price is reached within sixty days from the date of the shareholders' resolution, the company shall, within thirty days after the period,</p>	<p>1. Company Act Article 317 &amp; 186</p> <p>2. Business Mergers and Acquisitions Act Article 12</p>	Article 40	<p>In accordance with the Taiwan Stock Exchange's amendment announced on January 9, 2023, under reference No. 1111704301, of the 'Checklist for Shareholder Rights Protection Matters of Foreign Issuers' Home Countries,' adjustments have been made accordingly. After the amendment, the provisions comply with the revised regulations listed on the left side of the Checklist for Shareholder Rights Protection Matters of Foreign Issuers' Home Countries.</p>



<p>apply to the court for a price determination with all dissenting shareholders as counterparts and may designate the Taiwan Taipei District Court as the court of first instance.</p> <p>4. The number of shares for which voting rights are waived shall not be counted towards the total number of voting rights of the shareholders present.</p>			
III. Powers and Responsibilities of Directors			
<p>1. When a company director has a personal interest in matters discussed at a board meeting, they must disclose the key aspects of their personal interest at the meeting. In the case of company mergers and acquisitions, directors must explain the key aspects of their personal interest in the transaction as well as their reasons for supporting or opposing the merger resolution to both the board and the shareholders' meeting. The company must also include the directors' personal interests and reasons for their support or opposition to the merger resolution in the meeting notice, which can be posted on the website designated by the securities regulatory authority of the Republic of China or the company. The website address must be included in the notice.</p> <p>2. If a director's spouse, relatives within the second degree of kinship, or a company in a subordinate relationship with the director has an interest in the matters discussed at the aforementioned meeting, the director is deemed to have a personal interest in the matter.</p> <p>3. When a company director has a personal interest in matters discussed at a board meeting that could harm the company's interests, the director must abstain from voting and cannot exercise the voting rights on behalf of other directors. The resolution of the board meeting does not count the votes of directors who are</p>	<p>1. Company Act Article 206-2、206-3、206-4</p> <p>2. Business Mergers and Acquisitions Act Article 5, Item 3 &amp; Item 4</p>	Article 84	<p>In accordance with the Taiwan Stock Exchange's amendment announced on January 9, 2023, under reference No. 1111704301, of the 'Checklist for Shareholder Rights Protection Matters of Foreign Issuers' Home Countries,' adjustments have been made accordingly. After the amendment, the provisions comply with the revised regulations listed on the left side of the Checklist for Shareholder Rights Protection Matters of Foreign Issuers' Home Countries.</p>

prohibited from exercising their voting rights under these regulations in the total number of votes of directors present.			
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**VI. In the most recent year and up to the date of publication of the annual report, if there has been an event that has a significant impact on shareholders' equity or securities prices as stipulated in Subparagraph 2, Article 36, Paragraph 2 of the Securities and Exchange Act: None.**

## **Independent Auditors' Report**

Lemtech Holdings Co., Limited public notice:

### **Audit opinion**

Lemtech Holdings Co., Limited (Lemtech Holding Group) and its subsidiaries' Consolidated Balance Sheets as of December 31, 2024 and 2023, in addition to the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Statements of Cash Flows, and Notes for Consolidated Financial Statement (including a summary of significant accounting policies) from January 1 to December 31, 2024 and 2023, have been audited by the CPAs. In our opinion, the consolidated financial statements mentioned above have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," as well as the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), law and regulation reviews and their announcements recognized and announced by the Financial Supervisory Commission in all material aspects, and are considered to have reasonably expressed the consolidated financial conditions of Lemtech Holding Group and its subsidiaries as of December 31, 2024 and 2023, as well as the consolidated financial performance and consolidated cash flows from January 1 to December 31, 2024 and 2023.

### **Basis for Auditor's Opinions**

We conducted review work in accordance with the "Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants" and auditing standards, we implemented the review work. Our responsibilities required under said standards will be detailed in the paragraph about the external auditor's responsibility on auditing consolidated financial statements. We are independent of the company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other obligations under the Norm. We are convinced that we have acquired enough and appropriate audit evidence to serve as the basis of audit opinion.

## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of Lemtech Holding Group for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the consolidated financial statements of Lemtech Holding Group and its subsidiaries for the year ended December 31, 2024 are stated as follows:

### **Key Audit Matters: Revenue recognition authenticity of specific customer**

The revenue of Lemtech Holding Group includes electronic components, automotive parts, and connected fitness equipment. Since the materiality and the Statements on Auditing Standards has defaulted revenue recognition as a significant risk. Therefore, the assessment of the authenticity of sales transactions with major customers meeting certain conditions was listed as a key audit matter. For details of the revenue recognition policy, please refer to Note 4 and 25 of the consolidated financial report.

In addition to testing related internal control, our major audit procedures executed on the key audit matter are as follows.

1. Sampling check the details of sales revenue transactions of specific customer groups and the corresponding sales orders, bills of offset and receipts to confirm that sales transactions have actually occurred.
2. Confirm the authenticity of the foregoing transactions after the implementation of the balance sheet date that whether there is a major sales return and discount test and whether the return discount is reasonable.

## **Responsibility of the management and the governing body for the consolidated financial statements**

It is the management's responsibility to fairly present the consolidated financial statements in conformity with "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and IFRS, IAS, IFRIC, and SIC endorsed by the FSC, and to sustain internal controls respecting preparation of the consolidated financial statements so as to avoid material misstatements due to fraud or errors therein.

In preparing the consolidated financial statements, the responsibility of management includes assessing the company's ability to continue as a going concern, disclosing going concern related matters, as well as adopting going concern basis of accounting unless the management intends to liquidate the company or terminate the business, or has no realistic alternative but to do so.

The governing bodies of the company (including the audit committee) have the responsibility to oversee the procedures for financial reporting.

## **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatement may arise from frauds or errors. If it could be reasonably anticipated that the misstated individual amounts or aggregated sums could have influence on the economic decisions made by the users of the consolidated financial statements, they will be deemed as material.

We have utilized our professional judgment and maintained professional skepticism when exercising auditing work according to the auditing standards in the Republic of China. We also execute the following tasks:

1. Identify and assess the risks of material misstatement within the consolidated financial statements, whether due to fraud or error; design and execute countermeasures in response to those risks; and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Understand internal controls relevant to the audit in order to design appropriate audit procedures under the circumstances. However, the purpose is not to express an opinion on the effectiveness of the company's internal control.
3. Evaluate the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and relevant disclosures made by management.
4. Based on the audit evidence obtained, to conclude on the appropriateness of management's use of the going concern basis of accounting and whether a material uncertainty exists for events or conditions that may cast significant doubts on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or circumstances may cause the company to no longer continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including relevant notes), and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide governing bodies with a declaration that we have complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence, and to communicate with them on all relationships and other matters that may possibly be deemed to impair our independence (including relevant preventive measures).

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche

Taipei, Taiwan (Republic of China)

March 18, 2025

#### **Notes to Readers**

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and its cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)  
Lemtech Holdings Co., Limited and its subsidiaries  
Consolidated Balance Sheet  
December 31, 2024 and 2023

Units: NT\$1,000

Code	Total assets	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Note 6 and 34)	\$ 1,915,075	23	\$ 1,459,029	20
1136	Financial assets at amortized cost - Current (Note 7, 8, and 34)	26,000	-	210,147	3
1150	Note receivables (Note 9, 23, and 34)	113,480	1	5,181	-
1170	Account receivables (Note 9, 23, and 34)	1,662,627	20	1,464,780	20
1200	Other receivables (Note 9 and 34)	52,035	1	23,736	1
1220	Current tax assets (Note 27)	13,750	-	10,512	-
130X	Inventory (Note 10)	996,681	12	813,058	11
1460	Non-current assets held for sale (Note 11)	1,038,147	12	-	-
1410	Prepayments (Note 19)	116,024	2	82,159	1
1470	Other current assets (Note 19)	2,610	-	667	-
11XX	Total Current Assets	<u>5,936,429</u>	<u>71</u>	<u>4,069,269</u>	<u>56</u>
	Non-current assets				
1550	Investment using equity method (Note 13)	-	-	44,511	1
1600	Real estate, plant, and equipment (Note 14, 32 and 36)	1,767,026	21	1,542,958	21
1755	Right-of-use assets (Note 15)	394,897	5	324,505	4
1760	Investment property, net (Note 16)	-	-	988,452	14
1805	Goodwill (Note 17)	4,628	-	4,335	-
1821	Other intangible assets (Note 18)	12,973	-	17,779	-
1840	Deferred tax assets (Note 27)	49,114	-	37,168	1
1915	Prepayments for equipment (Note 19)	232,191	3	229,922	3
1920	Refundable deposits (Note 19 and 34)	17,268	-	10,227	-
15XX	Total Non-current Assets	<u>2,478,097</u>	<u>29</u>	<u>3,199,857</u>	<u>44</u>
1XXX	Total Assets	<u>\$ 8,414,526</u>	<u>100</u>	<u>\$ 7,269,126</u>	<u>100</u>
	Liabilities and Equity				
	Current liabilities				
2100	Short-term borrowings (Note 20 and 34)	\$ 1,026,072	12	\$ 817,712	11
2130	Contract liabilities - Current (Note 25)	93,061	1	35,549	1
2150	Note payables (Note 22 and 34)	110,012	1	118,305	2
2170	Account payables (Note 21 and 34)	1,147,255	14	892,220	12
2219	Other payables (Note 23 and 34)	459,779	6	362,605	5
2230	Current tax liabilities (Note 27)	50,077	1	9,912	-
2280	Lease liabilities (Note 15, 32 and 34)	77,796	1	65,905	1
2321	Corporate bonds payable - Current (Note 21 and 34)	-	-	17,913	-
2322	Current portion of long-term borrowings (Note 20, 34, and 36)	25,881	-	-	-
2399	Other current liabilities (Note 23)	17,805	-	20,271	-
21XX	Total Current Liabilities	<u>3,007,738</u>	<u>36</u>	<u>2,340,392</u>	<u>32</u>
	Non-current liabilities				
2540	Long-term borrowings (Note 20 and 34)	852,336	10	850,000	12
2570	Deferred tax liabilities (Note 27)	397,396	5	366,406	5
2580	Lease liabilities - Non-current (Note 15, 32 and 34)	235,014	3	182,798	3
2645	Deposited Margin (Note 34)	15,935	-	12,736	-
25XX	Total non-current liabilities	<u>1,500,681</u>	<u>18</u>	<u>1,411,940</u>	<u>20</u>
2XXX	Total Liabilities	<u>4,508,419</u>	<u>54</u>	<u>3,752,332</u>	<u>52</u>
	Equity attributable to owners of the company (Note 24)				
	Equity				
3110	Ordinary stock	621,934	7	621,928	9
3200	Capital surplus	1,463,061	17	1,462,967	20
	Retained earnings				
3320	Special reserve	59,066	1	-	-
3350	Unappropriated retained earnings	1,577,800	19	1,389,191	19
3300	Total Retained Earnings	1,636,866	20	1,389,191	19
3410	Exchange differences on translation of foreign financial statements	93,456	1	( 59,066 )	( 1 )
31XX	Equity attributable to shareholders of the parent	3,815,317	45	3,415,020	47
36XX	Non-controlling interests	90,790	1	101,774	1
3XXX	Total equity	<u>3,906,107</u>	<u>46</u>	<u>3,516,794</u>	<u>48</u>
	Total Liabilities and Equity	<u>\$ 8,414,526</u>	<u>100</u>	<u>\$ 7,269,126</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial report.

Chairman: Hsu, Chi-Feng  
Manager: Eu, Ricky  
Accounting Supervisor: Chien, Yi-Ling

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

Lemtech Holdings Co., Limited and its subsidiaries  
Consolidated Statement of Comprehensive Income  
Jan. 1 to Dec. 31, 2024 and Jan. 1 to Dec. 31, 2023

(Units: NT\$1,000, Except Earnings Per Share)

Code		2024		2023	
		Amount	%	Amount	%
	Operating revenue (Note 25 and 35)				
4110	Sales	\$ 5,862,662	101	\$ 4,734,673	102
4190	Sales returns and allowances	( 62,951)	( 1)	( 70,449)	( 2)
4000	Total operating revenue	5,799,711	100	4,664,224	100
5000	Operating cost (Note 10)	( 4,413,097)	( 76)	( 3,639,661)	( 78)
5900	Gross profit	<u>1,386,614</u>	<u>24</u>	<u>1,024,563</u>	<u>22</u>
	Operating expenses (Note 26 and 35)				
6100	Selling expenses	( 240,114)	( 4)	( 150,652)	( 3)
6200	Administrative expenses	( 373,463)	( 6)	( 337,294)	( 7)
6300	Research and development expenses	( 229,225)	( 4)	( 210,569)	( 5)
6450	Expected credit impairment loss	<u>16,272</u>	<u>-</u>	<u>2,475</u>	<u>-</u>
6000	Total operating expenses	( 826,530)	( 14)	( 696,040)	( 15)
6900	Net operating profit	<u>560,084</u>	<u>10</u>	<u>328,523</u>	<u>7</u>
	Non-operating income and expenses (Note 26)				
7100	Interest income	42,691	1	48,657	1
7010	Other income	73,098	1	67,468	1
7020	Other gains and losses	( 67,497)	( 1)	( 75,285)	( 2)
7050	Finance costs	( 73,532)	( 1)	( 63,916)	( 1)
7060	Share of profit (loss) of associates and joint ventures accounted for using the equity method	( 832)	-	( 5,877)	-
7000	Total non-operating income and expenses	( 26,072)	-	( 28,953)	( 1)

(Continued)



(Continued from previous page)

Code		2024		2023	
		Amount	%	Amount	%
7900	Net income before taxes from continuing operations	\$ 534,012	10	\$ 299,570	6
7950	Income tax expenses (Note 27)	( 104,867)	( 2)	( 25,071)	-
8200	Net profit for the period	<u>429,145</u>	<u>8</u>	<u>274,499</u>	<u>6</u>
	Other comprehensive income (loss)				
8360	Items that may be reclassified subsequently to gain or loss:				
8361	Exchange differences on translation of foreign financial statements	<u>122,288</u>	<u>2</u>	( 49,154)	( 1)
8300	Other comprehensive income/(loss) for the year, net of income tax	<u>122,288</u>	<u>2</u>	( 49,154)	( 1)
8500	Total comprehensive income	<u>\$ 551,433</u>	<u>10</u>	<u>\$ 225,345</u>	<u>5</u>
	Net income attributable to				
8610	Shareholders of the parent	\$ 401,977	7	\$ 260,095	6
8620	Non-controlling interests	<u>27,168</u>	<u>-</u>	<u>14,404</u>	<u>-</u>
8600		<u>\$ 429,145</u>	<u>7</u>	<u>\$ 274,499</u>	<u>6</u>
	Total comprehensive income (loss) attributable to				
8710	Shareholders of the parent	\$ 554,499	10	\$ 215,025	5
8720	Non-controlling interests	( 3,066)	-	<u>10,320</u>	<u>-</u>
8700		<u>\$ 551,433</u>	<u>10</u>	<u>\$ 225,345</u>	<u>5</u>
	Earnings per share (Note 27)				
	From continuing business				
9710	Basic	<u>\$ 6.46</u>		<u>\$ 4.18</u>	
9810	Diluted	<u>\$ 6.45</u>		<u>\$ 4.18</u>	

The accompanying notes are an integral part of the consolidated financial report.

Chairman: Hsu, Chi-Feng

Manager: Eu, Ricky

Accounting Supervisor: Chien, Yi-Ling

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)  
Lemtech Holdings Co., Limited and its subsidiaries  
Consolidated Statement of Changes in Equity  
Jan. 1 to Dec. 31, 2024 and Jan. 1 to Dec. 31, 2023

Units: NT\$1,000

Code		Equity attributable to owners of the Company								
		Share capital		Retained earnings			Exchange differences on translation of foreign financial statements	Total	Non-controlling interests	Total equity
		Number of shares	Amount	Capital reserve	Special reserve	Unappropriated earnings				
A1	Balance as of January 1, 2023	62,193	\$ 621,928	\$ 1,462,846	\$ -	\$ 1,215,668	( \$ 13,996 )	\$ 3,286,446	\$ 92,549	\$ 3,378,995
B5	Appropriation of earnings Cash dividend attributable to shareholders	-	-	-	-	( 86,572 )	-	( 86,572 )	-	( 86,572 )
O1	Other changes in capital surplus Non-controlling interests	-	-	121	-	-	-	121	( 1,095 )	( 974 )
D1	2023 Net Profit	-	-	-	-	260,095	-	260,095	14,404	274,499
D3	2023 Other Comprehensive Income (Loss) after tax	-	-	-	-	-	( 45,070 )	( 45,070 )	( 4,084 )	( 49,154 )
D5	Total comprehensive income (loss) in 2023	-	-	-	-	260,095	( 45,070 )	215,025	10,320	225,345
Z1	Balance as of December 31, 2023	62,193	621,928	1,462,967	-	1,389,191	( 59,066 )	3,415,020	101,774	3,516,794
B3	Appropriation of earnings Special reserve	-	-	-	59,066	( 59,066 )	-	-	-	-
B5	Cash dividend attributable to shareholders	-	-	-	-	( 154,302 )	-	( 154,302 )	-	( 154,302 )
I1	Conversion of convertible bonds	-	6	94	-	-	-	100	-	100
M3	Disposals of subsidiaries	-	-	-	-	-	-	-	( 7,918 )	( 7,918 )
D1	2024 Net profit	-	-	-	-	401,977	-	401,977	27,168	429,145
D3	2024 other comprehensive income after tax	-	-	-	-	-	152,522	152,522	( 30,234 )	122,288
D5	2024 total comprehensive profit and loss	-	-	-	-	401,977	152,522	554,499	( 3,066 )	551,433
Z1	Balance as of December 31, 2024	62,193	\$ 621,934	\$ 1,463,061	\$ 59,066	\$ 1,577,800	\$ 93,456	\$ 3,815,317	\$ 90,790	\$ 3,906,107

The accompanying notes are an integral part of the consolidated financial report.

Chairman: Hsu, Chi-Feng  
Manager: Eu, Ricky  
Accounting Supervisor: Chien, Yi-Ling

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

Lemtech Holdings Co., Limited and its subsidiaries

Consolidated Statement of Cash Flows

Jan. 1 to Dec. 31, 2024 and Jan. 1 to Dec. 31, 2023

Units: NT\$1,000

Code		2024	2023
	Cash flows from operating activities		
A10000	Net income before tax of the current year	\$ 534,012	\$ 299,570
A20010	Income Charges (Credits):		
A20100	Depreciation expenses	414,642	346,361
A20200	Amortization expense	7,867	14,233
A20300	Gain on reversal of expected credit loss	( 16,272 )	( 2,475 )
A20400	Financial assets and liabilities measured at fair value through profit and loss	-	( 2,015 )
A20900	Finance costs	73,532	63,916
A21200	Interest income	( 42,691 )	( 48,657 )
A22300	Share of profit (loss) of associates and joint ventures accounted for using the equity method	832	5,877
A22900	Gain on lease modification	-	( 5 )
A22500	Gains on disposal of real estate, plant, and equipment	2,756	3,542
A23200	Loss on disposal of investments accounted for using equity method	10,538	-
A23700	Goodwill impairment loss	-	68,155
A23700	Allowance for inventories	1,046	7,997
A24100	Net loss (gain) on foreign currency exchange	( 9,392 )	20,223
A23700	Impairment loss of property, plant and equipment	4,809	-
A29900	Loss on disposal of subsidiaries	23,116	-
A29900	Impairment loss of investments accounted for using equity method	8,610	-
A24200	Loss from redemption and reversal of corporate bonds payables	-	9,509
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	( 108,369 )	( 3,638 )
A31150	Accounts receivable	( 215,578 )	405,062
A31180	Other receivables	( 76 )	( 1,045 )
A31200	Inventories	( 190,423 )	104,663
A31230	Prepayments	( 37,113 )	658
A31240	Other current assets	( 1,943 )	4,734
A32125	Contract liabilities	57,512	( 19,303 )
A32130	Notes payable	( 8,293 )	( 71,007 )
A32150	Accounts payable	262,454	50,324
A32180	Other payables	10,750	21,421
A32230	Other current liabilities	( 2,348 )	3,222
A33000	Cash from operating activities	779,978	1,281,322
A33300	Interest paid	( 62,693 )	( 40,821 )
A33500	Income tax paid	( 60,410 )	( 116,077 )
AAAA	Net cash flows from operating activities	656,875	1,124,424

(Continued)

(Continued from previous page)

Code		2024	2023
	Cash flows from investing activities		
B00050	Disposal of financial assets at amortized cost	\$ 184,147	\$ 94,247
B00200	Disposal of financial assets at fair value through profit or loss	-	130,056
B02700	Purchase of real estate, plant, and equipment	( 466,464 )	( 472,311 )
B02800	Disposal of real estate, plant, and equipment	16,317	2,200
B03700	Refundable deposits paid	( 8,443 )	( 767 )
B04500	Purchase of intangible asset	( 2,570 )	( 5,687 )
B01900	Net cash inflows from disposal of associates	27,988	-
B07100	Increase Prepayments for business facilities	( 89,983 )	( 108,723 )
B06100	Decrease in long-term lease and installment receivables	-	1,978
B07500	Interest received	42,691	48,638
B02300	Net cash outflows from disposal of subsidiaries	( 6,684 )	-
BBBB	Net cash generated from/(used in) investing activities	( 303,001 )	( 310,369 )
	Cash flows from financing activities		
C00100	Increases in short-term borrowings	208,360	42,938
C01300	Repayments of bonds	( 18,000 )	( 1,589,825 )
C01600	Guarantee deposits received	28,217	850,000
C03000	Guarantee deposits received return	3,199	166
C04020	Cash payments for the principal portion of the lease liability	( 87,313 )	( 77,974 )
C05400	Acquisition of ownership interests in subsidiaries	-	( 974 )
C04500	Dividend paid to shareholders	( 108,218 )	( 32,182 )
CCCC	Net cash inflow (outflows) from fundraising activities	26,245	( 807,851 )
DDDD	Effect of exchange rate changes on cash and cash equivalents	75,927	( 24,866 )
EEEE	Net increase (decrease) in cash and cash equivalents	456,046	( 18,662 )
E00100	Cash and cash equivalents at beginning of year	1,459,029	1,477,691
E00200	Cash and cash equivalents at end of year	\$ 1,915,075	\$ 1,459,029

The accompanying notes are an integral part of the consolidated financial report.

