

Stock code: 4912

LemTech
Lemtech Holdings Co., Limited

2025
Annual Report

Printed: March 31, 2026

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: Gary Chen Title: Financial manager
Tel: (886)2-8684-1618 EXT:371 E-mail: contact@lemtech.com

Deputy Spokesperson: Hsu, Chi-Feng Title: Chairman
Tel: (886)2-8684-1618 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 Střítež 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
Lemtech Electronics Technology Co., Ltd. (Changshu)(China)	Building A2, No. 8, Baixuexin Road, Shajiabang Town, Changshu City, Jiangsu Province	(86)512-3686-1556
LemTech Global Industries Ltd.	No. 109, Dazhu Road, Luzhu District, Taoyuan City, Taiwan (R.O.C.)	(886)2-8684-1618
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.	Vertice Park Palmas, Parcela 351, Ejido EI Sauz, Pedro Escobedo, Queretaro 76729, Mexico.	(52) 4461330503
Lemtech Precision Material (Thailand) Co.,Ltd.	PT39, PT40, PT41 & PT42 Jalan Zamrud 1, Kawasan Perindustrian Nilai 2, 71800 Nilai, Negeri Sembilan, Malaysia	(60) 6 794 6365
Lemtech Technology Malaysia Sdn. Bhd.	700/775 Moo 1, AMATA City Chonburi Industrial Estate, Phan Thong, Chonburi 20160, Thailand	(66)065-515-9829

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: Kuo, Nai-Hua, Xue, Jun-Min 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, Hui Fengfu 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.

Contents

Chapter 1.	Letter to Shareholders.....	1
Chapter 2.	Company Introduction	10
Chapter 3.	Corporate Governance Report	11
I.	Information on Directors, General Managers, Deputy General Managers, Assistant Managers, and Heads of Departments and Branches.....	11
II.