Chairman: Hsu, Chi-Feng

Manager: Eu, Ricky

Accounting Supervisor: Chien, Yi-Ling

Lemtech Holdings Co., Limited and its subsidiaries  
Notes to the Consolidated Financial Statements  
For the Years Ended December 31, 2024 and 2023  
(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

I. Company History

Lemtech Holdings Co., Limited (hereinafter referred to as "the company") was established in the British Cayman Islands in September 2009. It was founded during organizational restructuring mainly to apply for registration with the Taipei Exchange to facilitate stock trading. After the restructuring, the company became the controlling company of Lemtech Global Solution Co. Ltd. (hereinafter referred to as "Global Solution"), and obtained shares of Global Solution at a conversion ratio of 24.99: 1. The company, Global Solution and its subsidiaries (hereinafter referred to as the "consolidated company") mainly engaged in the production and design of various types of fine blanking die, non-metal die-casting toolings, computer connectors, computer cooling modules and other new electronic plug-ins and the sales of self-produced products. The company's stock has been traded in the Taipei Exchange since Apr. 29, 2011, and it was listed and traded in the Taiwan Stock Exchange Corporation since May 21, 2015.

The company's functional currency is New Taiwan Dollars.

II. Approval Date and Procedures of the Financial Statements

The Consolidated Financial Statements have been approved by the Board of Directors on March 4, 2025.

III. Application of New and Amended Standards and Interpretations

(I) The first application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations (IFRIC), and Interpretations Committee (SIC) approved and issued by the Financial Supervisory Commission (hereinafter referred to as the "FSC") and effective. These standards are collectively referred to as "IFRS accounting standards."

The application of the revised IFRS accounting standards approved and issued by the FSC, which are effective, will not result in significant changes to the accounting policies of the consolidated company:

(II) The IFRS accounting standards approved by the FSC and applicable in the year 2025 are:

Newly issued/amended/revised standards and interpretations	Effective dates issued by the IASB
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 1)
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments", amendments to application guidance regarding classification of financial assets	January 1, 2026 (Note 2)

Note 1: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. It is permitted to apply these amendments for an earlier period beginning on January 1, 2025. An entity shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.

1. Amendments to IAS 21 “Lack of Exchangeability”

The amendments specify that a currency is considered exchangeable when an entity can exchange on currency for another through a transaction with an enforceable right and obligation established by the market or exchange mechanism within a normal administrative delay. When a currency is not exchangeable as of the measurement date, the consolidated company shall estimate the spot exchange rate to reflect the rate that market participants would use in an orderly transaction on the measurement date, considering the prevailing economic conditions. In such cases, the consolidated company shall also disclose information that enables financial statement users to assess how the lack of exchangeability affects or is expected to affect its operating performances, financial position, and cash flows.

2. Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”, amendments to application guidance regarding classification of financial assets

The amendments primarily amend the requirements for the classification of financial assets, which include:

- (1) If a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if,
  - In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and
  - In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.
- (2) The amendments address that a financial asset has non-recourse features if an entity’s contractual right to receive cash flows is limited to the cash flows generated by specified assets.
- (3) The amendments clarify that the prioritization of payments of contractually linked instruments to holders of these tranches is established through a waterfall payments structure. That payment structure creates concentration of credit risk and result in a disproportionate allocation of losses between the holders of different tranches.

The consolidated company is assessing whether to apply the amendments earlier.

(III) IFRS accounting standards issued by the IASB but not yet approved and effective by the FSC:

Newly issued/amended/revised standards and interpretations	Effective dates issued by the IASB (Note 1)
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments,” amendments associated with application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
Amendments to IFRS 17 “Insurance Contract”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability”	January 1, 2027

Note 1: Unless otherwise specified, the above newly issued/amended/revised standards or interpretations are effective for annual reporting periods beginning on or after the respective dates.

1. Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

The amendments stipulate that under the condition that the consolidated company sells or contribute assets to an associate (or a joint venture) or the consolidated company lost control over a subsidiary in a transaction with an associate (or a joint control), but retains significant influence over (or joint control of) a subsidiary, if the aforementioned asset or former subsidiary constitutes a business, as defined in IFRS 3, the consolidated company shall recognize all the gain or loss resulting from the transaction.

In addition, under the condition that the consolidated company sells or contribute assets to an associate (or a joint venture) or the consolidated company lost control over a subsidiary in a transaction with an associate (or a joint control), but retains significant influence over (or joint control of) a subsidiary, if the aforementioned asset or former subsidiary does not constitute a business, as defined in IFRS 3, gain or loss is recognized only to the extent of the unrelated investors’ interests in the associate (or joint venture). That is, the share of gain or loss attributable to the consolidated company shall be eliminated.

2. IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 “Presentation and Disclosure in Financial Statements” will replace IAS 1 “Presentation of Financial Statements”. The primary changes include:

- Items in the statement of profit or loss will need to be classified into categories: operating, investing, financing, income taxes and discontinued operations.
  - Operating profit or loss, profit or loss before financing and income taxes, and subtotal and total of profit or loss shall be presented in the statements of profit or loss.
  - Providing enhanced guidance on the principles of aggregation and disaggregation: the consolidated company shall identify assets, liabilities, equity, income, expenses, and cash flows from single transactions or other matters, and group and aggregate based on shared characteristics, to make each line item of the primary financial statements with at least one similar characteristic. Items with different characteristics shall be disaggregated in the primary financial statements and notes. Only if the consolidated company is unable to find a more informative name, the item may be labelled as “others.”
  - New disclosure requirements for management-defined performance measures (MPMs): the consolidated company shall disclose the information related to management-defined performance measures in a single note in the financial statements, including descriptions to the measures, how to calculate, a reconciliation between the MPMs and the most similar specified subtotal in IFRS Accounting Standards, and the effects on income taxes and non-controlling interests arising from relevant reconciliation items. when making public communications outside the financial statements, and communicating an aspect of the financial performance of the consolidated company as a whole.
3. Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments,” amendments associated with application guidance of derecognition of financial liabilities
- The amendments primarily address that an entity is permitted to deem a financial liability that will be settled with cash using an electronic payment system to be discharged before the settlement date, if and only if,
- the entity has no ability to withdraw, stop or cancel the payment instruction;
  - the entity has no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
  - the settlement risk associated with the electronic payments system is insignificant.

The consolidated company shall apply the amendments retrospectively, but the financial statements of the comparable period shall not be restated, and recognize the effects arising from the date of first-time adoption.

As of the date of issuance of these consolidated financial statements, the consolidated company continues to evaluate the impact of amendments to other standards and interpretations on the financial position and financial performance. Relevant impacts will be disclosed upon completion of the assessment.

#### IV. Summary of Significant Accounting Policies

##### (I) Statement of Compliance

The Consolidated Financial Report was formulated in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs endorsed by the IFRS accounting standards that have entered into effect.

##### (II) Basis of Preparation

The consolidated financial reports were prepared on a historical cost basis, except for financial instruments measured at fair value.



The fair value measurement is classified into 3 levels based on the observability and importance of related input:

1. Level 1 inputs: Quoted (unadjusted) prices of identical assets or liabilities obtainable in active markets on the measurement date.
2. Level 2 inputs: Inputs, other than quoted market prices within level 1, that are observable directly (i.e. the price) or indirectly (deduced from the price) for the assets or liabilities.
3. Level 3 inputs: Unobservable inputs for the assets or liabilities.

### (III) Classification of current and non-current assets and liabilities

Current assets include:

1. Assets held primarily for the purpose of trading;
2. Assets expected to be realized within 12 months after the balance sheet date; and
3. Cash and cash equivalent (excluding assets restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date).

Current liabilities include:

1. Liabilities held primarily for the purpose of trading;
2. Liabilities to be settled within 12 months after the balance sheet date; and
3. The consolidated company does not have the substantive right at the balance sheet date to defer settlement of the liability for at least twelve months after the balance sheet date

The company shall classify all other assets or liabilities that are not specified above as non-current.

### (IV) Basis of Consolidation

The Consolidated Financial Report includes the financial reports of the company and its wholly owned subsidiaries. Income and expenses of subsidiaries acquired or disposed of are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. The financial reports of subsidiaries have been reorganized to bring uniformity in their accounting policies and those of the consolidated company. In the Consolidated Financial Report, all intercompany transactions, account balances, income and expenses between the entities have been offset. A subsidiary's total comprehensive income is attributed to the shareholders of the company and non-controlling interests, even if non-controlling interests become deficit balance in the process.

When a change is effected in the ownership of the subsidiary, the consolidated company does not lose control of it, and it will be treated as equity transaction. The carrying amounts of the consolidated company and its non-controlling interests have been adjusted to reflect the relative changes in the interest of the subsidiaries. The difference between the adjusted amount in non-controlling interest and the fair value of consideration will be considered as interest belonging to the owners of the company.

Please refer to Note 12 and Attachment 6 and 7 for details, shareholding ratio, and operations of subsidiaries.

### (V) Foreign currencies

In preparing each individual financial statement, transactions denominated in a currency other than the entity's functional currency (i.e. foreign currency) are translated into the

entity's functional currency by using the exchange rate at the date of the transaction before they are recorded by each entity.

Monetary items denominated in foreign currencies are translated at the closing rates on the balance sheet date. Exchange differences arising on the settlement or on translating of monetary items are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. The resulting exchange difference is recognized in gain or loss. For items whose changes in fair value are recognized in other comprehensive income, the resulting exchange difference is recognized in other comprehensive income.

Non-monetary items measured at historical cost that are denominated in foreign currencies are translated at the rates of exchange prevailing on the transaction dates and are not re-translated.

In the preparation of the consolidated financial statements, the assets and liabilities of foreign operations (including subsidiaries, affiliated companies, and branch office that operate in a country or currency different from the Company) are translated into the New Taiwan dollar at the closing rate of exchange prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Where exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity and attributed to the proprietors of the company and non-controlling interests as appropriate.

#### (VI) Inventories

Inventories include raw materials, work in progress and finished goods. The value of inventory shall be determined based on the cost and Net Realizable Value (NRV), whichever is lower. With the exception of inventory of the same category, individual items shall be assessed when comparing the cost and NRV. The NRV is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. Cost of inventory is calculated using weighted-average method.

#### (VII) Investment in the affiliates

Affiliates are entities over which the consolidated company has significant influence but they are neither subsidiaries nor joint ventures.

The consolidated company follows equity method for investment in affiliates.

Under the equity method, the investment on affiliates is initially recognized at cost and adjusted thereafter for the post-acquisition change in the investor's interest in gain and loss, shares in other comprehensive income and profit distribution by the affiliates. Also, the consolidated company's interest in affiliates and joint ventures are recognized in accordance with the shareholding ratio.

Any excess of acquisition cost over the consolidated company's share of an affiliate's or a joint venture's identifiable assets and liabilities measured at the fair value on the date of acquisition is recognized as goodwill. Goodwill shall be included in the carrying amount of the investment but not allowed for amortization. If the consolidated company's share of the net fair value of the identifiable assets and liabilities exceeds acquisition cost, the excessive amount is recognized immediately in gain or loss.

When the consolidated company's share of loss derived from the investment of an affiliate equals or exceeds the consolidated company's interest (including the carrying amount of the investment and other long-term substantial interests in the affiliate's net asset in proportion to ownership percentage), the consolidated company shall cease recognizing losses further. The consolidated company only recognizes extra losses and liabilities to the extent that there is a legal obligation, constructive obligation, or payment on behalf of an affiliate.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount (higher of the value in use and fair value less costs to sell) with its carrying amount. Any impairment loss will not be recognized as a charge against the carrying amount of an investment (including goodwill). Any reversal of the impairment loss shall be recognized after subsequent increases in the recoverable amount of investment.

Gain or loss in upstream and downstream transactions between the consolidated company and the affiliates or transactions between investees needs to be shown in the Consolidated Financial Report when not affecting the interests of the consolidated company or the affiliate.

(VIII) Property, Plant and Equipment

Property, Plant and Equipment are recognized at cost and subsequently measured at cost less accumulated depreciation and impairment.

Property, Plant and Equipment under construction are recognized at cost less accumulated impairment. The cost shall include professional service expenses and the cost of loans eligible for capitalization. Such assets shall be classified into appropriate Property, Plant and Equipment categories upon completion and reaching the expected use status and the depreciation shall begin.

Except that the depreciation of own land is not mentioned, the depreciation of real estate, plant, and equipment in its useful life is made on a straight-line basis for each major part/component separately. The consolidated company must conduct at least one annual review at the end of each year to assess the estimated useful life, residual value, and depreciation methods and infer the effect of changes in accounting estimates.

When derecognizing Property, Plant and Equipment, the difference between the net disposal proceeds and the carrying amount of the asset shall be recognized in gain or loss.

(IX) Investment property

Investment property refers to real estate held for the purpose of earning rent or capital appreciation or both. Investment property also includes land held for which the future use has not yet been determined.

Owned investment property is initially measured at cost (including transaction costs), and subsequently measured at the cost after deducting accumulated depreciation and accumulated impairment losses.

All investment property is depreciated on a straight-line basis.

When investment property is delisted, the difference between the net disposal price and the book value of the asset is recognized in profit or loss.

(X) Goodwill

The value of goodwill received through business combination has to be shown as the amount

of goodwill recognized on the acquisition date and subsequently evaluated as cost less accumulated impairment loss.

To evaluate impairment, the goodwill is distributed among various cash-generating units or cash-generating groups which the consolidated company hopes to derive benefit from the overall performance after business combination (hereinafter referred to as the "cash-generating units").

The cash-generating units that were allocated the goodwill will compare the unit's carrying amount and its recoverable amount including goodwill every year (and whenever there are signs of impairment) to evaluate the impairment of the unit. If the goodwill was obtained by the cash-generating unit through a business combination in the current year, an impairment test is to be conducted prior to the end of the current year. If the recoverable amount of the cash-generating unit that received goodwill is lower than the carrying amount, the loss on impairment is added to the carrying cost of the unit that got goodwill allocation. The proportion of reduction in other carrying amounts of assets in the unit will be used to reduce the carrying cost of such asset. Any impairment loss is recognized directly as loss in the current period. Loss in impairment of goodwill cannot be reversed subsequently.

When disposing of a certain operation within the cash-generating unit with amortized goodwill, the amount of goodwill related to the disposed operations is included in the carrying amount of the operations to determine the disposal of gain or loss.

#### (XI) Intangible assets

##### 1. Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and loss. Amortization is recognized using the straight-line method. The consolidated company must conduct at least one annual review at the end of each year to assess the estimated useful life, residual value, and depreciation methods and infer the effect of changes in accounting estimates.

##### 2. Acquisition from business combinations

Intangible assets acquired in a business combination are recognized at fair value at the acquisition date, with goodwill recognized separately and are subsequently measured the same separately as intangible assets acquired separately.

##### 3. Derecognition

When derecognition of an intangible asset, the difference between the net proceeds of disposal and the carrying amount of the asset is recognized in gain or loss for the period.

#### (XII) Impairment of real estate, plant, and equipment, right-of-use assets, investment property, intangible assets (excluding goodwill), and contract costs

On each balance sheet date, the Group reviews the carrying amounts of real estate, plant, and equipment, right-of-use assets, investment property, intangible assets (excluding goodwill), to determine whether there is any indication that those assets have suffered an impairment loss. If there is any sign of impairment, an estimate is made of its recoverable amount. If it is not possible to determine the recoverable amount of an individual asset, the consolidated company must determine the recoverable amount for the asset's cash-

generating unit.

The recoverable amount is the fair value minus cost of sales or its value in use, whichever is higher. If the individual asset or recoverable amount of the cash generating unit is lower than the carrying amount, the carrying amount of the asset or of the cash generating unit will be reduced to the extent of recoverable amount and the impairment loss will be recognized in gain or loss.

The amount of impairment loss on inventories, real estate, plant and equipment and intangible assets recognized due to customer contracts shall be recognized, firstly, in accordance with rules governing the impairment of inventory and the above rules governing the recognition of impairment. Secondly, where the carrying amount of the contract cost relevant assets exceeds the sum of the estimated balance that the relevant product or service is expected to be received minus relevant costs, such amount shall be recognized as impairment loss. Subsequently, the carrying amount of the contract cost relevant assets shall be accounted for in the cash-generating unit in which they belong in order to conduct impairment assessment on the cash-generating unit.

When the impairment loss is subsequently reversed, the carrying amount of an asset, the cash generating unit, or the contract cost-related asset is reversed to the extent does not exceed the carrying amount (minus amortization or depreciation) of the asset, cash generating unit, or contract cost-related asset that had not been impaired in the previous years. The reversed impairment loss will be recognized in gain or loss.

(XIII) Non-current assets held for sale

The consolidated company classifies a non-current asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset must be available for immediate sale in its present condition, and its sale must be highly probable. For the sale to be highly probable, the appropriate level of management must be committed to a plan to sell the asset, and the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification.

The consolidated measures a non-current asset classified as held for sale at the lower of its carrying amount and fair value less costs to sell, and the depreciation on such assets ceases.

(XIV) Financial instruments

Financial assets and liabilities will be recognized in the balance sheet when the consolidated company becomes a party to the contract of financial instrument.

When recognizing the original financial assets and liabilities, if they are not measured at fair value through profit or loss, it is assessed based on the fair value plus the cost of transaction, that is, of its acquisition or issuance of the financial assets or financial liabilities. The transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities at fair value through profit or loss shall be immediately recognized in profit and loss.

1. Financial assets

Regular trading of financial assets shall be recognized and derecognized in accordance

with trade date accounting.

(1) Measurement types

Financial assets held by the consolidated company are classified as financial assets at fair value through profit or loss and the financial assets at amortized cost.

A. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets mandatorily measured at fair value through profit or loss and financial assets designated as at fair value through profit or loss. Such assets include investments in equity instruments that are not designated by the consolidated company to be measured at fair value through other comprehensive income and investments in debt instruments that fail to meet the criteria as to be measured at amortized cost or at fair value through other comprehensive income.

Financial assets are designated as measured at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency.

Such assets are measured at fair value, their interest and remeasurement benefits or losses are recognized in other profits and losses. Please refer to Note 34 for the methods for determining fair values.

B. Financial assets at amortized cost

When the consolidated company's investments in financial assets satisfy the following two conditions simultaneously, they are classified as financial assets measured at amortized cost:

- a. Financial assets are under a business model whose purpose is to hold financial assets and collect contractual cash flows; and
- b. The terms of the contract generate a cash flow on a specified date that is solely for the payment of interest on the principal and the amount of principal outstanding.

Subsequent to initial recognition, such assets (including cash and cash equivalents, note receivables, accounts receivable, other receivables, finance lease receivables, and refundable deposits that are measured at amortized cost) are measured at the amortized cost equal to the gross carrying amount as determined using the effective interest method less any impairment loss; any foreign exchange gain or loss arising therefrom is recognized in profit or loss. Except for the following two circumstances, interest revenue is calculated at the value of effective interest rate times the gross carrying amount of financial assets:

- a. For purchased or originated credit-impaired financial assets, interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial assets.
- b. Financial assets that are not credit impairment from purchases or at the time of founding but subsequently become credit impairments shall be calculated

by multiplying the effective interest rate in the reporting period after the credit impairment by the cost after the amortization of financial assets.

Cash equivalents include fixed deposits obtained within three months with high liquidity and relatively low price changes convertible to cash at any time.

They are used for meeting short-term cash commitments.

(2) Impairment of financial assets and contract assets

On each balance sheet date, the consolidated company assesses the impairment loss of financial assets (including accounts receivable), and finance lease receivables measured at amortized cost based on expected credit losses.

Loss allowance shall be recognized for accounts receivable based on lifetime expected credit losses. Other financial assets are first assessed based on whether the credit risk has increased significantly since the original recognition. If there is no significant increase in risks, an allowance for expected credit loss shall be recognized based on a 12-month period. If the risks have increased significantly, loss allowance shall be recognized in the lifetime of such assets.

The expected credit loss is the weighted average credit loss determined by the risk of default. The 12-month expected credit losses represent the expected credit losses from possible defaults of the financial instrument within 12 months after the reporting date. The lifetime expected credit losses represent the expected credit losses from all possible defaults of the financial instrument during the expected period of existence.

For the purpose of internal credit risk management, without consideration of the collateral held, the consolidated company shall determine that a default of financial instrument has occurred if one of the following applies:

- A. Internal or external information indicates that it is not possible for the debtor to settle the debt.
- B. Overdue for more than one year, unless there is reasonable evidence showing that a delayed basis of default is more appropriate.
- C. The impairment loss of all financial assets is accrued from their carrying amount based on the allowance account. However, the allowance for the investment in the debt instruments measured at fair value through other comprehensive income is recognized in other comprehensive income and shall not reduce its carrying amount.

(3) Derecognition of financial assets

The consolidated company may only derecognize the financial assets when the contractual rights to the cash flow from the asset expire or when the company transfers all the risks and rewards of ownership of the financial assets to other enterprises substantially.

On derecognition of a financial asset measured at amortized cost in its entirety, the difference between the carrying amount and the sum of the consideration received is recognized in gain or loss. On derecognition of debt instruments measured at fair value through other comprehensive income in its entirety, the difference between

the financial asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss. When the equity instrument investment measured at fair value through other comprehensive profits and losses is derecognized as a whole, the cumulative profit or loss is directly transferred to retained earnings and not reclassified to profit or loss.

## 2. Financial liabilities

### (1) Subsequent measurement

All financial liabilities are measured at amortized cost, using the effective interest method, except for:

#### Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities at fair value through profit or loss are designated as measured at fair value through profit or loss.

The consolidated company designated the financial liabilities as being measured at fair value through profit or loss in the original recognition in the following cases:

- A. it eliminates or significantly reduces a measurement or recognition inconsistency; or
- B. a group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the investment is provided internally on that basis to the key management personnel.
- C. Designate the overall mixed (combined) contract containing one or more embedded derivatives.

Once designated as financial liabilities at fair value through profit or loss, its amount of changes in fair value due to changes in credit risk is recognized in other comprehensive income, and will not be reclassified to profit or loss, will only be reclassified to retained earnings when derecognizing such financial liabilities. Except for the interest accrued, which is recognized in financial costs, the changes in the fair value of such liability are reported in other gains and losses. However, if change in fair value due to credit risk is recognized in other comprehensive income, its will cause or worsen the accounting mismatch, then such changes in fair value of the liability in its entirety shall be fully recognized in gain or loss.

Please refer to Note 34 for the methods for determining fair values.

### (2) Derecognition of financial liabilities

When derecognizing financial liabilities, the difference between its carrying amount and the paid consideration (including any transferred non-cash assets or liabilities assumed) shall be recognized in gain or loss.

## 3. Convertible bonds

Compound financial instruments issued by the consolidated company (convertible bonds) are classified separately as financial liabilities and equity in accordance with the substance of contractual arrangements and the definitions of a financial liability and an



equity instrument.

On initial recognition, fair value of the liability component is calculated by using the prevailing market interest rate of similar non-convertible instruments. This amount is recorded as a liability amortized at effective interest method until extinguished upon conversion or the instrument's maturity date. The liability component of an embedded derivative instrument is measured at fair value.

Conversion option is the equity component of a compound financial instrument which is measured at the amount of the fair value of the overall compound instrument deducted by the fair value of the liability component. The amount of the conversion option net of tax is recognized as equity so is not subsequently remeasured. When the conversion option is exercised, the associated liability component and the amounts recognized in equity are transferred to share capital and reserves – premium. If the conversion option of convertible bonds remains unexercised at the maturity date, the amount recognized in equity will be transferred to capital surplus – premium.

Transaction costs that relate to the issuance of the convertible bonds are divided into liability (list the carrying amount of liability) and equity (list in equity) components and in proportion to the respective values of the liability and equity components of the overall instrument.

#### 4. Derivatives

The derivative instruments signed by the consolidated company are structured time deposits, which are for managing its exposure to interest rate risks and foreign exchange rate risks.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. When the fair value of derivative financial instruments is positive, the derivative is recognized as a financial asset; when the fair value of derivative financial instruments is negative, the derivative is recognized as a financial liability.

If derivatives are embedded in the asset master contract within the scope of IFRS 9, the classification of financial assets is determined by the overall contract. If derivatives are embedded in an asset master contract that is not in the scope of IFRS 9 (e.g., embedded in the master contract of financial liabilities), and if the derivatives embedded meet the definition of a derivative of which their risks and characteristics are not closely related to those of the master contract, and the contracts are not measured at fair value through profit or loss, the derivatives are recognized as separate derivatives.

#### (XV) Revenue Recognition

After the consolidated company identifies its performance obligations in contracts with customers, it shall amortize the transaction costs to each obligation in the contract and recognize revenue upon satisfaction of performance obligations.

Revenue from sales of goods

Revenue is derived from the sales of electronic components, automotive components and connected fitness equipment. Because the customer has the right to use the product when the product is sold, and bears the risk of loss or damage to the product, the consolidated company recognizes the revenue and accounts receivable at that point.

#### (XVI) Leases

The consolidated company assesses whether a contract is (or contains) a lease on the execution date of the contract.

##### 1. The consolidated company is a lessor

Leases in which the lessee assumes substantially all of the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases.

When the consolidated company subleases the right-of-use asset, it determines the classification of the sublease by the right-of-use asset (not the underlying asset). However, if the main lease is a short-term lease where the recognition exemption is applicable for the consolidated company, the sublease is classified as an operating lease. Under finance leases, lease payments are fixed payments. Net lease investment is measured as the sum of the present value of lease receivables and unguaranteed residual value plus the original direct cost and expressed as finance lease receivable. Financing income is allocated to each accounting period to reflect the fixed rate of return on the unexpired net lease investment of the consolidated company in each period.

##### 2. The consolidated company is Lessee

A right-of-use asset and a lease liability are recognized for all leases at the inception date of such leases, except for leases qualified for recognition exemption, e.g. leases with low-value underlying assets and short-term leases, for which an expense is recognized on a straight-line basis over the lease term.

The right-of-use asset is initially measured at cost (including the original measured amount of the lease liability,) and subsequently measured at cost minus the accumulated depreciation and the accumulated impairment loss and adjusted for the remeasurement of the lease liability. Right-of-use assets are expressed separately in the consolidated balance sheet.

A right-of-use asset is depreciated on a straight-line basis over the period from the lease commencement date to the end of its useful lives, or to the end of the lease term, whichever is earlier.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments and in-substance fixed payments. If the interest rate implicit in a lease can be easily determined, the lease payment is discounted at the interest rate. If the interest rate cannot be easily determined, the lessee's incremental borrowing rate of interest shall be used.

Subsequently, lease liabilities are measured at the amortized cost using the effective interest rate method, and interest expense is amortized over the lease term. In the case that future lease payments change as a result of a change in the lease term, the consolidated company remeasures the lease liability and correspondingly adjusts the

right-of-use asset, except in the case when the carrying amount of the right-of-use asset has reduced to zero, in which case any residual remeasured amount shall be recognized in gain or loss. Lease liabilities are expressed separately in the consolidated balance sheet.

(XVII) Government subsidies

Government subsidies are only recognized when they can be reasonably assured that the consolidated company will comply with the conditions imposed by government subsidies and that such subsidies will be recognized when received.

If the government subsidy is used to compensate fees or losses that had occurred, or is given to the consolidated company for the purpose of immediate financial support without related future costs, it can be recognized as income within the collectible period.

(XVIII) Cost of Borrowing

The cost of borrowing directly attributable to the acquisition, construction, or production of qualifying assets is recognized as part of the cost of those assets until virtually all necessary activities to prepare the asset for its intended use or sale have been completed. Specific borrowings, if any, that are temporarily invested in investments generating investment income prior to the occurrence of qualifying capital expenditures, are deducted from the borrowing cost eligible for capitalization.

All other borrowing costs, excluding those mentioned above, are recognized in profit or loss in the period in which they are incurred.

(XIX) Employee benefits

1. Short-term employee benefits

Related liabilities for short-term employee benefits are measured by the non-discounted amount expected to be paid in exchange for employee services.

2. Benefits after retirement

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

(XX) Income tax

Income tax expenses are the sum of current income tax and deferred income tax.

1. Current income tax

The Group determines the current income (loss) in accordance with the laws and regulations established by each income tax jurisdiction, and calculates the income tax payable (recoverable) on such basis.

A tax is levied on the unappropriated earnings pursuant to the Income Tax Act and is recorded as an income tax expense in the year when the shareholders' meeting resolves to appropriate the earnings.

Adjustments to income tax payable from previous years are recognized in the income tax of current year.

2. Deferred income tax

Deferred income tax is calculated based on the temporary difference between the carrying amount of the assets and liabilities and the taxable basis of the taxable

income.

Deferred income tax liabilities are generally recognized for all taxable temporary differences and deferred income tax assets are recognized when there are likely to be taxable income for the deductible temporary differences or the carryforward of unused tax losses.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and affiliates, except where the consolidated company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of the deferred income tax assets is re-examined at each balance sheet date and the carrying amount is reduced for assets that are no longer likely to generate sufficient taxable income to recover all or part of the assets. Assets that have not been recognized as deferred income tax assets are re-examined at each balance sheet date and the carrying amount is increased for assets that are likely to generate sufficient taxable income to recover all or part of the assets.

Deferred income tax assets and liabilities are measured at the tax rate of the period of expected repayment of liabilities or realization of assets. The rate is based on the tax rate and tax laws that have been enacted prior to the balance sheet date or have been substantially legislated. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the consolidated company expects, at the balance sheet date, to recover or settle the carrying amount of its assets and liabilities.

### 3. Current and deferred taxes for the year

Current and deferred income tax are recognized in gain or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

If current income or deferred tax arises from business combination, the income tax effects are included in the accounting of business combination.

## V. Significant Accounting Judgments, Estimates and Key Sources of Uncertainty over Assumptions

When a consolidated company adopts accounting policies, if relevant information is not readily available from other sources, management must make judgments, estimates, and assumptions based on historical experience and other pertinent factors. Actual results may differ from estimates.

When significant accounting estimates are developed by the consolidated company, the potential impacts of climate change and related government policies and regulations are incorporated into considerations of significant accounting estimates such as cash flow

projections, growth rates, discount rates, and profitability. Management will continuously review estimates and underlying assumptions. If a revision to an accounting estimate affects both the current period and future periods, it is recognized in the current period and future periods.

#### Major Sources of Uncertainty in Estimates and Assumptions

##### (I) Estimated impairment of accounts receivable

The estimated impairment of accounts receivable is based on the consolidated company's assumptions about the probability of default and the loss given default. Merging companies consider historical experience, current market conditions and forward-looking information to make assumptions and select inputs for impairment assessments. Please refer to Note IX.

##### (II) impairment of inventories

The net realizable value of inventories is the estimated selling price in the normal course of business less the estimated costs to be invested to completion and the estimated costs to complete the sale, which are based on current market conditions and historical sales of similar products. Based on experience assessment, changes in market conditions may significantly affect the results of these estimates.

#### VI. Cash and cash equivalents

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Cash on hand and working capital	\$ 582	\$ 1,059
Checking accounts and demand deposits	1,627,485	1,213,976
Cash equivalents (investments with original maturity date of less than three months)		
Bank fixed deposit	<u>287,008</u>	<u>243,994</u>
	<u>\$1,915,075</u>	<u>\$1,459,029</u>

#### VII. Financial assets at amortized cost

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Current</u>		
Domestic investment		
Bank deposits - restricted	\$ -	\$ 6,341
Time deposit with original maturity over 3 months	<u>26,000</u>	<u>203,806</u>
	<u>\$ 26,000</u>	<u>\$ 210,147</u>

Please refer to Note 36 for information on the pledge of financial assets measured at amortized cost.

#### VIII. Credit Risk Management for Debt Instruments

All debt instruments invested by the consolidated company are financial assets measured at amortized cost.

	<u>December 31, 2024</u> measured at amortized cost.	<u>December 31, 2023</u> measured at amortized cost.
Total carrying amount	\$ 26,000	\$210,147
Loss allowance	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 26,000</u>	<u>\$210,147</u>

To mitigate credit risk, the management of the consolidated company shall perform credit rating assessments to assess the default risk of debt instrument investment institutions. For credit rating items which lack external rating information, an appropriate internal rating shall be given by referencing public financial information. The consolidated company continuously tracks information such as material information from the financial institutions to monitor changes in the credit risk of the debt instruments it has invested in, and evaluates whether the credit risk of the debt instrument investments has increased significantly since its original recognition.

The consolidated company takes stock of the historical default records and current financial conditions of financial institutions provided by the internal credit rating team, so as to measure the 12-month expected credit loss or the lifetime expected credit loss of the debt instrument investment.

The consolidated company's current credit risk rating mechanism and the total carrying amount of investments in debt instruments at each credit rating are as follows:

<u>Credit Rating</u>	<u>Definition</u>	<u>Basis of Recognition of Expected Credit Losses</u>
Normal	The debtor has a low credit risk and is fully capable of paying off contractual cash flows.	12-month expected credit losses

The total book value of each credit rating debt instrument investment and the applicable expected credit loss rate are as follows:

<u>Credit Rating</u>	<u>Expected credit loss rate</u>	<u>Total carrying amount</u> <u>Measured at amortized cost</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Normal	0%		<u>\$ 26,000</u>	<u>\$ 210,147</u>

IX. Notes receivable, accounts receivable and other receivables

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Notes receivable - operating</u>		
Measured at amortized cost		
Total carrying amount	\$ 113,480	\$ 5,181
Deduct: Loss allowance	<u>-</u>	<u>-</u>
	<u>\$ 113,480</u>	<u>\$ 5,181</u>
<u>Accounts receivable</u>		
Measured at amortized cost		

Total carrying amount	\$ 1,671,503	\$ 1,489,273
Deduct: Loss allowance	( 8,876)	( 24,493)
	<u>\$ 1,662,627</u>	<u>\$ 1,464,780</u>
<u>Other receivables</u>		
Proceeds from disposal of investments receivables (Note 30)	\$ 28,277	\$ -
Others	<u>24,028</u>	<u>23,736</u>
	<u>\$ 52,305</u>	<u>\$ 23,736</u>

#### Note receivables and account receivables

The average credit granting period for product sales of consolidated company is 150 days. The consolidated company adopts a policy of treating transactions with counterparties approved by the company's credit ratings assessment and where necessary, sufficient collateral is obtained to mitigate the risk of financial losses arising from defaults. The consolidated company shall use publicly obtainable financial information and past transaction records to grade the main customers. The consolidated company continues to monitor credit risk exposure and the credit ratings of counterparties, and diversify total transaction amounts among qualified customers. It also controls credit risk exposure through reviews and credit line approval by the management.

The consolidated company recognizes loss allowance for accounts receivable in accordance with lifetime expected credit loss. Lifetime expected credit losses are calculated based on the bad debt provision matrix which accounts for the customer's past default records, current financial status, and economic conditions in the industry. GDP forecasts and the outlook of the industry are also considered. The consolidated company separates individual customers into different risk groups and recognizes loss allowance based on the expected loss rate of each group.

The consolidated company has no notes receivable that are overdue but for which allowance has not been recognized as of the balance sheet date, and considering that no impairment has occurred in the past, the expected credit impairment loss rate of notes receivable is set at 0%. The consolidated company writes off accounts receivable when there is information indicating that the debtor is experiencing severe financial difficulty and there is no realistic prospect of recovery of the receivables. For accounts receivable that have been written off, the consolidated company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in gain or loss.

Measurement of loss allowance for notes receivable and accounts receivable based on provisional matrix by the consolidated company is as follows:

## December 31, 2024

	Not overdue	1 - 60 days overdue	61 - 120 days overdue	121 - 180 days overdue	181 - 240 days overdue	241 - 365 days overdue	Overdue over 365 days	Total
Expected credit loss rate	0%~5.01%	0%~1.13%	0%~20%	0%~14.29%	0%~18.63%	0%~76.82%	25%~100%	
Total carrying amount	\$ 1,617,691	\$ 124,486	\$ 19,376	\$ 12,584	\$ 664	\$ 1,578	\$ 8,604	\$1,784,983
Loss allowance (lifetime expected credit loss)	( 52)	( 99)	( 123)	( 1,003)	( 115)	( 468)	( 7,016)	( 8,876)
Amortized cost	<u>\$ 1,617,639</u>	<u>\$ 124,387</u>	<u>\$ 19,253</u>	<u>\$ 11,581</u>	<u>\$ 549</u>	<u>\$ 1,110</u>	<u>\$ 1,588</u>	<u>\$ 1,776,107</u>

## December 31, 2023

	Not overdue	1 - 60 days overdue	61 - 120 days overdue	121 - 180 days overdue	181 - 240 days overdue	241 - 365 days overdue	Overdue over 365 days	Total
Expected credit loss rate	0%~0.16%	0%~4.72%	0%~18.36%	0%~31.41%	0%~47.31%	0%~94.96%	64.73%~100%	
Total carrying amount	\$ 1,169,222	\$ 255,666	\$ 33,937	\$ 16,124	\$ 366	\$ 7,532	\$ 11,607	\$1,494,454
Loss allowance (lifetime expected credit loss)	( 209)	( 3,487)	( 409)	( 3,474)	( 122)	( 5,705)	( 11,087)	( 24,493)
Amortized cost	<u>\$ 1,169,013</u>	<u>\$ 252,179</u>	<u>\$ 33,528</u>	<u>\$ 12,650</u>	<u>\$ 244</u>	<u>\$ 1,827</u>	<u>\$ 520</u>	<u>\$ 1,469,961</u>

Changes in loss allowance for accounts receivable are as follows:

	2024	2023
Opening balance	\$ 24,493	\$ 28,194
Deduct: Amounts actual written off	-	( 1,025)
Deduct: Reversal of impairment loss of the year	( 16,272)	( 2,475)
Foreign currency translation differences	655	( 201)
Balance at the end of the year	<u>\$ 8,876</u>	<u>\$ 24,493</u>

## X. Inventories

	December 31, 2024	December 31, 2023
Finished goods	\$361,515	\$279,481
Work-in-progress	375,573	288,916
Raw materials	<u>259,593</u>	<u>244,661</u>
	<u>\$996,681</u>	<u>\$813,058</u>

The nature of cost of goods sold is as follows:



	2024	2023
Cost of inventory sold	\$ 4,412,051	\$ 3,631,664
Loss of inventory falling price	<u>1,046</u>	<u>7,997</u>
	<u>\$ 4,413,097</u>	<u>\$ 3,639,661</u>
<b>XI. <u>Non-current assets held for sale</u></b>		
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Buildings and land held for sale	\$ 57,850	\$ -
Investment properties held for sale	<u>980,297</u>	<u>-</u>
	<u>\$ 1,038,147</u>	<u>\$ -</u>

The consolidated company has resolved by the board of directors on December 19, 2024 to dispose of the plant and land located in Zhongli District, Taoyuan City, and is actively searching for buyers. When the plant and land were reclassified as non-current assets held for sale, no impairment loss was recognized. There is no impairment for the year ended December 31, 2024.

Please refer to Note 36 for the non-current assets held for sale pledge as collaterals for borrowings.

## XII. Subsidiaries

### Subsidiaries included in the consolidated financial reports

The entities involved in the preparation of the Consolidated Financial Statements are listed as follows:

Investor company	Name of subsidiaries	Business activities	Percentage of equity interest held		Description
			December 31, 2024	December 31, 2023	
Lemtech Holdings Co., Limited.	Lemtech Global Solution Co. Ltd. (hereinafter referred to as "Global Solution")	Investment holding companies	100	100	On November 23, 2009, all shares were obtained by a stock swap.
Lemtech Holdings Co., Limited.	Lemtech Precision Material (China) Co., Ltd (China) (hereinafter referred to as "Lemtech Precision Material")	Production and design of various types of fine blanking die, non-metal die-casting toolings, computer connectors, computer cooling modules and other new electronic plug-ins, sales of self-produced products, etc.	0.19	0.19	Combined LDC Precision Engineering Co., Ltd (Kunshan) on March 17, 2010.
Lemtech Holdings Co., Limited.	Zhenjiang Emtron Surface Treatment Limited Company (hereinafter referred to as "Emtron Company")	Surface treatment of mechanical, electronic and automotive components	-	100	Acquired on January 22nd, 2019. (Note 1)
Lemtech Holdings Co., Limited.	LemTech Global Industries Ltd. (hereinafter referred to as " LemTech Global Industries")	Manufacturing and wholesale of electrical appliances, audio-visual products, other motors and electronic mechanical equipment, automobiles and their parts, and other optical and precision machinery	100	100	Established on May 13, 2021
Lemtech Holdings Co., Limited.	Lemtech Industrial Services Ltd (hereinafter referred to as "LIS")	Sales of electronics and computer peripheral component	57	57	
Lemtech Holdings Co., Limited.	Lemtech International Limited(hereinafter referred to as "LIL")	Electronic and computer peripheral parts	100	100	Established on June 12, 2019, and funds remitted for the shares on August 22, 2019.
Lemtech Holdings Co., Limited.	Lemtech-Eahwa Precision Technonlogy Co.,Ltd. ( hereinafter referred to as " Lemtech-Eahwa Precision ")	Manufacturing and wholesale of electrical appliances, audio-visual electronic products, other electrical and electronic mechanical equipment, automobiles and their parts, and other optical and precision machinery	-	42	Established on March 24, 2022.
Global Solution	Lemtech Precision Material (China) Co., Ltd (China) (hereinafter referred to as "Lemtech Precision Material")	Production and design of various types of fine blanking die, non-metal die-casting toolings, computer connectors, computer cooling modules and other new electronic plug-ins, sales of self-produced products, etc.	99.81	99.81	Combined LDC Precision Engineering Co., Ltd (Kunshan) on March 17, 2010. (Note 2)
Global Solution	Lemtech Precision Engineering (Tianjin) Co., Ltd (hereinafter referred to as " Lemtech Precision Engineering ")	Manufacturing of auto parts and accessories; mold manufacturing; manufacturing of metal parts for construction; manufacturing of mobile terminal equipment; manufacturing of communication equipment; manufacturing of computer hardware and software and peripheral equipment; manufacturing of electronic components; sales of mechanical parts and parts; sales of molds; Retailing of components; sales of metal fittings for construction	-	51	Established on February 11, 2022, and funds remitted for the shares on May 19, 2022. (Note 3)
Global Solution	Lemtech Mexico, S.A. DE C.V. (hereinafter referred to as " Lemtech Mexico")	Manufacturing of auto parts and accessories; mold manufacturing; manufacturing of metal parts for construction; manufacturing of mobile terminal equipment; manufacturing of communication equipment; manufacturing of computer hardware and software and peripheral equipment; manufacturing of electronic components; sales of mechanical parts and parts; sales of molds; Retailing of components; sales of metal fittings for construction	48.16	99.96	Established on January 2023, Investment funds were remitted on February 15, 2023. (Note 5)
Global Solution	Zhenjiang Emtron Surface Treatment Limited Company (hereinafter referred to as "Emtron Company")	Surface treatment of mechanical, electronic and automotive components	-	-	Acquired on January 22nd, 2019. (Note 4)
LIL	Lemtech Energy Solutions Corporation (Taiwan) (hereinafter referred to as "Lemtech Energy Solutions Corporation")	Manufacturing and wholesale of mechanical equipment, dies, electrical appliances and audio-visual products, other motors and electronic mechanical equipment, automobiles and their parts, and other optical and precision equipment	100	100	Acquired on July 1st, 2019.
LIL	Kunshan Lemtech Electronics Technology Co., Ltd. (hereinafter referred to as "Lemtech Electronics Company")	R&D, manufacturing of electronic components, special electronic materials, and thermal modules, sales of self-produced products, and wholesale, import and export of products similar to those produced by the company and their raw materials and mechanical equipment	100	100	Established on October 9, 2019, and funds remitted for the shares on December 3, 2019. (Note 2)
LIL	Lemtech Electronics Technology (Changshu) Co., Ltd. (hereinafter referred to as Lemtech Electronics Technology (Changshu))	Electronic component manufacturing, electronic component wholesale, electronic special material manufacturing, electronic special material sales, electronic special material research and development, lighting equipment manufacturing, lighting equipment sales, manufacturing of auto parts and accessories, manufacturing of solar equipment and components, sales of solar equipment and components, manufacturing of computer software and hardware equipment, sales of communication equipment	100	100	Established on September 24, 2020, and remitted share funds on October 26, 2020. (Note 2)

Investor company	Name of subsidiaries	Business activities	Percentage of equity interest held		Description
			December 31, 2024	December 31, 2023	
LIL	Lemtech Mexico, S.A. DE C.V. (hereinafter referred to as "Lemtech Mexico e")	Manufacturing of auto parts and accessories; mold manufacturing; manufacturing of metal parts for construction; manufacturing of mobile terminal equipment; manufacturing of communication equipment; manufacturing of computer hardware and software and peripheral equipment; manufacturing of electronic components; sales of mechanical parts and parts; sales of molds; Retailing of components; sales of metal fittings for construction	-	0.04	Established on January 2023, Investment funds were remitted on February 15, 2023.
LIL	Lemtech Techonology Malaysia Sdn. Bhd. (hereinafter referred to as "Lemtech Malaysiay")	Manufacturing and wholesale of electrical appliances, audio-visual products, other motors and electronic mechanical equipment, and other optical and precision machinery	50	-	Established on July 16, 2024, and funds remitted for the shares on October 11, 2024.
Lemtech Precision Material	LDC Precision Engineering Co., Ltd. (hereinafter referred to as "LDC Company")	Manufacturing and wholesale of electrical appliances, audio-visual products, other motors and electronic mechanical equipment, automobiles and their parts, and other optical and precision machinery	100	100	Established on May 10, 2010.
Lemtech Precision Material	Lemtech Technology Limited (hereinafter referred to as "Lemtech HK")	Sales of automotive, electronics and computer peripheral parts	100	100	Established on April 9, 2014.
Lemtech Precision Material	Lemtech Precision Material(CZECH) s.r. o. (hereinafter referred to as Lemtech CZ)	Manufacture of automotive parts (sunroof, brakes, seat belts, airbags, etc.) and assemblies (drive shafts for steering wheel, etc.), supply of consumer electronics parts and server product	100	100	Operations began on January 1, 2017.
Lemtech Precision Material	Lemtech Precision Engineering (Tianjin) Co., Ltd (hereinafter referred to as "Lemtech Precision Engineering ")	Manufacturing of auto parts and accessories; mold manufacturing; manufacturing of metal parts for construction; manufacturing of mobile terminal equipment; manufacturing of communication equipment; manufacturing of computer hardware and software and peripheral equipment; manufacturing of electronic components; sales of mechanical parts and parts; sales of molds; Retailing of components; sales of metal fittings for construction	100	49	Established on February 11, 2022, and funds remitted for the shares on May 19, 2022. (Note 3)
Lemtech Precision Material	Lemtech Precision Material (Huizhou) Co.,Ltd (hereinafter referred to as "Lemtech Huizhou ☺")	Manufacturing of auto parts and accessories; mold manufacturing; manufacturing of metal parts for construction; manufacturing of mobile terminal equipment; manufacturing of communication equipment; manufacturing of computer hardware and software and peripheral equipment; manufacturing of electronic components; sales of mechanical parts and parts; sales of molds; Retailing of components; sales of metal fittings for construction	100	-	Established on December 4, 2023, and funds remitted for the shares on January 15, 2024.
Lemtech HK	Lemtech USA Inc. (hereinafter referred to as "Lemtech USA")	U.S. business development, business information collection, provision of market intelligence and industry information	100	100	Established on May 31, 2013.
Lemtech HK	Lemtech Mexico, S.A. DE C.V. (hereinafter referred to as "Lemtech Mexico")	Manufacturing of auto parts and accessories; mold manufacturing; manufacturing of metal parts for construction; manufacturing of mobile terminal equipment; manufacturing of communication equipment; manufacturing of computer hardware and software and peripheral equipment; manufacturing of electronic components; sales of mechanical parts and parts; sales of molds; Retailing of components; sales of metal fittings for construction	51.84	-	Established on January 2023, Investment funds were remitted on February 15, 2023. (Note 5)
Lemtech HK	Lemtech Precision material (Thailand) Co.,Ltd (hereinafter referred to as "Lemtech Thailand")	Manufacturing of auto parts and accessories; mold manufacturing; manufacturing of metal parts for construction; manufacturing of mobile terminal equipment; manufacturing of communication equipment; manufacturing of computer hardware and software and peripheral equipment; manufacturing of electronic components; sales of mechanical parts and parts; sales of molds; Retailing of components; sales of metal fittings for construction	100	-	Established on September 3, 2024, and funds remitted for the shares on October 15, 2024.
LIS	Kunshan Lemtech Slide Technology Co., Ltd. (China) (hereinafter referred to as "Lemtech Slide Company")	Design and production of slide rails, shafts and related accessories, and sales of self-produced products, etc.	100	100	Established on July 21, 2016.
LemTech Global Industries	Lemtech Techonology Malaysia Sdn. Bhd. (hereinafter referred to as "Lemtech Malaysiay")	Manufacturing and wholesale of electrical appliances, audio-visual products, other motors and electronic mechanical equipment, and other optical and precision machinery	50	-	Established on July 16, 2024, and funds remitted for the shares on October 15, 2024 and December 16, 2024.

## Note

1. The consolidated company acquired the shares held by minority shareholders of Emtron Company in July 2023, resulting in an increased ownership stake. The consolidated company holds 42% of the shares of Emtron Company. As its representation on the board of directors exceeds half, it is deemed to possess substantial control over the relevant activities of Emtron Company. Therefore, it is classified as a subsidiary. The consolidated company has resolved to liquidate Emtron Company by the shareholders meeting on October 28, 2024, and the registration of cancellation has been completed on November 14, 2024.
2. The consolidated company has agreed by the shareholders of Lemtech Electronics Technology (Changshu) and Lemtech Electronics Company to integrate by merge of Lemtech Electronics Company by Lemtech Electronics Technology (Changshu). The base date of the merger is December 31, 2023.
3. As the consolidated company did not subscribe to the shares of cash capital increase of Lemtech Precision Engineering in proportion to its percentage of ownership through Lemtech Precision Material and Global Solution in January 2024, the percentages of ownership have increased from 49% to 61.75% and decreased from 51% to 38.25%, respectively. Besides, the consolidated company acquired all the shares from Global Solution through Lemtech Precision Material in April 2024, the percentages of ownership have increased from 61.75% to 100%, and decreased from 38.25% to 0%, respectively.
4. As the consolidated company did not subscribe to the shares of cash capital increase of Emtron Company in proportion to its percentage of ownership through Lemtech Holdings Co., Limited. and Global Solution in April 2024, the percentages of ownership have decreased from 100% to 25.56% and increased from 0% to 74.44%, respectively, and sold 100% of the shares of Emtron Company by total amount of NT\$28,277 thousand in December 2024. Please refer to Note 30.
5. As LIL sold all the shares of Lemtech Mexico held to Lemtech HK in November 2024, the percentage of ownership has decreased from 0.4% to 0%. Besides, as the consolidated company did not subscribe the shares of cash capital increase of Lemtech Mexico in proportion to its percentage of ownership through Lemtech HK and Global Solution in November 2024, the percentages of ownership have increased from 0% to 51.84% and decreased from 99.96% to 48.16%, respectively.

## XIII. Investment using equity method

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Affiliates not individually significant		
Aapico Lemtech (I)	\$ -	\$ 25,201
Keycore Technology Corp. (II)	<u>-</u>	<u>19,310</u>
	<u>\$ -</u>	<u>\$ 44,511</u>

- (I) The consolidated company signed an investment agreement with Thai listed company Aapico Hitech Plc. (AH: TB) on February 1, 2013, invested in cash, and jointly established Aapico Lemtech (Thailand) Co. on March 1, 2013. , Ltd. (hereinafter referred to as "Aapico Lemtech"). In accordance with the company's operating plan, on June 30, 2016, the consolidated company adjusted the equity held of Aapico Lemtech, the holding is assigned to Global Solution to Lemtech HK. The shares of Aapico Lemtech held by Lemtech HK sold to Aapico Hitech Plc. (AH:TB), which is listed in Thailand on April 30, 2024. The consolidated company has resolved to sell all the shares of Aapico Lemtech held in April 2024. The proceeds from the disposal amounted to \$24,988 thousand, and the losses on disposal amounted to \$2,143 thousand.
- (II) The consolidated company signed an investment agreement with Keycore Technology Corp. (hereinafter referred to as "Keycore Technology") on October 6, 2022 and made a cash contribution to acquire 28.42% of the equity of Keycore Technology Corp. on October 6, 2021. As the operation is below expectations, the consolidated company conducted testing for impairment to the investment, to compare whether the carrying amount is lower than the recoverable amount. The consolidated Company assessed the recoverable amount by net fair value on June 30, 2024, and recognized impairment losses of \$8,610 thousand, presented under other gains and losses. The consolidated Company has resolved to sell all the shares of Keycore Technology held in September 2024. The proceeds from the disposal amounted to \$3,000 thousand, and the losses on disposal amounted to \$8,395 thousand.
- (III) The consolidated company the percentage of ownership, equities, and voting rights of the consolidated company in affiliated companies on the balance sheet date are as follows:

Name	Business activities	Principal place of business	Percentage of Ownership and Votes	
			December 31, 2024	December 31, 2023
Aapico Lemtech	R&D, production, manufacturing and assembly of automotive, electronics and computer peripheral parts	Thailand	-	40%
Keycore Technology Corp.	Electronic component manufacturing, general instrument manufacturing, energy technology services, biotechnology services and research and development services, etc.	Taiwan	-	28.42%

Please refer to Attachment 6 for the aforementioned associates' nature of business, main business premises, and countries of registration.

XIV. Real estate, Plant and Equipment

December 31, 2024

December 31, 2023

For self-use

\$1,767,026

\$1,542,958

For self-use

	Land	Buildings	Machinery equipment	Transportation equipment	Office equipment	Leasehold improvements	Other Equipment	Unfinished constructions and equipment to be tested	Total
<u>Cost</u>									
Balance as of January 1, 2024	\$ 41,716	\$ 481,152	\$ 1,707,936	\$ 29,384	\$ 49,109	\$ 97,402	\$ 493,219	\$ 178,888	\$3,078,806
Addition	-	84,679	224,353	3,336	9,256	30,158	135,227	24,801	511,810
Disposal	-	( 6,577)	( 40,678)	( 4,704)	( 2,778)	( 6,716)	( 2,940)	-	( 64,393)
Reduction for disposal by entity	-	( 151)	( 43,783)	( 3,054)	( 841)	-	( 7,282)	-	( 55,111)
Reclassified to held for sale	( 41,716)	( 17,914)	-	-	-	-	-	-	( 59,630)
Reclassification	-	161,449	100,739	351	-	8,510	( 4,618)	( 182,941)	83,490
Net exchange differences	-	23,635	63,490	1,489	1,920	2,762	25,381	4,260	122,937
Balance as of December 31, 2024	<u>\$ -</u>	<u>\$ 726,273</u>	<u>\$2,012,057</u>	<u>\$ 26,802</u>	<u>\$ 56,666</u>	<u>\$ 132,116</u>	<u>\$ 638,987</u>	<u>\$ 25,008</u>	<u>\$3,617,909</u>
<u>Accumulated depreciation and impairment</u>									
Balance as of January 1, 2024	\$ -	\$ 178,274	\$ 881,814	\$ 22,572	\$ 39,239	\$ 31,847	\$ 382,102	\$ -	\$1,535,848
Recognition of impairment loss	-	26	3,940	345	128	-	370	-	4,809
Depreciation expense	-	28,819	162,484	2,416	4,688	17,343	110,250	-	326,000
Disposal	-	( 5,855)	( 22,860)	( 4,593)	( 2,673)	( 6,716)	( 2,623)	-	( 45,320)
Reduction for disposal by entity	-	( 157)	( 29,377)	( 3,528)	( 444)	-	( 2,804)	-	( 36,310)
Reclassified to held for sale	-	( 1,780)	-	-	-	-	-	-	( 1,780)
Reclassification	-	-	-	351	-	-	( 4,575)	-	( 4,224)
Net exchange differences	-	9,266	39,338	1,107	1,562	761	19,826	-	71,860
Balance as of December 31, 2024	<u>\$ -</u>	<u>\$ 208,593</u>	<u>\$1,035,339</u>	<u>\$ 18,670</u>	<u>\$ 42,500</u>	<u>\$ 43,235</u>	<u>\$ 502,546</u>	<u>\$ -</u>	<u>\$1,850,883</u>
Net amount as of De. 31, 2024	<u>\$ -</u>	<u>\$ 517,680</u>	<u>\$ 976,718</u>	<u>\$ 8,132</u>	<u>\$ 14,166</u>	<u>\$ 88,881</u>	<u>\$ 136,441</u>	<u>\$ 25,008</u>	<u>\$1,767,026</u>
	Land	Buildings	Machinery equipment	Transportation equipment	Office equipment	Leasehold improvements	Other Equipment	Unfinished constructions and equipment to be tested	Total
<u>Cost</u>									
Balance as of January 1, 2023	\$ 41,716	\$ 486,642	\$1,614,822	\$ 31,360	\$ 46,800	68,778	\$ 413,374	\$ 18,963	\$2,722,455
Addition	-	2,210	77,727	4,356	3,521	17,825	123,309	236,369	465,317
Disposal	-	( 186)	( 19,661)	( 5,846)	( 2,045)	-	( 2,318)	-	( 30,056)
Reclassification	-	381	59,098	-	1,485	11,836	( 32,925)	( 74,127)	( 34,252)
Net exchange differences	-	( 7,895)	( 24,050)	( 486)	( 652)	( 1,037)	( 8,221)	( 2,317)	( 44,658)
Balance as of December 31, 2023	<u>\$ 41,716</u>	<u>\$ 481,152</u>	<u>\$1,707,936</u>	<u>\$ 29,384</u>	<u>\$ 49,109</u>	<u>\$ 97,402</u>	<u>\$ 493,219</u>	<u>\$ 178,888</u>	<u>\$3,078,806</u>
<u>Accumulated depreciation and impairment</u>									
Balance as of January 1, 2023	\$ -	\$ 155,051	\$ 756,378	\$ 26,068	\$ 37,560	\$ 18,023	\$ 335,196	\$ -	\$1,328,276
Depreciation expense	-	26,361	154,568	2,679	4,072	14,221	69,516	-	271,417
Disposal	-	( 62)	( 15,408)	( 5,817)	( 1,938)	-	( 1,089)	-	( 24,314)
Reclassification	-	-	-	-	74	( 61)	( 15,163)	-	( 15,150)
Net exchange differences	-	( 3,076)	( 13,724)	( 358)	( 529)	( 336)	( 6,358)	-	( 24,381)
Balance as of December 31, 2023	<u>\$ -</u>	<u>\$ 178,274</u>	<u>\$ 881,814</u>	<u>\$ 22,572</u>	<u>\$ 39,239</u>	<u>\$ 31,847</u>	<u>\$ 382,102</u>	<u>\$ -</u>	<u>\$1,535,848</u>
Net amount as of Dec 31, 2023	<u>\$ 41,716</u>	<u>\$ 302,878</u>	<u>\$ 826,122</u>	<u>\$ 6,812</u>	<u>\$ 9,870</u>	<u>\$ 65,555</u>	<u>\$ 111,117</u>	<u>\$ 178,888</u>	<u>\$1,542,958</u>

As part of the equipment of the subsidiary of the consolidated company, Zhenjiang Emtron Surface Treatment Limited Company, is idle, the recoverable amount is lower than the carrying amount. \$4,809 thousand of impairment losses have been recognized in 2024, which are presented under other gains and losses in the consolidated statements of comprehensive income.

Depreciation expenses are calculated on a straight-line basis according to the following durable years:

Buildings	
Plant main building	20 years
Other projects	5 years
Machinery equipment	3 ~10 years
Office equipment	2~5 Years
Transportation equipment	3~5 years

Leasehold improvements	3~15 years
Other Equipment	2~10 years

"Please refer to Note 36 for the amount of real estate, factories, and equipment set as collateral for borrowings."

#### XV. Lease Agreement

##### (I) Right-of-use assets

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Carrying value of right-of-use assets		
Land	\$ 78,487	\$ 76,787
Buildings	311,739	241,643
Transportation equipment	<u>4,671</u>	<u>6,075</u>
	<u>\$394,897</u>	<u>\$324,505</u>
	<u>2024</u>	<u>2023</u>
Addition to right-of-use assets	<u>\$153,374</u>	<u>\$104,791</u>
Depreciation expenses of right-of-use assets		
Land	\$ 2,273	\$ 2,227
Buildings	74,427	61,726
Transportation equipment	<u>3,787</u>	<u>2,836</u>
	<u>\$ 80,487</u>	<u>\$ 66,789</u>

Apart from the additional additions and recognized depreciation expenses listed above, there was no impairment of the right-of-use assets of the consolidated company for the years ended December 31, 2024 and 2023.

The right-of-use asset includes long-term prepaid rent for leased land in China, and the consolidated company has obtained certificate for the land use rights of such land.

##### (II) Lease liabilities

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Carrying amount of lease liabilities		
Current	<u>\$ 77,796</u>	<u>\$ 65,905</u>
Non-current	<u>\$ 235,014</u>	<u>\$ 182,798</u>

The discount rate intervals for lease liabilities are as follows:

	<u>2024</u>	<u>2023</u>
Buildings	0.85%~5.75%	0.85%~5.75%
Transportation equipment	1.00%~3.16%	1.00%~3.16%

(III) Important Leasing Activities and Terms

The consolidated company rents certain land, buildings, and transportation equipment as plant, office, and office use by employees. The lease period is 1 to 50 years. At the end of the lease term, the consolidated company has no preferential right to take over the leased building.

(IV) Other lease information

	2024	2023
Expense on short-term leases of low-value assets	<u>\$ 17,763</u>	<u>\$ 15,178</u>
Total cash outflow from lease	<u>\$ 105,076</u>	<u>\$ 93,152</u>

The consolidated company chooses to apply the recognition exemption for leases that qualify for low-value asset leases, and does not recognize related right-of-use assets and lease liabilities for such leases.

XVI. Investment property

	Land	Plant main building	total
<u>Cost</u>			
Balance as of January 1, 2024	\$ 757,398	\$ 244,646	\$ 1,002,044
Reclassified to held for sale	( <u>757,398</u> )	( <u>244,646</u> )	( <u>1,002,044</u> )
Balance as of December 31, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Accumulated depreciation and impairment</u>			
Balance as of January 1, 2024	\$ -	\$ 13,592	\$ 13,592
Depreciation expense	-	8,155	8,155
Reclassified to held for sale	-	( <u>21,747</u> )	( <u>21,747</u> )
Balance as of December 31, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net amount as of December 31, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cost</u>			
Balance as of January 1, 2023	\$ 757,398	\$ 244,646	\$ 1,002,044
Addition	-	-	-
Balance as of December 31, 2023	<u>\$ 757,398</u>	<u>\$ 244,646</u>	<u>\$ 1,002,044</u>
<u>Accumulated depreciation and impairment</u>			
Balance as of January 1, 2023	\$ -	\$ 5,437	\$ 5,437
Depreciation expense	-	8,155	8,155
Balance as of December 31, 2023	<u>\$ -</u>	<u>\$ 13,592</u>	<u>\$ 13,592</u>
Net amount as of December 31, 2023	<u>\$ 757,398</u>	<u>\$ 231,054</u>	<u>\$ 988,452</u>

The lease period for investment properties is 2~4 years. The lessee does not have the preferential right to purchase the real estate at the end of the lease period.



Investment properties are depreciated on a straight-line basis over the useful life as follows:

Buildings and structures	30 years
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The fair value of the investment properties as of December 31, 2023 has been evaluated by the independent appraiser, Chang, Feng-Jia, from World Real Estate Appraisers Associates as the balance sheet date. The evaluation refers to the market evidence of similar real estate transaction prices, and the fair value obtained from the evaluation is as follows:

	<u>December 31, 2024</u>
Fair value	<u>\$ 1,084,736</u>

The total lease payment to be received in the future for leasing investment property under operating lease is as follows:

	<u>December 31, 2024</u>
1st year	\$ 41,889
2nd year	28,706
3rd year	23,167
4th year	12,946
5th year	9,900
	<u>\$ 116,608</u>

The amount of investment properties set as collateral for borrowings, please refer to Note 36.

#### XVII. Goodwill

	<u>2024</u>	<u>2023</u>
<u>Cost</u>		
Opening balance	\$ 82,490	\$ 82,490
Disposal of subsidiaries (Note 30)	( 78,155 )	-
Net exchange differences	293	-
Balance at the end of the year	<u>\$ 4,628</u>	<u>\$ 82,490</u>
<u>Accumulated impairment losses</u>		
Opening balance	\$ 78,155	\$ 10,000
Disposal of subsidiaries (Note 30)	( 78,155 )	-
Recognized Impairment of the Year	-	68,155
Balance at the end of the year	<u>\$ -</u>	<u>\$ 78,155</u>
Net balance at the end of the year	<u>\$ 4,628</u>	<u>\$ 4,335</u>

The consolidated company acquired Zhenjiang Emtron Surface Treatment Limited on January 22, 2019, gained goodwill of NT\$78,155 thousand, which is mainly due to the benefits expected from a stable production supply chain of automotive components in China.

Due to the impact of the Covid-19 epidemic and unsatisfactory market development, the consolidated company was unable to adjust its sales strategy in a timely manner, resulting

in a less than expected growth in actual operating income after the combiner. It was assessed that the recoverable amount of Zhenjiang Emtron Surface Treatment Limited was less than the book amount, so \$0 thousand and \$68,155 thousand of impairment losses were recognized for the years ended December 31, 2024 and 2023, respectively.

The recoverable amount of Zhenjiang Emtron Surface Treatment Limited as of December 31, 2023 is determined on the basis of value in use. The cash flow estimate of the financial budget for the next 5 years approved by the management of the consolidated company is calculated using the annual discount rate of 14.34%. The cash flow over 5 years is 6.1% growth rate extrapolation. Other key assumptions include estimated operating income and gross profit on sales, which are based on the past operations of the cash-generating unit and management's expectations on the market.

The consolidated company acquired Lemtech Energy Solutions Corporation on July 1, 2019, gained goodwill of NT\$4,585 thousand, which was mainly due to the benefits expected from the production and sales of server cooling products in Taiwan.

XVIII. Other Intangible Assets

	Computer software cost	Fair value of franchises and customer relationships	Total
<u>Cost</u>			
Balance as of January 1, 2023	\$ 60,095	\$ 26,811	\$ 86,906
Separate acquisition	2,570	-	2,570
Disposal	( 1,138)	-	( 1,138)
Reduction for disposal by entity	( 1,266)	( 26,811)	( 28,077)
Net exchange differences	2,495	-	2,495
Balance as of Dec. 31, 2024	<u>\$ 62,756</u>	<u>\$ -</u>	<u>\$ 62,756</u>
<u>Accumulated amortization and impairment</u>			
Balance as of January 1, 2024	(\$ 43,173)	(\$ 25,954)	(\$ 69,127)
Amortization expense	( 7,010)	( 857)	( 7,867)
Disposal	1,138	-	1,138
Reduction for disposal by entity	1,266	26,811	28,077
Net exchange differences	( 2,004)	-	( 2,004)
Balance as of Dec. 31, 2024	<u>(\$ 49,783)</u>	<u>\$ -</u>	<u>(\$ 49,783)</u>
Net profit as of Dec. 31, 2024	<u>\$ 12,973</u>	<u>\$ -</u>	<u>\$ 12,973</u>

	Computer software cost	Fair value of franchises and customer relationships	Total
<u>Cost</u>			
Balance as of January 1, 2023	\$ 64,627	\$ 26,811	\$ 91,438
Separate acquisition	5,687	-	5,687
Disposal	( 9,387)	-	( 9,387)
Net exchange differences	( 832)	-	( 832)
Balance as of Dec. 31, 2023	<u>\$ 60,095</u>	<u>\$ 26,811</u>	<u>\$ 86,906</u>
<u>Accumulated amortization and impairment</u>			
Balance as of January 1, 2023	(\$ 44,243)	(\$ 20,719)	(\$ 64,962)
Amortization expense	( 8,998)	( 5,235)	( 14,233)
Disposal	9,387	-	9,387
Net exchange differences	681	-	681
Balance as of Dec. 31, 2023	<u>(\$ 43,173)</u>	<u>(\$ 25,954)</u>	<u>(\$ 69,127)</u>
<u>Cost</u>	<u>\$ 16,922</u>	<u>\$ 857</u>	<u>\$ 17,779</u>

Amortized expenses were calculated on a straight-line basis over estimated useful lives listed as follows:

Computer software	1~10 year(s)
Fair value of franchises and customer relationships	5 years

XIX. Other Assets

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Current</u>		
Prepayments		
Prepayments for goods	\$ 23,743	\$ 14,076
Purchase taxes/overpaid sales tax	57,713	25,431
Other prepayments	34,568	42,652
	<u>\$ 116,024</u>	<u>\$ 82,159</u>
Other current assets		
Temporary payments	\$ 2,398	\$ 665
Payment on behalf	212	2
	<u>\$ 2,610</u>	<u>\$ 667</u>
<u>Non-current</u>	<u>\$ 232,191</u>	<u>\$ 229,922</u>
Prepayments for equipment	17,268	10,227
	<u>\$ 249,459</u>	<u>\$ 240,149</u>

## XX. Loans

### (I) Short-term loans

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Unsecured loans</u>		
Line of credit loans (1)	<u>\$1,026,072</u>	<u>\$817,712</u>

(1) The interest rates of bank revolving loans were 2.34%~5.8016% and 1.00%~6.20% on December 31, 2024 and 2023, respectively.

### (II) Loans long-term loans

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Unsecured loans</u>		
Credit line loans (1)	\$ 28,217	\$ -
<u>Secured loans</u>		
Bank loans (2)	850,000	850,000
Less: current portion of long-term loans	( <u>25,881</u> )	-
	<u>\$ 852,336</u>	<u>\$ 850,000</u>

- (1) The consolidated company acquired \$28,217 thousand of bank loans newly drawdown for the year ended December 31, 2024, at the fixed interest rate of 3.55%, which will be amortized in four years.
- (2) The bank loan is secured by the mortgage of the consolidated company's own land and buildings (see Note 36). The maturity date of the loan is October 30, 2030. As of December 31, 2024 and 2023, the effective annual interest rates are 2.3743% and 2.1937%, respectively.

## XXI. Bond Payables

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
The fourth domestic unsecured convertible corporate bond	\$ -	\$ 18,100
Less: Discount on corporate bonds payable	-	( 187 )
Corporate bonds due within one year	-	( <u>17,913</u> )
	<u>\$ -</u>	<u>\$ -</u>

### The fourth domestic unsecured convertible corporate bond

We issued 16 thousand units of unsecured convertible bonds in NTD in Taiwan on October 18, 2021 with a nominal amount of NT\$100 thousand per unit and an interest rate of 0%, issued at a premium of 100.5% of the par value, or NT\$ 1,600,000 thousand; the total amount received is NT\$1,608,000 thousand.

- (1) Each unit of corporate bondholders has the right to convert the Company's converted corporate bonds into common stock of the Company. The conversion period is from January 27, 2022 to October 26, 2024.

- (2) Where the abovementioned corporate bonds are not converted during the conversion period, the outstanding corporate bonds will be redeemed in cash at par value on October 26, 2024.
- (3) At the end of two years from the issuance date (October 26, 2023), bondholders have the right to sell the bonds back to the company at a par value.

The equity component is recorded in capital surplus-stock options under equity. The equity component is initially recognized at the effective interest rate of 1.26%.

Issue price (minus transaction cost NT\$ 5,695 thousand)	\$ 1,602,305
Equity component (less transaction cost allocated to equity of NT\$ 211 thousand)	( 59,309)
Financial liability	( 2,408)
Liability component (less the liability transaction cost of NT\$ 5,492 thousand)	<u>\$ 1,540,588</u>

Liability component as of January 1, 2024	\$ 17,913
Interest calculated at effective interest rate 1.26%	187
Bond payables converted into ordinary shares	( 100)
Redemption of corporate bonds	(18,000)
Liability component as of December 31, 2024	<u>\$ -</u>

Liability component as of January 1, 2023	\$ 1,563,696
Interest calculated at effective interest rate 1.26%	16,183
Selling back corporate bonds	( 1,561,966)
Liability component as of December 31, 2023	<u>17,913</u>
Deduct: corporate bonds due within one year	<u>17,913</u>
	<u>\$ -</u>

## XXII. Note Payables and Account Payables

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Notes Payable</u>		
Arising from operations	<u>\$ 110,012</u>	<u>\$ 118,305</u>
<u>Accounts Payable</u>		
Arising from operations	<u>\$1,147,255</u>	<u>\$ 892,220</u>

The average credit period for Accounts Payable is approximately 120 days, and interest is not added to Accounts Payable. The consolidated company has established financial risk management policies to ensure that all payables are paid within the pre-agreed credit terms.

## XXIII. Other Liabilities

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Current</u>		
<u>Other payables</u>		
Equipment payment and construction payment payable	\$ 57,886	\$ 12,540
Payroll and bonus payable	108,498	94,570
Benefits payable	1,973	1,258

Remuneration payable to employees, directors and supervisors	34,040	35,340
Customs and logistics fees payables	31,804	26,404
Cash dividends distributed by the Company payables	46,084	54,390
Provision for litigation compensation payable	-	14,956
Others	179,494	123,147
	<u>\$ 459,779</u>	<u>\$ 362,605</u>
Other liability		
Temporary payment	\$ 559	\$ 362
Others	17,246	19,909
	<u>\$ 17,805</u>	<u>\$ 20,271</u>

#### XXIV. Equity

##### (I) Share capital

###### Common shares

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Authorized shares (in thousands shares)	<u>100,000</u>	<u>100,000</u>
Authorized capital stock	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>
Number of shares issued and fully paid (in thousand shares)	<u>62,293</u>	<u>62,193</u>
Issued capital	<u>\$ 621,934</u>	<u>\$ 621,928</u>

The changes in share capital primarily arose from conversion of convertible bonds.

##### (II) Capital surplus

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>May be used to offset deficits, appropriated as cash dividends or transferred to capital (1)</u>		
Stock issuance premium	\$ 329,694	\$ 329,694
Premium on conversion of convertible bonds	970,100	970,006
<u>May only be used to offset deficits</u>		
Recognized value of changes in equity of ownership of subsidiaries (2)	78,435	78,435
Forfeited stock subscription	84,161	84,161
<u>Not for any purpose</u>		
Issuance of convertible bonds with recognized equity component	<u>671</u>	<u>671</u>
	<u>\$ 1,463,061</u>	<u>\$ 1,462,967</u>

1. This type of capital surplus may be used to cover loss or issue cash or replenish capital when there is no loss, but capital replenishment is restricted to the ratio of actual capital stock each year.
2. This type of capital surplus recognized as equity transaction effect due to changes in subsidiary equity, when the Company's has not acquired or disposed of subsidiary shares.

### (III) Retained earnings and dividend policy

According to the company's articles of association, the laws and regulations of the Cayman Islands and listing regulations, in the case of a surplus in the company's annual final accounts, such surplus shall be first subject to taxation, reimbursement of accumulated deficit, followed by a provision for special reserve, if any. Unless the board of directors resolves to keep the remainder as retained earnings, any remainder may be distributed as stock dividend and cash dividend for the shareholders based on their shareholding ratios. Such distribution shall be proposed by the board of directors and submitted to the shareholders' meeting for resolution. The Company may stipulate that the surplus earning distribution or loss off-setting proposal may be proposed at the close of each quarter in accordance with the listing regulation. The proposal of surplus earning distribution or loss off-setting, together with the business report and financial statements, shall be forwarded to independent directors of the audit committee for their auditing, and afterwards be submitted to the board of directors for approval.

The company's dividend policy considers factors such as the company's stable growth, sustainable operation, capital requirements, sound financial structure, and maintenance of shareholders' equity. The total shareholder dividend shall be not less than 10% of the distributable surplus and may be distributed in stock or in cash, of which cash dividends shall account for no less than 50% of the total dividend distributed. If the company has incurred no loss, it may allocate all or part of the legal capital reserve and capital surplus in accordance with the laws or regulations of the competent authority in consideration of the company's financial, business and operating factors.

For distribution of dividends or bonuses in accordance with the preceding article, the company may, in accordance with the listing regulations, by resolution of the shareholders' meeting, issue all or a portion of the dividends and bonuses by issuing new shares; amounts less than one share may be distributed in cash.

For the valuation basis and actual distribution of the remuneration for employees and directors, please refer to Note 26 [7] for remuneration of employees and directors.

The shareholders' meetings on June 18, 2024 and June 27, 2023, and resolved to adopt the 2023 and 2022 earnings distribution proposals as follows:

	2023	2022
Special reserve	<u>\$ 59,066</u>	<u>\$ 13,996</u>
Cash dividends	<u>\$ 48,075</u>	<u>\$ 31,096</u>
Cash dividend capital bonus for each share (NT\$)	\$ 0.77	\$ 0.5

The company's board of directors has resolved the interim earnings distribution and

dividend per share for the years 2024 and 2023 as follows:

	2024Q3	2024Q2	2024Q1
Date of resolution by the board of directors	November 11, 2024	August 20, 2024	May 6, 2024
Cash dividends	\$ 46,085	\$ 44,282	\$ 15,859
Cash dividend capital bonus for each share (NT\$)	\$ 0.74	\$ 0.71	\$ 0.26
	2023Q3	2023Q2	2023Q1
Date of resolution by the board of directors	November 13, 2023	August 25, 2023	May 12, 2023
Special reserve	( \$ 74,193 )	\$ 60,197	\$ -
Cash dividends	\$ 51,496	\$ 3,981	\$ -
Cash dividend capital bonus for each share (NT\$)	\$ 0.83	\$ 0.06	\$ -

On March 4, 2025, the board of directors approved the distribution of earnings and the dividend per share for 2024 as follows:

	2024Q4
Stock dividend	\$31,097
Stock dividend per share (NT\$)	\$ 0.5

The distribution of earnings for 2024 is subject to the resolution of the Stockholders' meeting to be held on May 28, 2025.

(IV) Non-controlling interests

	2024	2023
Beginning Balance	\$ 101,774	\$ 92,549
Net profit for the period	27,168	14,404
Other comprehensive income for the period		
Exchange difference on translation of financial statements of foreign operating institutions	( 30,234 )	( 4,084 )
Acquisition of a non-controlling interest in a subsidiary (Note 31)	-	( 1,095 )
Liquidation of subsidiaries	( 7,918 )	-
Ending balance	\$ 90,790	\$ 101,774

XXV. Revenue

	2024	2023
Revenue from contracts with customers		
Revenue from sales of goods	\$5,799,711	\$4,664,224



(I) Revenue from the sale of goods

Revenue from sales of goods derived from the sales of electronic components and automotive components. Because the customer has the right to use the product when the product is sold, and bears the risk of loss or damage to the product, the consolidated company recognizes the revenue and accounts receivable at that point.

(II) Contract Balance

	December 31, 2024	December 31, 2023	January 1, 2023
Notes Receivable (Note 9)	\$ 113,480	\$ 5,181	\$ 1,543
Accounts Receivable (Note 9)	<u>1,662,627</u>	<u>1,464,780</u>	<u>1,867,166</u>
	<u>\$1,776,107</u>	<u>\$1,469,961</u>	<u>\$1,868,709</u>
Contract liabilities - Current	<u>\$ 93,061</u>	<u>\$ 35,549</u>	<u>\$ 54,852</u>

Please refer to Note 43 for information on revenue breakdown.

XXVI. Net profit of continuing operation unit

(I) Interest income

	<u>2024</u>	<u>2023</u>
Bank deposits	\$ 42,691	\$ 48,638
Net lease investment	<u>-</u>	<u>19</u>
	<u>\$ 42,691</u>	<u>\$ 48,657</u>

(II) Other income

	<u>2024</u>	<u>2023</u>
Lease income		
Investment properties		
(Note 16)	\$ 34,757	\$ 36,469
Subsidy income	27,279	14,826
Others	<u>11,062</u>	<u>16,173</u>
	<u>\$ 73,098</u>	<u>\$ 67,468</u>

(III) Other gains and (losses)

	<u>2024</u>	<u>2023</u>
Gains (losses) of financial assets and financial liabilities		
Financial assets mandatorily measured at fair value through profit or loss	\$ -	\$ 2,765
Financial liabilities designated as fair value through profit or loss	-	( 750)
Net gains (losses) on foreign currency exchange	( 14,932)	32,294
Losses on disposal of property, plant and equipment	( 2,756)	( 3,542)
Impairment of property, plant and equipment	( 4,809)	-
Goodwill impairment losses	-	( 68,155)
Losses on impairment of investments accounted for using equity method	( 8,610)	-
Losses on disposal of investments accounted for using equity method	( 10,538)	-
Losses on disposal of subsidiaries (Note 30)	( 23,116)	
Lease Modification Benefit	-	5
Loss on selling back corporate bonds	-	( 9,509)
Litigation for damages	-	( 14,956)
Others	<u>( 2,736)</u>	<u>( 13,437)</u>
	<u>(\$ 67,497)</u>	<u>(\$ 75,285)</u>

The lawsuit between Kunshan Lemtech Slide Technology Co., Ltd., a subsidiary of the consolidated company, and Chuanhu Company received the second-instance judgment in December 2023. After the Supreme People's Court of the People's Republic of China ruled, Kunshan Lemtech Slide Technology Co., Ltd. the company was compensated RMB 3,000 thousand for compensation to Chuanhu Company and paid some lawyer and litigation fees of RMB 482 thousand. The consolidated company has treated in accordance with legal procedures and reached a settlement, and performed all the compensation obligations. The litigation officially ended.

(IV) Finance cost

	2024	2023
Interest on bank loans	(\$ 62,689)	(\$ 40,826)
Interest on lease liabilities	( 10,656)	( 6,907)
Interest on convertible bonds	( 187)	( 16,183)
	<u>(\$ 73,532)</u>	<u>(\$ 63,916)</u>

(V) Depreciation and amortization expenses

	2024	2023
Depreciation expenses summarized by function		
Operating costs	\$ 340,044	\$ 277,631
Operating expenses	<u>74,598</u>	<u>68,730</u>
	<u>\$ 414,642</u>	<u>\$ 346,361</u>
Amortized cost summarized by function		
Operating costs	\$ 604	\$ 399
Operating expenses	<u>7,263</u>	<u>13,834</u>
	<u>\$ 7,867</u>	<u>\$ 14,233</u>

(VI) Employee benefits

	2024	2023
Short-term employee benefits	\$ 787,305	\$ 675,817
Benefits after retirement		
Defined contribution plans	<u>41,997</u>	<u>33,231</u>
Total employee benefit expenses	<u>\$ 829,302</u>	<u>\$ 709,048</u>
Summarized by functions		
Operating costs	\$ 339,651	\$ 272,168
Operating expenses	<u>489,651</u>	<u>436,880</u>
	<u>\$ 829,302</u>	<u>\$ 709,048</u>

(VII) Remuneration of employees and directors

In accordance with the regulations of the Articles of Incorporation, the Company deducts the pre-tax profits before the distribution of employees and directors remuneration for the current year, and allocates the remuneration of employees,

directors, and supervisors at a rate of no less than 0.5% and no more than 2%, respectively. Remunerations for employees and directors for 2024 and 2023 were resolved by the Board of Directors on March 4, 2025 and March 24, 2024 respectively.

Estimated ratio

	<u>2024</u>	<u>2023</u>
Remunerations for employees	1.0%	1.0%
Remunerations for directors	1.0%	1.0%

Amount

	<u>2024</u>	<u>2023</u>
	<u>Cash</u>	<u>Cash</u>
Remunerations for employees	\$ 4,148	\$ 2,070
Remunerations for directors	4,148	2,070

If changes are made to the amount after the publication of the consolidated annual financial report, they apply in accordance with accounting estimation changes and will be included in the financial reports of the following year.

There is no difference between the actual amount of employee compensation and director's compensation for 2024 and 2023 and the amount recognized in the consolidated financial reports for 2023 and 2022.

For information on the Company's remunerations for employees and Directors as resolved by the Board of Directors, please visit the "Market Observation Post System" of the Taiwan Stock Exchange.

(VIII) Gains and (losses) on foreign currency exchange

	<u>2024</u>	<u>2023</u>
Total currency exchange gains	\$229,590	\$173,987
Total currency exchange (losses)	( <u>244,522</u> )	( <u>141,693</u> )
Net (losses) gains	( <u>\$ 14,932</u> )	\$ <u>32,294</u>

XXVII. Income tax of continuing operation units

(I) Income tax recognized in profit or Loss

	<u>2024</u>	<u>2023</u>
Current tax		
Generated in the current year	\$ 96,078	\$ 57,141
Additional tax on undistributed earnings	1,790	9,926
Adjustments from the previous years	( <u>531</u> )	( <u>14,762</u> )
	<u>97,337</u>	<u>52,305</u>
Deferred income tax		
Generated in the current year	2,027	( 18,963 )
Undistributed earnings of subsidiaries	<u>5,503</u>	( <u>8,271</u> )
	<u>7,530</u>	( <u>27,234</u> )
Income tax expenses (benefits)	<u>\$ 104,867</u>	<u>\$ 25,071</u>

recognized in gain or loss

Adjustments for accounting income and income tax expenses are as follows:

	<u>2024</u>	<u>2023</u>
Net income before taxes from continuing operations	<u>\$ 534,012</u>	<u>\$ 299,570</u>
Income tax expenses calculated as the product of income before income tax and the statutory tax rate	\$ 116,415	\$ 70,346
Non-deductible expenses	1,212	986
Effects on the deferred income tax of subsidiaries' earnings	5,503	( 8,271 )
Additional tax on undistributed earnings	1,790	9,926
Unrecognized deductible temporary difference	( 19,522 )	( 33,154 )
Adjustments on income tax of prior periods	( <u>531</u> )	( <u>14,762</u> )
Income tax expenses recognized in gain or loss	<u>\$ 104,867</u>	<u>\$ 25,071</u>

In 2024 and 2023, the tax rate applicable to the entities subject to the Income Tax Law of the Republic of China in the consolidated company is 20%, except for the Chinese subsidiary Lemtech Precision Material (China) Co., Ltd which obtained the high-tech license from the local government on December 13, 2023. The enterprise certifies that in addition to enjoying the preferential tax rate of 15% from 2023 to 2026, the tax amount incurred in other jurisdictions is calculated based on the applicable tax rate in each relevant jurisdiction.

(II) Income tax recognized in other comprehensive income

	<u>2024</u>	<u>2023</u>
<u>Deferred income tax</u>		
Generated in the current year		
— Translation of foreign operations	<u>\$ 4,596</u>	<u>\$ 2,096</u>

(III) Income tax assets and liabilities

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Current income tax assets		
Tax refunds receivables	<u>\$ 13,750</u>	<u>\$ 10,512</u>
Current income tax liabilities		
Income tax payables	<u>\$ 50,077</u>	<u>\$ 9,912</u>

(IV) Deferred income tax assets and liabilities

Changes in deferred income tax assets and liabilities were described as follows:

2024

	Opening balance	Recognized in gain or loss	Recognized in other comprehensive income	Exchange differences	Other	Balance at the end of the year
Deferred income tax assets						
Temporary differences						
Allowance for inventory valuation loss	\$13,951	(\$2,082)	\$ -	\$355	\$-	\$12,224
Allowance for doubtful accounts	4,035	(2,529)	-	108	-	1,614
Recognition of gains on foreign investments accounted for using equity method	-	6,812	-	-	66	6,878
Exchange differences on translation of foreign operations	-	-	465	-	-	465
Unrealized exchange gains and losses	410	111	-	-	-	521
Lease liability	15,348	-	-	(379)	8,848	23,817
Others	<u>3,424</u>	<u>(18)</u>	<u>-</u>	<u>189</u>	<u>-</u>	<u>3,595</u>
Subtotal of deferred income tax assets	<u>\$37,168</u>	<u>\$2,294</u>	<u>\$465</u>	<u>\$273</u>	<u>\$8,914</u>	<u>\$49,114</u>

Deferred income tax liabilities

Temporary differences

Recognition of gains on foreign investments accounted for using equity method	\$143,596	\$5,107	\$-	\$7,523	\$-	\$156,226
Exchange differences on translation of foreign operations	7,978	-	(5,061)	365	-	3,282
Lease liability	15,348	-	-	(379)	8,848	23,817
Others	<u>199,484</u>	<u>4,717</u>	<u>-</u>	<u>9,471</u>	<u>399</u>	<u>214,071</u>
Subtotal of deferred income tax liabilities	<u>\$366,406</u>	<u>\$9,824</u>	<u>(\$5,061)</u>	<u>\$16,980</u>	<u>\$9,247</u>	<u>\$397,396</u>

2023

	Opening balance	Recognized in gain or loss	Recognized in other comprehensive income	Exchange differences	Other	Balance at the end of the year
Deferred income tax assets						
Temporary differences						
Allowance for inventory valuation loss	\$12,259	\$1,804	\$-	(\$112)	\$-	\$13,951
Allowance for doubtful accounts	4,179	(102)	-	(42)	-	4,035
Unrealized exchange gains and losses	-	410	-	-	-	410
Lease liability	16,947	-	-	180	(1,779)	15,348
Others	<u>5,150</u>	<u>(1,674)</u>	<u>-</u>	<u>(52)</u>	<u>-</u>	<u>3,424</u>
Subtotal of deferred income tax assets	<u>\$38,535</u>	<u>\$438</u>	<u>\$-</u>	<u>(\$26)</u>	<u>(\$1,779)</u>	<u>\$37,168</u>

Deferred income tax liabilities

Temporary differences

Recognition of gains on foreign investments accounted for using equity method	\$162,257	( \$16,258)	\$-	(\$2,403)	\$-	\$143,596
Exchange differences on translation of foreign operations	10,203	-	(2,096 )	(129)	-	7,978
Lease liability	16,947	-	-	180	(1,779)	15,348
Others	<u>233,894</u>	<u>(10,538)</u>	<u>-</u>	<u>546</u>	<u>(24,418)</u>	<u>199,484</u>
Subtotal of deferred income tax liabilities	<u>\$423,301</u>	<u>(\$26,796)</u>	<u>(\$2,096)</u>	<u>(\$1,806)</u>	<u>(\$26,197)</u>	<u>\$366,406</u>

(V) Income tax approval status

For business income tax returns of LDC Company, part of the consolidated company, the filed cases before the year 2022 have been approved by the tax collection authority.

XXVIII. Earnings per Share

	2024	Unit: NT\$ per share 2023
Basic earnings per share	<u>\$ 6.46</u>	<u>\$ 4.18</u>
Diluted earnings per share	<u>\$ 6.45</u>	<u>\$ 4.18</u>

For the calculation of earnings per share and the weighted average number of ordinary shares are as follows:

<u>Net profit for the period</u>	2024	2023
Net profit attributable to owners of the Company	<u>\$ 401,977</u>	<u>\$ 260,095</u>
Net profit used in calculating basic earnings per share	\$ 401,977	\$ 260,095
Impact on ordinary shares with dilutive effect:		
after-tax interest on convertible bonds	<u>187</u>	<u>16,183</u>
Net profit used in calculating diluted earnings per share	<u>\$ 402,164</u>	<u>\$ 276,278</u>

<u>Number of shares</u>	2024	Unit: Thousand shares 2023
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	62,193	62,193
Impact on ordinary shares with dilutive effect:		
Convertible bonds	112	112
Remunerations for employees	<u>31</u>	<u>38</u>
Weighed average number of	<u>62,336</u>	<u>62,343</u>

ordinary shares for the purpose of calculating diluted earnings per share

If the consolidated company chooses to offer employees remuneration by way of shares or cash, then while calculating the diluted earnings per share, assuming that the remuneration is paid in the form of stocks, the potential ordinary shares with dilutive effect will be included in the weighted average number of outstanding shares to calculate the diluted earnings per share. The dilutive effect of such potential ordinary stocks shall continue to be considered when calculating the diluted earnings per share before resolving the number of stocks to be distributed as employee remunerations in the following year.

As the conversion of the outstanding corporate bonds of the Company is anti-dilutive, they are not included in the calculation of diluted earnings per share.

XXIX. Government Grants

The Chinese subsidiary obtains financial subsidies from local competent authorities in accordance with regulations. Other income of \$27,279 thousand and \$14,826 thousand will be recognized in 2024 and 2023 respectively.

XXX. Disposal of subsidiary

The consolidated company signed the contract of transferring the shares of Emtron Company in December 2024. Emtron Company is engaged in the surface treatment and processing of automotive components. The consolidated company completed the disposal in December 2024, and lost control over the subsidiary.

(I) Consideration received

	<u>Emtron Company</u>
Cash and cash equivalents	\$ -
Payments for disposal of investments receivables	<u>28,277</u>
Total consideration received	<u>\$ 28,277</u>

NT\$28,277 thousand (CNY6,200 thousand) of payments for disposal of investments receivables are expected to be received in March 2025.

(II) Analysis on the assets and liabilities over which the consolidated company lost control

	<u>Emtron Company</u>
<u>Current assets</u>	
Cash and cash equivalents	\$ 6,684
Notes receivables	70
Accounts receivables	33,348
Other receivables	54
Inventories	3,377
Prepayments	3,248
<u>Non-current assets</u>	



Property, plant and equipment	18,801
Right-of-use assets	11,841
Guaranteed deposits paid	1,402
<u>Current liabilities</u>	
Accounts payables	( 7,419)
Other payables	( 5,002)
Lease liabilities - current	( 12,089)
Other current liabilities	( 118)
<u>Non-current liabilities</u>	
Lease liabilities – non-current	( 4,166)
Net assets disposed	<u>\$ 50,031</u>
(III) Gains on disposal of subsidiary	

	<u>Emtron Company</u>
Consideration received	\$ 28,277
Net assets disposed	( 50,031)
Accumulated exchange differences from reclassification of equity to profit or loss for net assets over which the consolidated company lost control	( 1,362)
Losses on disposal	<u>( \$ 23,116)</u>

(IV) Net cash outflows from disposal of subsidiary

	<u>Emtron Company</u>
Considerations collected in cash and cash equivalents	\$ -
Less: balance of cash and cash equivalents disposed	( 6,684)
	<u>( \$ 6,684)</u>

XXXI. Equity transactions with non-controlling interests

The consolidated company acquired the equity interests held by minority shareholders of Lemtech-Eahwa Precision Technology Co., Ltd. on July 7, 2023 resulting in an increase in the shareholding ratio from 40% to 42%. Since the above transactions did not change the merging company's control over these subsidiaries, the merging company treated them as equity transactions.

	<u>July 7, 2023</u>
	<u>Lemtech-Eahwa Precision Technology Co., Ltd.</u>
Consideration paid	( \$ 974)
The carrying amount of the subsidiary's net assets shall be transferred to non-controlling interests based on changes in relative equity	1,095
Equity Transaction Difference	<u>\$ 121</u>
<u>Account adjusted for equity transactions</u>	
Capital surplus	<u>\$ 121</u>

### XXXII. Information on Cash flow information

#### (I) Non-cash transactions

Except for those disclosed in other Notes, the Group has invested and raised funds for the following non-cash transactions in 2024 and 2023:

The adjustment of cash payments for the purchase of real property, plant and equipment is as follows:

	<u>2024</u>	<u>2023</u>
Added this year (including prepaid equipment payment)	\$ 511,810	\$ 465,317
Changes in equipment payments and construction payments payable	( 45,346)	6,994
Cash amount paid for procurement of property, plants and equipment	<u>\$ 466,464</u>	<u>\$ 472,311</u>

#### (II) Changes in liabilities from financing activities

##### 2024

	<u>January 1, 20234</u>	<u>Cash flow</u>	<u>Non-cash flow changes New lease</u>	<u>Others</u>	<u>December 31, 20234</u>
Lease liabilities	<u>\$248,703</u>	<u>(\$87,313)</u>	<u>\$153,374</u>	<u>(\$1,954)</u>	<u>\$312,810</u>

##### 2023

	<u>January 1, 2023</u>	<u>Cash flow</u>	<u>Non-cash flow changes New lease</u>	<u>Others</u>	<u>December 31, 2023</u>
Lease liabilities	<u>\$211,797</u>	<u>(\$77,974)</u>	<u>\$ 104,791</u>	<u>\$10,089</u>	<u>\$248,703</u>

### XXXIII. Capital Risk Management

The consolidated company manages its capital based on the policy to ensure the continual operations of the entities in the consolidated company. By optimizing its debts and liabilities, the consolidated company can maximize return for stakeholders.

The consolidated company's capital structure consists of net debts (i.e. loans and corporate bonds less cash and cash equivalents) and equities (i.e. equity, capital reserve, retained earnings, and other equity).

The consolidated company is not subject to any other external capital requirements.

The consolidated company's management periodically reassesses the consolidated company's capital structure; the inspection items include capital costs of various categories and related risks. The consolidated company will distribute dividend, issue new stocks and new debts, repurchase shares, or repay old debts among other methods to balance its overall capital structure (in accordance with the recommendations of its management).

#### XXXIV. Financial Instruments

(I) Fair value information - financial instruments not measured at fair value

The consolidated company's financial assets and financial liabilities whose carrying amounts are not measured at fair value are close to their fair value.

(II) Fair value information - Financial instruments measured at fair value on a recurring basis

1. Fair value of financial instruments measured at fair value on a recurring basis

Fair value hierarchy

December 31, 2024: None.

December 31, 2023: None.

There was no transfer between Level 1 and Level 2 fair value measurements in 2024 and 2023.

2. Reconciliation of financial instruments at Level 3 fair value measurement

2024: None.

2023

	Derivatives instruments
Financial assets at fair value through profit or loss	
Opening balance	(\$ 17,600)
Disposition/Settlement	( 750)
Recognized in gain or loss (other gains and losses)	18,350
Balance at the end of the year	<u>\$ -</u>
Changes in unrealized profits or losses of the year related to the assets held at the end of the year are recognized in profit or loss.	<u>(\$ 750)</u>

3. Valuation techniques and inputs of Level 2 fair value measurement

Category of Financial Instruments	Valuation Technique and Inputs
Structured deposits	Discounted cash flow method: Estimate future cash flows based on observable interest rates at the end of the period and discount them at a discount rate that reflects credit risk.

4. Valuation techniques and inputs of Level 3 fair value measurement

Derivatives - Convertible corporate bond redemption rights are based on the use of binary tree convertible bond evaluation model to estimate the fair value, the significant unobservable input value adopted is the stock price volatility. When stock price volatility increases, the fair value of these derivatives will increase.

(III) Classification of financial instruments

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Financial assets</u>		
Financial assets measured at amortized cost (Note 1)	3,786,485	3,173,100
<u>Financial liabilities</u>		
Measured at amortized cost (Note 2)	3,637,270	3,071,491

Note 1: The balances include cash and cash equivalents, accounts receivable, notes receivable, other receivables, and refundable deposits, which are measured at amortized cost.

Note 2: The balances include financial liabilities measured at amortized cost such as short-term loans, notes payable, accounts payable, other payables, long-term loans, corporate bonds payable, and guarantee deposits.

(IV) Objectives and policies of financial risk management

The main financial instruments of the consolidated company include cash and cash equivalent, accounts receivable, accounts payable, corporate bonds payable and loans. The financial management segment of the consolidated company provides services to the business units, including coordinating operations in the domestic and international financial markets, and managing financial risks relating to the operations of the consolidated company based on the degree of risk and the degree of the breadth of the exposure. These risks include market risk (including exchange rate risk, interest rate risk and other price risks), credit risk and liquidity risk.

The financial management segment reports monthly to the management of the consolidated company, and the management would carry out risk monitoring and policy implementation based on its duties and responsibilities to mitigate risk exposure.

1. Market risks

The consolidated company's activities expose it primarily to the financial risks of changes in foreign exchange rates (see (1) and the changes in interest rates (see (2) below).

The management and measurement of market risks of financial instruments and risk exposure of the consolidated company remain unchanged.

(1) Foreign currency exchange risk

The Group's sales and purchase transactions are denominated in foreign currency; as a consequence, the Group is exposed to the risk of fluctuation in the exchange rate.

For the monetary assets and liabilities of the consolidated company denominated in non-functional currencies on the balance sheet date (including those monetary items denominated in non-functional currencies that have been written off in the consolidated financial statements), please refer to Note 40.

Sensitivity analysis

The consolidated company is mainly impacted by the exchange rate

fluctuations in USD.

The following table includes the sensitivity analysis of the consolidated company's financial position under circumstances that the exchange rate of a foreign currency to NTD (the function currency) increases or decreases by 1%. The hypothetical increase of 100 basis point (1%) in exchange rates is used in Management's internal sensitivity analysis report on currency exchange risks; it also reflects the reasonable range of change in exchange rates the management believes would be. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and the adjustment of their translation at the end of the period for a 1% change in exchange rate. A positive number in the table below indicates an increase in net profit before income tax that would result when the functional currency strengthens 1% against the relevant currency. For a 1% weakening of NTD against the relevant currency, the effect on the net profit before income tax would be the same amount in negative.

	Impact of USD	
	2024	2023
Increase in net profit before tax	\$ 8,752	\$ 2,601

The impact of profit and loss is mainly derived from the USD-denominated cash and cash equivalents, receivables, and payables that are still in circulation at the balance sheet date of the consolidated company and have not been hedged with cash flow.

(2) Interest rate risk

By taking out loans at both the fixed rate and the floating rate at the same time, the Group is exposing to interest rate risk. The policy of the consolidated company is to maintain floating-rate borrowings to reduce the risk of interest rate changes, and currently does not operate interest rate hedging tools. The management of the consolidated company will monitor the interest rate risk timely, and will take necessary measures to respond to the risk control caused by the huge changes in market interest rates if necessary.

The carrying value of financial assets and liabilities exposed to interest rate risk of the consolidated company on the balance sheet date are as follows:

	December 31, 2024	December 31, 2023
Interest rate risks with cash flow		
— Financial assets	\$1,940,493	\$1,668,117
— Financial liabilities	1,904,289	1,685,625

### Sensitivity analysis

The sensitivity analysis below is based on the non-derivative instruments' interest rate risk exposure at the balance sheet date. For liabilities at floating interest rates, the analysis assumes they are outstanding throughout the reporting period if they are outstanding at the balance sheet date. The rate of change used when reporting interest rates within the Group to key management levels increased or decreased by 0.5%, which also represents the management's assessment on the reasonably possible scope of the interest rate. If interest rate increases/decreases by 0.5%, held other variables constant, the consolidated company's income before tax will increase/decrease by NT\$181 thousand and NT\$88 thousand for 2024 and 2023, respectively.

#### 2. Credit risk

Credit risks refer to risks that cause financial loss of the consolidated company due to the counterparty's delay in performing contractual obligations. Due to the nature of the industry in which it operates, the consolidated company has no significant concentration of credit risk. The consolidated company has formulated a policy that when assessing the credit line granted to customers, it must obtain appropriate financial information from customers to conduct credit ratings of customers to ensure that sales services do not generate significant credit risk.

The maximum amount of credit risk of the consolidated company is the net amount of the carrying amount of financial assets after deducting the amounts that can be offset according to regulations and the impairment losses recognized in accordance with regulations without considering collateral and other credit enhancement policies.

The main objects of the accounts receivable and other receivables of the consolidated company are foreign-funded enterprises established in China and internationally renowned manufacturers. The credit risk management and impairment status are detailed in Note 9.

The bank deposits of the consolidated company and other investment in financial assets are mainly deposited in banks with good credit ratings assigned by international credit rating agencies, so this credit risk is not significant.

#### 3. Liquidity risk

The consolidated company's supports its business operations and reduces cash flow fluctuation through appropriate management and the maintenance of sufficient cash and cash equivalents. The consolidated company's management supervises bank financing conditions and ensures compliance with loan contracts. The bank loans are a significant source of liquidity for the consolidated company. Please refer to (2) Financing limit below for the unfunded financing amount of the consolidated company as of December 31, 2024 and 2023.

##### (1) Liquidity and interest rate risk of non-derivative financial liabilities

The non-derivative financial liabilities with agreed repayment periods. The

tables had been drawn up based on the undiscounted cash flow. Therefore, the Consolidated Company may be required to repay a bank loan immediately and the possibility is listed in the table below and categorized into the earliest period line item disregard the probability of exercising such right on instance by the bank. An analysis of the maturity of other non-derivative financial liabilities is prepared in accordance with the agreed repayment date.

December 31, 2024

	<u>Within 1 year</u>	<u>1 - 5 years</u>	<u>More than 5 years</u>
<u>Non-derivative financial liabilities</u>			
Bank loans	\$1,026,072	\$ -	\$ -
Notes payable	110,012	-	-
Accounts payable	1,147,255	-	-
Other payables	459,779	-	-
Lease liabilities	77,796	214,609	20,405
Corporate bonds payable	-	-	-
Long-term borrowing	<u>25,881</u>	<u>852,336</u>	-
	<u>\$2,846,795</u>	<u>\$1,066,945</u>	<u>\$20,405</u>

Further information on the maturity analysis of lease liabilities is listed as follows:

	<u>Within 1 year</u>	<u>1 - 5 years</u>	<u>More than 5 years</u>
Lease liabilities	<u>\$ 84,982</u>	<u>\$ 219,580</u>	<u>\$ 30,960</u>

December 31, 2023

	<u>Within 1 year</u>	<u>1 - 5 years</u>	<u>More than 5 years</u>
<u>Non-derivative financial liabilities</u>			
Bank loans	\$ 817,712	\$ -	\$ -
Notes payable	118,305	-	-
Accounts payable	892,220	-	-
Other payables	362,605	-	-
Lease liabilities	65,905	160,658	22,230
Corporate bonds payable	18,100	-	-
Long-term loans	-	850,000	-
	<u>\$ 2,274,847</u>	<u>\$ 1,010,568</u>	<u>\$ 22,230</u>

Further information on the maturity analysis of lease liabilities is listed as follows:

	<u>Within 1 year</u>	<u>1 - 5 years</u>	<u>More than 5 years</u>
Lease liabilities	<u>\$ 72,966</u>	<u>\$ 169,569</u>	<u>\$ 22,453</u>

(2) Loan Commitments

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Unsecured bank loan line		
— Amount used	\$ 1,054,289	\$ 817,712
— Amount unused	<u>3,401,953</u>	<u>2,932,661</u>
	<u>\$ 4,456,242</u>	<u>\$ 3,750,373</u>
Secured bank loan line		
— Amount used	\$ 850,000	\$ 850,000
— Amount unused	<u>-</u>	<u>-</u>
	<u>\$ 850,000</u>	<u>\$ 850,000</u>

XXXV. Related Party Transactions

All transactions, account balances, income, and expenses between the Company and its subsidiaries (related parties of the Company) are fully offset by intercompany netting and therefore are not shown in this Note. The transactions between the Group and other related parties are as follows.

(I) The names and relations of related parties

<u>Name of related party</u>	<u>Relationship with the consolidated company</u>
Aapico Lemtech	Affiliate, which has been sold in April 2024.

(II) Operating revenue

<u>Accounting item</u>	<u>Category of related parties</u>	<u>2024</u>	<u>2023</u>
Sales	Affiliates	<u>\$ 9</u>	<u>\$ 24</u>

There are no significant differences between the terms and conditions of sales and collection for related parties and that of general transactions.

(III) Remuneration to the management

	<u>2024</u>	<u>2023</u>
Short-term employee benefits	<u>\$ 40,744</u>	<u>\$47,303</u>

The remuneration for directors and other key management is determined by the remuneration committee based on personal performance and market trends.

XXXVI. Pledged Assets

The following assets have been provided as the collateral for financing borrowings:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Bank deposits-restricted (accounts for financial assets measured at amortized cost)	\$ -	\$ 6,341
Land	-	41,716



Property, plant and equipment	-	15,191
Investment properties	-	988,452
Non-current assets held for sale	<u>1,038,147</u>	<u>-</u>
	<u>\$ 1,038,147</u>	<u>\$ 1,051,700</u>

XXXVII. Material Contingent Liabilities and Unrecognized Contractual Commitments : None.

XXXVIII. Losses Due to Major Disasters: None.

XXXIX. Other Matters : None.

XL. Significant Events after the Balance Sheet Date: None.

XLI. Information on Foreign Currency-denominated Assets and Liabilities of Significant Influence

The following summary is presented in foreign currencies other than the functional currency. The exchange rates disclosed in the summary refer to the exchange rate of a foreign currency to the functional currency.

Information on foreign currency-denominated assets and liabilities of significant influence is as follows:

December 31, 2024

	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>Carrying amount</u>
<u>Foreign currency assets</u>			
<u>Monetary items</u>			
USD	\$27,516	32.7849 (USD:NTD) 7.1884	\$902,094
USD	27,717	(USD:RMB)	908,712
USD	7	24.1970 (USD:CZK)	213
USD	3,835	4.6402 (USD: MYR)	125,733
USD	1,772	34.0694 (USD: THB)	58,083
USD	1,264	20.6612 (USD:MXN)	41,450
RMB	125	4.5608 (RMB:NTD)	549
RMB	5,246	0.1391 (RMB:USD)	23,927
JPY	500	0.2098 (JPY:NTD)	105
JPY	64,707	0.0460 (JPY:RMB)	13,575
EUR	4,537	7.4855 (EUR:RMB)	154,904
EUR	5,045	25.1970 (EUR:CZK)	172,224
SGD	353	0.7360 (SGD:USD)	8,516
SGD	20	24.1298 (SGD:NTD)	<u>495</u>
			<u>\$2,410,580</u>

Foreign currency liabilities

Monetary items

USD	33,700	32.7849 (USD:NTD)	\$1,104,864
USD	114	7.1884 (USD:RMB)	3,726
USD	1,600	20.6612 (USD:MXN)	52,456
RMB	40	4.5608 (RMB:NTD)	180
JPY	11,262	0.0460 (JPY:RMB)	2,363
EUR	7,162	25.1970 (EUR:CZK)	<u>244,501</u>
			<u>\$1,408,090</u>

December 31, 2023

	Foreign currency	Exchange rate	Carrying amount
<u>Foreign currency assets</u>			
<u>Monetary items</u>			
USD	\$ 25,838	30.7049 (USD:NTD)	\$793,359
USD	15,842	7.0827 (USD:RMB)	486,425
RMB	387	4.3352 (RMB:NTD)	1,680
RMB	17	0.1412 (RMB:USD)	72
JPY	500	0.2172 (JPY:NTD)	109
JPY	137,331	0.0501 (JPY:RMB)	29,827
EUR	2,773	7.8382 (EUR:RMB)	94,217
EUR	3,562	24.2726 (EUR:CZK)	121,053
SGD	44	0.7585 (SGD:USD)	1,029
SGD	25	23.2900 (SGD: NTD)	<u>573</u>
			<u>\$1,528,344</u>

Foreign currency liabilitiesMonetary items

USD	33,137	30.7049 (USD:NTD)	\$1,017,457
USD	72	7.0827 (USD:RMB)	2,216
JPY	13,058	0.0501 (JPY:RMB)	2,836
SGD	17	23.2900 (SGD: NTD)	404
EUR	6,706	24.2726 (EUR:CZK)	<u>227,860</u>
			<u>\$1,250,773</u>

The consolidated company is mainly exposed to foreign currency exchange rate risks of RMB, USD, CZK, and PHP. The following information is aggregated in terms of the functional currency of the foreign currency held. The exchange rate disclosed is the

exchange rate of the functional currency into the presentation currency. The realized and unrealized foreign currency exchange profits and losses that have a significant impact are as follows:

Functional currency	2024	Net exchange gains and losses	2023	Net exchange gains and losses
	Functional Currency and Presentation Currency		Functional Currency and Presentation Currency	
NTD	1.0000 (NTD:NTD)	(\$15,248)	1.0000 (NTD:NTD)	\$32,116
RMB	4.5161 (RMB:NTD)	16,266	4.4244 (RMB:NTD)	6,011
USD	32.2008 (USD:NTD)	3,203	31.2603 (USD:NTD)	84
CZK	1.3844 (CZK:NTD)	( 1,960)	1.4034 (CZK:NTD)	(3,478)
MXN	1.6616 (MXN:NTD)	(17,838)	1.7646 (MXN:NTD)	<u>(2,439)</u>
MYT	7.0385(MYT:NTD)	1,344		
THB	0.9477(THB:NTD)	( 699)		
		<u>(\$14,932)</u>		<u>\$32,294</u>

## XLII. Supplementary Disclosures

Information on (I) Significant Transactions and (II) Investees:

1. Financings provided (Attachment 1)
2. Endorsements/guarantees provided to others (Attachment 2)
3. Marketable securities held at the end of year (excluding investments in subsidiaries, affiliates and interest in joint ventures) (None)
4. Accumulated purchase or disposal of individual marketable securities equal to or in excess of NT\$300 million or 20% of paid-in capital (None)
5. Acquisition of real estate at cost in excess of NT\$300 million or 20% of paid-in capital (None)
6. Disposal of real estate at cost in excess of NT\$300 million or 20% of paid-in capital (None)
7. Purchases or sales to related parties of at least NT\$100 million or 20% of paid-in capital (Attachment 3)
8. Accounts receivable from related parties equal to or in excess of NT\$100 million or 20% of paid-in capital (Attachment 4)
9. Engage in derivative transactions (Note 7 and 33)
10. Others: Business relationships, important transactions and the amounts between parent company and subsidiaries (Attachment 5)
11. Information on investees (Attachment 6)

### (III) Information on investments in China:

1. Information on any investee company in China; disclose the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment gain or loss, carrying

amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in China. (Attachment 7)

2. Significant transactions with investee companies in China, either directly or indirectly through a third region, and their prices, payment terms, and unrealized gains or losses. (Attachment 7)
  - (1) Purchase amount and percentage, and the ending balance and percentage of payables.
  - (2) Sales amount and percentage, and the ending balance and percentage of payments receivables.
  - (3) Property transaction amount and the resulting gain or loss.
  - (4) Ending balance of endorsement, guarantee or collateral provided and purposes.
  - (5) The maximum balance, ending balance, interest rate range and total amount of interest of financing for the current year.
  - (6) Other transactions having a significant influence on profit or loss or financial status of the current year, such as providing or receiving services.

- (IV) Information on major shareholders: Names of shareholders with a shareholding ratio of 5% or more and the amount and proportion of shareholding. (Attachment 8)

#### XLIII. Segment Information

The information is provided to the main decision-maker to allocate resources and assess the performance of each segment and focus on each type of product or service delivered or provided. information on the consolidated company's reporting segments is presented as follows:

Taiwan manufacturing segment

China manufacturing segment

Others

#### Segment revenues and the results of operations

- (I) The consolidated company's revenue and operational results by reportable segment are analyzed as follows:

Intersegmental sales are based on market prices.

Segment profit refers to the profit earned by each segment, including the apportionable headquarters management cost and directors' remuneration, the share of profits and losses of affiliated companies that adopt the equity method, rental income, interest income, disposition of real estate, plant, and equipment profits and losses, foreign currency exchange net (profit) losses, financial instrument evaluation profits and losses, financial cost, and Income tax expenses. The assessment is provided to the main decision-maker to allocate resources to segments and assess their performance.

## 2024

	Taiwan manufacturing segment	China manufacturing segment	Others	Intercompany netting	Total
Revenue from external customers	\$ 248,921	\$ 2,342,083	\$ 3,208,707	\$ -	\$ 5,799,711
Intercompany revenue	923,404	1,262,473	9,203	( 2,195,080 )	-
Segment Revenue	<u>\$ 1,172,325</u>	<u>\$ 3,604,556</u>	<u>\$ 3,217,910</u>	<u>( \$ 2,195,080 )</u>	<u>5,799,711</u>
Interest income	\$ 21,895	\$ 17,442	\$ 10,430	( \$ 7,076 )	42,691
Other company's income					73,098
					<u>\$ 5,915,500</u>
Finance costs	4,485	10,227	65,896	( 7,076 )	\$ 73,532
Depreciation and amortization	23,284	332,131	69,032	( 1,938 )	422,509
Share of gains (losses) of affiliates accounted for using equity method	( 792 )	( 10,310 )	932,590	( 922,320 )	( 832 )
Income tax expenses (benefits)	34,964	50,223	19,680	-	104,867
Segments gain (loss)	<u>\$ 138,759</u>	<u>\$ 363,830</u>	<u>\$ 848,876</u>	<u>( \$ 922,320 )</u>	<u>\$ 429,145</u>
Segments assets	<u>\$ 1,374,082</u>	<u>\$ 6,112,465</u>	<u>\$ 13,420,513</u>	<u>( \$ 12,492,534 )</u>	<u>\$ 8,414,526</u>
Segments liabilities	<u>\$ 552,290</u>	<u>\$ 2,334,033</u>	<u>\$ 3,817,496</u>	<u>( \$ 2,195,400 )</u>	<u>\$ 4,508,419</u>

## 2023

	Taiwan manufacturing segment	China manufacturing segment	Others	Intercompany netting	Total
Revenue from external customers	\$ 300,100	\$ 2,318,808	\$ 2,045,316	\$ -	\$ 4,664,224
Intercompany revenue	860,375	616,344	13,914	( 1,490,633 )	-
Segment Revenue	<u>\$ 1,160,475</u>	<u>\$ 2,935,152</u>	<u>\$ 2,059,230</u>	<u>( \$ 1,490,633 )</u>	<u>4,664,224</u>
Interest income	\$ 14,151	\$ 18,669	\$ 23,630	( \$ 7,793 )	48,657
Other company's income					67,468
					<u>\$ 4,780,349</u>
Finance costs	5,351	16,357	50,001	( 7,793 )	\$ 63,916
Depreciation and amortization	25,003	286,764	50,307	( 1,480 )	360,594
Share of gains (losses) of affiliates accounted for using equity method	-	( 22,889 )	630,033	( 613,021 )	( 5,877 )
Income tax expenses (benefits)	28,915	5,684	( 9,528 )	-	25,071
Segments gain (loss)	<u>\$ 26,758</u>	<u>\$ 227,762</u>	<u>\$ 633,000</u>	<u>( \$ 613,021 )</u>	<u>\$ 274,499</u>
Segments assets	<u>\$ 1,287,089</u>	<u>\$ 5,550,105</u>	<u>\$ 11,671,678</u>	<u>( \$ 11,239,746 )</u>	<u>\$ 7,269,126</u>
Segments liabilities	<u>\$ 543,792</u>	<u>\$ 1,544,533</u>	<u>\$ 3,138,993</u>	<u>( \$ 1,474,986 )</u>	<u>\$ 3,752,332</u>

### (II) Revenue from major products and services

The analysis of profits from the main products and services of the consolidated company's continuing business units is as follows:

	2024	2023
Automotive components	\$ 3,044,918	\$ 2,431,903
Electronic components	2,318,248	1,568,148
Connected fitness equipment	288,955	467,417
Others	147,590	196,756
	<u>\$ 5,799,711</u>	<u>\$ 4,664,224</u>

### (III) Regional information

The consolidated company mainly operates in two areas - Taiwan and China.

Revenue of the consolidated company's continuing operations from external customers classified by the location of the business and the non-current assets is listed as follows:

	Revenue from external customers		Non-current assets	
	2024	2023	December 31, 2024	December 31, 2023
Asia	\$ 3,302,440	\$ 2,870,103	\$ 1,876,682	\$ 2,780,178
America	1,436,503	1,087,632	199,699	135,788
Europe	1,060,768	706,489	352,602	290,075
	<u>\$ 5,799,711</u>	<u>\$ 4,664,224</u>	<u>\$ 2,428,983</u>	<u>\$ 3,206,041</u>

Non-current assets do not include deferred income tax assets.

(IV) Information of main customer

The annual revenues of 2024 and 2023 are NT\$5,799,711 thousand and NT\$4,664,224 thousand, the revenue from single customers of the company reaching more than 10% of the total revenue of the consolidated company are as follows:

	2024	2023
Customer J (Note 1)	\$ 803,678	\$ 579,304
Customer Z (Note 2)	666,701	593,260
Customer A (Note 2)	594,640	525,118

Note 1: This is revenue from fitness equipment and electronic category.

Note 2: This is revenue from automotive category.

Lemtech Holdings Co., Limited and its subsidiaries  
Loans extended to others  
2024

Attachment 1

Unit: Unless Specified Otherwise  
, NTD thousands.

No. (Note 1)	Lending company	Borrower	General ledger account	Related party or not	Maximum Balance for the Period	Balance at the end of period (Note 2)	Actual expenditure	Interest range	Nature of loan	Business transaction amount	Reason for short-term financing	Allowance for bad debts recognized	Collateral		Financing limit for each borrower (Note 3)	Total loan limit (Note 3)	Remarks
													Name	Value			
0	Lemtech Holdings Co., Limited	Lemtech Global Solution Co. Ltd.	Other receivables	Yes	\$143,198	\$-	\$-	5.8%	Necessity of short-term financing	-	Operating capital	-	-	-	\$1,526,127	\$1,526,127	
1	Lemtech Precision Material (China) Co., Ltd	Zhenjiang Emtron Surface Treatment Limited Company (Note 4)	Other receivables	Yes	172,710	\$-	\$-	3.5%	Necessity of short-term financing	-	Operating capital	-	-	-	1,269,985	1,269,985	
2	Lemtech Technology Limited	Lemtech Holdings Co., Limited.	Other receivables	Yes	426,855	426,205	262,280	0.25%	Necessity of short-term financing	-	Operating capital	-	-	-	545,066	545,066	
3	LDC Precision Engineering Co., Ltd	Lemtech Holdings Co., Limited	Other receivables	Yes	170,000	160,000	160,000	2.12%	Necessity of short-term financing	-	Operating capital	-	-	-	165,029	165,029	

Note 1: Explanations for the numbering column are as follows:

- (1) The issuer is coded 0.
- (2) Investees are numbered consecutively from 1 in the order presented in the attachment above.

Note 2: If a public company extend loans by submitting each loan for the board resolution in accordance with Paragraph 1, Article 14 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, although the drawdown had not been made, the amount resolved by the board shall be included in the balance announced in order to disclose the risks borne; however, if subsequently the amount is repaid, the balance after repayment shall be disclosed to reflect the adjustment of risk. If a publicly company authorized the chairman of the board of directors to extend loans in installments or to make a revolving credit line within a certain amount and within a period of one year in accordance with Article 14 (2) of the regulation, the loan limit resolved by the board shall be the reported balance. Although the amount may subsequently be repaid, considering the that further installments may be made, the loan limit resolved by the board shall still be the reported balance.

Note 3: (1) The loan limit to others is approved by the shareholders' meeting of Lemtech Holdings Co., Limited in accordance with the Operational Procedures for Loaning Funds to Others: For loans extended to companies with business ties, 1. the loan limit shall not exceed 20% of the company's net worth; amount of individual loans shall not exceed the total amount of trading between the parties in the most recent year. The amount of trading means the sales or purchasing amount between the parties, whichever is higher. 2. Where the extension of loans for companies with short-term financing needs is necessary, the total amount of loan extended shall not exceed 40% of the company's net value; the amount extended for each individual loans shall not exceed 40% of the company's net value.

(2) According to the above regulations, the maximum value of short-term financing extended by Lemtech Holdings Co., Limited out of necessity is net value of NT\$3,815,317 thousand x 40% = NT\$1,526,127 thousand; the limit for a single entity is NT\$ 3,815,317 thousand x 40% = NT\$1,526,127 thousand.

(3) According to the above regulations, the maximum value of short-term financing extended by Lemtech Precision Material (China) Co., Ltd out of necessity is net value of NT\$ 3,174,963 thousand x 40% = NT\$ 1,269,985 thousand; the limit for a single entity is NT\$ 3,174,963 thousand x 40% = NT\$ 1, 269,985 thousand.

(4) In accordance with the above regulations. According to the above regulations, the maximum value of short-term financing extended by LDC Company out of necessity is net value of NT\$412,572 thousand x 40% = NT\$165,029 thousand; the limit for a single entity is NT\$412,572 thousand x 40% = NT\$165,029 thousand.

(5) When a foreign company whose parent company directly or indirectly holds 100% of the voting shares engages in capital lending for the purpose of financing, the individual financing amount shall not exceed the net value of the latest financial statements of the lending company, and the total financing amount shall not exceed the lending company's net value. Most recent financial statement net worth.

Note 4: The consolidated company sold 100% of the shares of Emtron Company by total amount of NT\$28,277 thousand in December 2024. Please refer to Note 30.

Lemtech Holdings Co., Limited and its subsidiaries  
Endorsement/guarantee provided for others  
2024

Attachment 2

(NTD thousands, Unless Stated Otherwise)

No. (Note 1)	Endorsement/guarantee provider name	Subject of endorsements/guarantees		Limit on endorsements/guarantees provided for a single party	Maximum balance for this period	Endorsement and guarantee closing balance	Actual expenditure	Amount of endorsement/guarantee collateralized by properties	Ratio of Accumulated Endorsements/Guarantees to Net Worth per Latest Financial Statements (%)	Endorsements/Guarantees Maximum limit	Guarantee provided by parent company to a subsidiary	Guarantee provided by a subsidiary	Guarantee provided to subsidiaries in China
		Name	Relationship (Note 2)										
0	Lemtech Holdings Co., Limited	Lemtech Precision Material (Czech) s.r.o.	2	\$4,578,380	\$235,520	\$234,140	\$204,840	\$ -	6.14%	\$11,445,951	Yes	No	No
0	Lemtech Holdings Co., Limited	LDC Precision Engineering Co., Ltd.	2	4,578,380	350,000	-	-	-	-	11,445,951	Yes	No	No
0	Lemtech Holdings Co., Limited	Lemtech Energy Solutions Corporation	2	4,578,380	320,000	320,000	-	-	8.39%	11,445,951	Yes	No	No
0	Lemtech Holdings Co., Limited	LemTech Global Industries Ltd.	2	4,578,380	500,000	435,000	185,000	-	11.40%	11,445,951	Yes	No	No
0	Lemtech Holdings Co., Limited	Lemtech International Limited	4	4,578,380	361,185	360,635	-	-	9.45%	11,445,951	Yes	No	No
1	Lemtech Technology Limited	Lemtech Holdings Co., Limited	2	654,079	164,175	-	-	-	-	1,635,198	No	Yes	No
2	Lemtech Precision Material	Lemtech Electronics Technology(Changshu)Co., Ltd	2	3,809,956	44,870	-	-	-	-	9,524,889	No	No	Yes
3	Lemtech Industrial Services Ltd	Kunshan Lemtech Slide Technology Co., Ltd. (China)	2	253,368	45,450	44,780	-	-	1.17%	633,420	No	No	Yes
4	Lemtech International Limited	Lemtech Holdings Co., Limited.	3	533,369	162,350	163,925	-	-	4.30%	1,333,422	No	Yes	No

Note 1: Explanations for the numbering column are as follows:

- (1) The issuer is coded 0.
- (2) Investees are numbered consecutively from 1 in the order presented in the attachment above.

Note 2: The relationships between endorers/guarantors and endorsees/guarantees are categorized into the following 7 types. Please specify the type.

- (1) A company that has business transactions with the Company.
- (2) Companies in which the Company directly and indirectly holds more than 50 percent of the voting shares.
- (3) Companies that directly and indirectly hold more than 50 percent of the voting shares in the Company.
- (4) Companies in which the Company hold, directly or indirectly, 90% or more of the voting shares.
- (5) A company fulfills its contractual obligations by providing mutual endorsement/guarantee for another company in the same industry or for joint builders for purposes of undertaking a construction project.
- (6) All capital contributing shareholders make endorsement/guarantee for their jointly invested company in proportion to their shareholding percentages.
- (7) Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: (1) The endorsement guarantee limit is handled by Lemtech Holdings Co., Limited in accordance with the provisions of Articles 36 and 38 of the Securities Exchange Law and the endorsement guarantee procedures approved by the shareholders' meeting: Lemtech Holdings Co., Limited 's external endorsement guarantee The total amount shall not exceed 300% of the current net value. The endorsement guarantee amount for a single enterprise shall not exceed 120% of the net value of the current period. If the endorsement guarantee is made due to a business relationship, it shall not exceed the total amount of transactions with the company in the most recent year (the purchase or sales amount between the two parties, whichever is higher). The net value is based on the latest financial statement that has been audited and certified by an accountant or reviewed. If the company directly and indirectly holds more than 90% of the voting shares as an endorsement guarantee, the amount shall not exceed 10% of the company's net worth. However, the company directly and indirectly holds 100% of the voting shares as an endorsement guarantee between companies, which is not subject to this limitation.

(2) According to the above regulations, the maximum limit for guarantee for endorsement by Lemtech Holdings Co., Limited is net value NT\$3,815,317 thousand  $\times 300\% =$  NT\$11,445,951 thousand; the limit for endorsement guarantee for a single enterprise is NT\$815,317 thousand  $\times 120\% =$  NT\$4,578,380 thousand.

(3) According to the above provisions, the maximum limit for Lemtech Technology Limited's external endorsement guarantee is net value NT\$545,066 thousand  $\times 300\% =$  NT\$1,635,198 thousand; the limit for endorsement guarantee for a single enterprise is net value NT\$545,066 thousand  $\times 120\% =$  NT\$654,079 thousand.

(4) According to the above regulations, the maximum limit for guarantee for endorsement by Lemtech Precision Material (China) is net value NT\$3,174,963 thousand  $\times 300\% =$  NT\$9,524,889 thousand; the limit for endorsement guarantee for a single enterprise is net value NT\$3,174,963 thousand  $\times 120\% =$  NT\$3,809,956 thousand.

(5) According to the above regulations, the maximum limit for guarantee for endorsement by Lemtech Industrial Services Ltd is net value NT\$211,140 thousand  $\times 300\% =$  NT\$633,420 thousand; the limit for endorsement guarantee for a single enterprise is net value NT\$211,140 thousand  $\times 120\% =$  NT\$253,368 thousand.

(6) According to the above regulations, the maximum limit for guarantee for endorsement by Lemtech International Limited is net value NT\$444,474 thousand  $\times 300\% =$  NT\$1,333,422 thousand; the limit for endorsement guarantee for a single enterprise is net value NT\$444,474 thousand  $\times 120\% =$  NT\$533,369 thousand.

Note 4: The consolidated company sold 100% of the shares of Emtron Company by total amount of NT\$28,277 thousand in December 2024. Please refer to Note 30.



Lemtech Holdings Co., Limited and its subsidiaries  
Amount of purchases from and sales to related parties reaching NT\$100 million or 20% of its paid-in capital  
2024

Attachment 3

(NTD thousands, Unless Stated Otherwise)

Name of company selling or purchasing	Counterparty	RELATIONS	Transaction details				Situation and reason of why trading conditions are different from general trading		Accounts and notes receivable (payable)		Remarks
			Purchase/sale	Sum	Ratio to Total Purchase (sell)	Loan period	Unit price	Loan period	Balance	Ratio to total note or account receivables (payables)	
LemTech Global Industries Ltd.	Lemtech International Limited	Affiliates	Sales	\$ 377,682	6.51%	120 days	According to the company's transfer pricing policy system	-	Accounts receivables \$ 223,546	78.55%	
Lemtech Precision Material (China) Co., Ltd	Lemtech International Limited	Affiliates	Sales	204,595	3.53%	120 days	According to the company's transfer pricing policy system	-	Accounts receivables 67,239	6.04%	
Kunshan Lemtech Slide Technology Co., Ltd. (China)	Lemtech International Limited	Affiliates	Sales	509,400	8.78%	120 days	According to the company's transfer pricing policy system	-	Accounts receivables 178,572	58.86%	
Kunshan Lemtech Slide Technology Co., Ltd. (China)	Lemtech Technology Limited	Affiliates	Sales	134,172	2.31%	120 days	According to the company's transfer pricing policy system	-	Accounts receivables 82,326	27.14%	
Lemtech Electronics Technology (Changshu) Co., Ltd.	Lemtech Technology Limited	Affiliates	Sales	114,634	1.98%	120 days	According to the company's transfer pricing policy system	-	Accounts receivables 41,335	42.84%	
Lemtech Energy Solutions Corporation	Lemtech International Limited	Affiliates	Sales	367,291	6.33%	120 days	According to the company's transfer pricing policy system	-	Accounts receivables 127,784	61.31%	
Lemtech Electronics Technology (Changshu) Co., Ltd.	Lemtech International Limited	Affiliates	Sales	143,513	2.47%	120 days	According to the company's transfer pricing policy system	-	Accounts receivables 40,016	41.47%	

Lemtech Holdings Co., Limited and its subsidiaries  
Account receivables from related parties reaching NT\$100 million or 20% of its paid-in capital  
December 31, 2024

Attachment 4

(NTD thousands, Unless Stated Otherwise)

Name of company with accounts receivable on account	Name of the counterparty	RELATIONS	Balance of receivables from related parties	Turnover rate	Overdue receivables from related parties		Amounts received from related parties in subsequent period	Allowance for loss amount
					Sum	Action taken		
Kunshan Lemtech Slide Technology Co., Ltd.	Lemtech International Limited	Affiliates	Accounts receivables \$ 178,572	4.18	\$ -	—	\$86,562	\$ -
LemTech Global Industries Ltd.	Lemtech International Limited	Affiliates	Accounts receivables 223,546	2.88	-	—	73,252	-
Lemtech Energy Solutions Corporation	Lemtech International Limited	Affiliates	Accounts receivables 127,784	3.90	-	—	56,963	-
LDC Precision Engineering Co., Ltd	Lemtech Holdings Co., Limited	Affiliates	Other receivables 161,206	Notes:	-	—	-	-
Lemtech Technology Limited	Lemtech Holdings Co., Limited	Affiliates	Other receivables 262,295	Notes:	-	—	-	-
Lemtech Global Solution Co. Ltd	Lemtech Precision Material (China) Co., Ltd	Affiliates	Payment for shares receivables 635,023	Notes:	-	—	-	-

Notes: Categorized as other receivables, thus turnover rate is not calculated.

Lemtech Holdings Co., Limited and its subsidiaries  
Intercompany Relationships and Significant Intercompany Transactions  
2023

Attachment 5

(NTD thousands, Unless Stated Otherwise)

No. (Note 1)	Name of the trader	Name of the transaction counterparty	Relationship (Note 2)	Conditions of transactions			
				Account	Sum	Terms of transaction	Percentage of Consolidated Total Revenue or Total Assets (%) (Note 3)
1	Lemtech Precision Material	Lemtech Precision Material (Czech) s.r.o.	3	Sales revenue (purchase)	\$ 86,739	General Terms of Transaction	1.50%
1	Lemtech Precision Material	Lemtech Precision Material (Czech) s.r.o.	3	Account receivables (payment)	73,347	General Terms of Transaction	0.87%
1	Lemtech Precision Material	Lemtech International Limited	3	Sales revenue (purchase)	204,595	General Terms of Transaction	3.53%
1	Lemtech Precision Material	Zhenjiang Emtron Surface Treatment Limited	3	Account receivables (payment)	67,239	General Terms of Transaction	0.80%
2	Kunshan Lemtech Slide Technology Co., Ltd.	Lemtech International Limited	3	Sales revenue (purchase)	509,400	General Terms of Transaction	8.78%
2	Kunshan Lemtech Slide Technology Co., Ltd.	Lemtech International Limited	3	Account receivables (payment)	178,572	General Terms of Transaction	2.12%
2	Kunshan Lemtech Slide Technology Co., Ltd.	Lemtech International Limited	3	Sales revenue (purchase)	134,172	General Terms of Transaction	2.31%
2	Kunshan Lemtech Slide Technology Co., Ltd.	Lemtech Technology Limited	3	Account receivables (payment)	82,326	General Terms of Transaction	0.98%
3	Lemtech Energy Solutions Corporation	Lemtech International Limited	2	Sales revenue (purchase)	367,291	General Terms of Transaction	6.33%
3	Lemtech Energy Solutions Corporation	Lemtech International Limited	2	Account receivables (payment)	127,784	General Terms of Transaction	1.52%
3	Lemtech Energy Solutions Corporation	Lemtech Technology Limited	3	Sales revenue (purchase)	92,667	General Terms of Transaction	1.60%
3	Lemtech Energy Solutions Corporation	Lemtech Technology Limited	3	Account receivables (payment)	56,806	General Terms of Transaction	0.68%
4	Lemtech Global Solution Co. Ltd.	Lemtech Precision Material (China) Co., Ltd	3	Payment for shares receivables (payables)	635,023	General Terms of Transaction	7.55%
5	LDC Precision Engineering Co., Ltd.	Lemtech Holdings Co., Limited.	2	Other receivables (payables)	161,206	General Terms of Transaction	1.92%
6	Lemtech Technology Limited	Lemtech Holdings Co., Limited	2	Other receivables (payables)	262,295	General Terms of Transaction	3.12%
7	Lemtech Electronics Technology (Changshu) Co., Ltd.	Lemtech International Limited	3	Sales revenue (purchase)	143,513	General Terms of Transaction	2.47%
7	Lemtech Electronics Technology (Changshu) Co., Ltd.	Lemtech Technology Limited	3	Sales revenue (purchase)	114,634	General Terms of Transaction	1.98%
8	LemTech Global Industries Ltd.	Lemtech International Limited	3	Sales revenue (purchase)	377,682	General Terms of Transaction	6.51%
8	LemTech Global Industries Ltd.	Lemtech International Limited	3	Account receivables (payment)	223,546	General Terms of Transaction	2.66%

Note 1: The information on business dealings between the parent company and subsidiaries should be numbered in the "Code" column with the following coding method:

1. Parent company will be coded "0".
2. The subsidiaries are coded from "1" in the order presented in the table above.

Note 2: The transaction relationships with the counterparties are as follows. Please specify the type (the same transaction shall not be disclosed repetitively for transaction between the parent company and the subsidiaries or between the subsidiaries. For example, if the parent company has already disclosed its transaction with a subsidiary, the subsidiary does not need to disclose the information again; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, the other one does not need to disclose it again.)

1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Between subsidiaries.

Note 3: For calculations of ratio of the transaction amount accounts to consolidated total revenue or total assets, where the item is either an asset or a liability, the ratio of the ending balance to the consolidated total assets shall be calculated; where the item is either a gain or a loss, the ratio of the aggregated amount at the end of the period to the consolidated total revenue shall be calculated.

Note 4: The above transactions have been offset in the consolidated statements.

Note 5: The significant transactions of this form may be determined by the company according to the principle of materiality.

Lemtech Holdings Co., Limited and its subsidiaries  
Name of investee, location, etc.  
2024

Attachment 6

Units: NT\$1,000

Investor company	Name of investees	Location	Principal business activities	Original investment amount		Balance at the end of the period			Net gain or loss of the investee	Recognized investment gain/loss of the current period	Remarks
				End of the period	End of last year	Shares	Ratio %	Carrying amount			
The Company	<u>Controllable</u> Lemtech Global Solution Co. Ltd.	Republic of Mauritius	Investment holding companies	\$112,397	\$112,397	2,500,000	100	\$3,829,050	\$204,998	\$204,998	Subsidiary
The Company	Lemtech International Limited	Hong Kong	Electronic and computer peripheral parts	214,320	214,320	7,000,000	100	444,474	222,821	222,821	Subsidiary
The Company	Lemtech Industrial Services Ltd.	Samoa	Sales of electronics and computer peripheral component	6,583	6,583	1,425,000	57	120,350	51,790	29,520	Subsidiary
The Company	LemTech Global Industries Ltd.	Taiwan	Manufacturing and wholesale of electrical appliances, audio-visual products, other motors and electronic mechanical equipment, automobiles and their parts, and other optical and precision machinery	30,000	30,000	3,000,000	100	266,551	81,653	81,653	Subsidiary
The Company	Lemtech-Eahwa Precision Technology Co., Ltd.	Taiwan	Manufacturing and wholesale of mechanical equipment, other optical and precision equipment	-	10,974	-	-	-	8,446	3,547	Subsidiary
Lemtech International Limited	Lemtech Energy Solutions Corporation	Taiwan	Manufacturing and wholesale of mechanical equipment, dies, electrical appliances and audio-visual products, other motors and electronic mechanical equipment, automobiles and their parts, and other optical and precision equipment	30,000	30,000	3,000,000	100	133,781	61,165	61,165	Sub-subsubsidiary
Lemtech International Limited	Lemtech Technology Malaysia Sdn. Bhd.	Malaysia	Manufacturing and wholesale of electrical appliances, audio-visual products, other motors and electronic mechanical equipment, and other optical and precision machinery	80,502	-	-	50	76,727	( 1,584)	( 792)	Third-tier subsidiary
Lemtech International Limited	Lemtech Mexico, S.A. DE C.V.	Mexico	Manufacturing of automobile parts and accessories; mold manufacturing; manufacturing of metal parts for construction; manufacturing of mobile terminal equipment; manufacturing of communication equipment; manufacturing of computer software, hardware and peripheral equipment; manufacturing of electronic components; sales of mechanical parts and components; sales of molds; electronics Retail sales of components; sales of metal accessories for construction	-	68	-	-	-	( 59,278)	( 25)	Sub-subsubsidiary
Lemtech Global Solution Co. Ltd.	Lemtech Mexico, S.A. DE C.V.	Mexico	Manufacturing of auto parts and accessories; mold manufacturing; manufacturing of metal parts for construction; manufacturing of mobile terminal equipment; manufacturing of communication equipment; manufacturing of computer hardware and software and peripheral equipment; manufacturing of electronic components; sales of mechanical parts and parts; sales of molds; Retailing of components; sales of metal fittings for construction	158,577	158,577	-	48.16	110,756	( 59,278)	( 57,124)	Sub-subsubsidiary
Lemtech Technology	Lemtech Mexico, S.A. DE	Mexico	Manufacturing of auto parts and	\$ 162,418	\$ -	-	51.84	\$ 119,226	( \$ 59,278)	( \$ 2,129)	Third-tier

Investor company	Name of investees	Location	Principal business activities	Original investment amount		Balance at the end of the period			Net gain or loss of the investee	Recognized investment gain/loss of the current period	Remarks
				End of the period	End of last year	Shares	Ratio %	Carrying amount			
Limited	C.V.		accessories; mold manufacturing; manufacturing of metal parts for construction; manufacturing of mobile terminal equipment; manufacturing of communication equipment; manufacturing of computer hardware and software and peripheral equipment; manufacturing of electronic components; sales of mechanical parts and parts; sales of molds; Retailing of components; sales of metal fittings for construction								subsidiary
Lemtech Precision Material	Lemtech Technology Limited	Hong Kong	Sales of automotive, electronics and computer peripheral parts	597	597	20,000	100	545,066	( 49,872)	( 49,872)	Third-tier subsidiary
Lemtech Precision Material	LDC Precision Engineering Co., Ltd.	Taiwan	Manufacturing and wholesale of electrical appliances, audio-visual products, other motors and electronic mechanical equipment, automobiles and their parts, and other optical and precision machinery	9,524	9,524	-	100	412,572	( 12,505)	( 12,505)	Third-tier subsidiary
Lemtech Precision Material	Lemtech Precision Material (Czech) s.r.o.	Czechia	Manufacture of automotive parts (sunroof, brakes, seat belts, airbags, etc.) and assemblies (drive shafts for steering wheel, etc.), supply of consumer electronics parts and server product	195,984	195,984	-	100	263,728	78,986	78,986	Third-tier subsidiary
Lemtech Technology Limited	Lemtech USA Inc.	USA	U.S. business development, business information collection, provision of market intelligence and industry information	1,502	1,502	50,000	100	962	304	304	Third-tier subsidiary
Lemtech Limited	Lemtech Precision material (Thailand) Co.,Ltd	Thailand	Manufacturing of auto parts and accessories; mold manufacturing; manufacturing of metal parts for construction; manufacturing of mobile terminal equipment; manufacturing of communication equipment; manufacturing of computer hardware and software and peripheral equipment; manufacturing of electronic components; sales of mechanical parts and parts; sales of molds; Retailing of components; sales of metal fittings for construction	98,355	-	1,017,500	100	95,943	( 1,264)	( 1,264)	Third-tier subsidiary
LemTech Industries Ltd.	Lemtech Technology Malaysia Sdn. Bhd.	Malaysia	Manufacturing and wholesale of electrical appliances, audio-visual products, other motors and electronic mechanical equipment, and other optical and precision machinery	80,502	-	-	50	76,727	( 1,584)	( 792)	Sub-subsiidiary
Lemtech Limited	<u>With significant influence</u> Aapico Lemtech Co.,Ltd.	Thailand	R&D, production, manufacturing and assembly of automotive, electronics and computer peripheral parts	-	16,452	-	-	-	( 1,708)	( 683)	Investees accounted using equity method
Lemtech Global Solution Co. Ltd.	Keycore technology corp.	Taiwan	Electronic component manufacturing, general instrument manufacturing, energy technology services, biotechnology services and research and development services, etc.	-	20,085	-	-	-	( 524)	( 149)	Investees accounted using equity method

Note 1: Please refer to Attachment 7 for information on investee in China.

Lemtech Holdings Co., Limited and its subsidiaries  
Information on investments in China  
2024

Attachment 7

Unit: Thousand of NTD; foreign currency (thousand)

1. For investments in China, disclose the name of the investee, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, shareholding ratio, gain or loss for the period, carrying amount of the investment, repatriated investment gains:

Investee Company	Principal business activities	Actual paid-in capital	Method of investment	Beginning balance of accumulated outflow of investment from Taiwan	Remittance or recovery of investment amount in the current period		Ending balance of accumulated outflow of investment from Taiwan	Net gain or loss of the investee	The Company's percentage of ownership directly or indirectly %	Investment gains (losses) recognized in the current period	Carrying amount of investment	Investment revenue transferred back to Taiwan as of the end of the period
					Remit	Regain						
Zhenjiang Emtron Surface Treatment Limited	Surface treatment of mechanical, electronic and automotive components	\$ 249,073 (USD8,499)	25.56% equity held by Lemtech Holdings Co., Limited (Note 7)	\$ -	\$ -	\$ -	\$ -	(\$28,385)	25.56	(\$11,394)	\$ -	\$ -
Zhenjiang Emtron Surface Treatment Limited	Surface treatment of mechanical, electronic and automotive components	249,073 (USD 8,499)	74.44% equity held by Lemtech Global Solution Co. Ltd. (Note 7)	-	-	-	-	(28,385)	74.44	(16,991)	-	-
Lemtech Precision Material	Production and design of various types of fine blanking die, non-metal die-casting toolings, computer connectors, computer cooling modules and other new electronic plug-ins, sales of self-produced products, etc.	286,242 (RMB 66,000)	99.81% equity held by Lemtech Global Solution Co. Ltd.	-	-	-	-	325,252	99.81	324,637	3,168,931	-
Lemtech Precision Material (China) Co., Ltd	Production and design of various types of fine blanking die, non-metal die-casting toolings, computer connectors, computer cooling modules and other new electronic plug-ins, sales of self-produced products, etc.	286,242 (RMB 66,000)	0.19% equity held by Lemtech Holdings Co., Limited.	-	-	-	-	325,252	0.19	615	6,032	-
Kunshan Lemtech Slide Technology Co., Ltd.	Design and production of slide rails, shafts and related accessories, and sales of self-produced products, etc.	69,758 (RMB 15,000)	100% owned by Industrial Services Ltd.	-	-	-	-	80,072	100	80,072	223,855	-
Lemtech Electronic Technology (Changshu) Co., Ltd.	Electronic component manufacturing, electronic component wholesale, electronic special material manufacturing, electronic special material sales, electronic special material research and development, lighting equipment manufacturing, lighting equipment sales, manufacturing of auto parts and accessories, manufacturing of solar equipment and components, sales of solar equipment and components, manufacturing of computer software and hardware equipment, sales of communication equipment	368,705 (USD 12,500)	100% owned by Lemtech Cooling System Limited	-	-	-	-	14,963	100	14,963	288,212	-

(Continued)

(Continued from previous page)

Investee Company	Principal business activities	Actual paid-in capital	Method of investment	Beginning balance of accumulated outflow of investment from Taiwan	Remittance or recovery of investment amount in the current period		Ending balance of accumulated outflow of investment from Taiwan	Net gain or loss of the investee	The Company's percentage of ownership directly or indirectly %	Investment gains (losses) recognized in the current period	Carrying amount of investment	Investment revenue transferred back to Taiwan as of the end of the period
					Remit	Regain						
Lemtech Precision Engineering (Tianjin) Co., Ltd	Manufacturing of auto parts and accessories; mold manufacturing; manufacturing of metal parts for construction; manufacturing of mobile terminal equipment; manufacturing of communication equipment; manufacturing of computer hardware and software and peripheral equipment; manufacturing of electronic components; sales of mechanical parts and parts; sales of molds; Retailing of components; sales of metal fittings for construction	\$ 120,868 (USD 4,000)	Held by Lemtech Global Solution Co. Ltd. (Note 8)	\$ -	\$ -	\$ -	\$ -	(\$26,755)	-	(\$ 1,286)	\$ -	\$ -
Lemtech Precision Engineering (Tianjin) Co., Ltd	Manufacturing of auto parts and accessories; mold manufacturing; manufacturing of metal parts for construction; manufacturing of mobile terminal equipment; manufacturing of communication equipment; manufacturing of computer hardware and software and peripheral equipment; manufacturing of electronic components; sales of mechanical parts and parts; sales of molds; Retailing of components; sales of metal fittings for construction	120,868 (USD 4,000)	100% equity held by Lemtech Precision Material (Note 8)	-	-	-	-	(26,755)	100	(25,469)	77,522	-
Lemtech Precision Material (Huizhou) Co.,Ltd	Manufacturing of auto parts and accessories; mold manufacturing; manufacturing of metal parts for construction; manufacturing of mobile terminal equipment; manufacturing of communication equipment; manufacturing of computer hardware and software and peripheral equipment; manufacturing of electronic components; sales of mechanical parts and parts; sales of molds; Retailing of components; sales of metal fittings for construction	31,014 (RMB 7,000)	100% equity held by Lemtech Precision Material	-	-	-	-	(1,450)	100	(1,450)	30,461	-

- Notes: The investment gain (loss) is recognized in accordance with the parent company's financial statements for the same period audited by a certified public accountant.
2. Limit on the amount of investment in China

Accumulated investment remitted from Taiwan to China at the end of the period	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Upper limit on the amount of investment in China authorized by MOEAIC
\$ -	Not applicable	Not applicable

3. Major transactions with any investee company in mainland China directly or indirectly through a third region: Attachment 5.
4. Endorsements, guarantees or provision of collateral directly or indirectly between the company and the investees in China through business in a third region: Attachment 2.
5. Financing extended directly or indirectly between the company and the investees in China through business in a third region: Attachment 1.
6. Other transactions that have significant influence on the profits and losses or financial status of the current period: none.

7. As the consolidated company did not subscribe to the shares of cash capital increase of Emtron Company in proportion to its percentage of ownership through Lemtech Holdings Co., Limited. and Global Solution in April 2024, the percentages of ownership have decreased from 100% to 25.56% and increased from 0% to 74.44%, respectively, and sold 100% of the shares of Emtron Company by total amount of NT\$28,277 thousand in December 2024. Please refer to Note 30.
8. As the consolidated company did not subscribe to the shares of cash capital increase of Lemtech Precision Engineering in proportion to its percentage of ownership through Lemtech Precision Material and Global Solution in January 2024, the percentages of ownership have increased from 49% to 61.75% and decreased from 51% to 38.25%, respectively. Besides, the consolidated company acquired all the shares from Global Solution through Lemtech Precision Material in April 2024, the percentages of ownership have increased from 61.75% to 100%, and decreased from 38.25% to 0%, respectively.
9. The consolidated company has resolved to liquidate Emtron Company by the shareholders meeting on October 28, 2024, and the registration of cancellation has been completed on November 14, 2024.
10. As LIL sold all the shares of Lemtech Mexico held to Lemtech HK in November 2024, the percentage of ownership has decreased from 0.4% to 0%. Besides, as the consolidated company did not subscribe the shares of cash capital increase of Lemtech Mexico in proportion to its percentage of ownership through Lemtech HK and Global Solution in November 2024, the percentages of ownership have increased from 0% to 51.84% and decreased from 99.96% to 48.16%, respectively.



Lemtech Holdings Co., Limited and its subsidiaries  
Information on Major Shareholders  
December 31, 2024

Attachment 8

Shareholder's name	Shareholding	
	Shareholding (shares)	Shareholding percentage
Hsu, Chi-Feng	8,293,981	13.33%
CTBC BANK CO., LTD IN CUSTODY FOR Yehang Investment Account	5,647,238	9.08%
Chan Kim Seng Maurice	4,631,000	7.44%

Notes: The major shareholder information in this table is based on Taiwan Depository & Clearing Corporation's data of shareholders who hold more than 5% of the Company's ordinary shares and preferred stock (including treasury shares), for which electronic registration and delivery were completed, on the last business day of the quarter. Share capital indicated in the Company's consolidated financial statements may differ from the actual number of shares that have been issued and delivered without physical registration as a result of the different basis of preparation.

**Lemtech Holdings Co., Limited**



**Chairman : Hsu, Chi-Feng**

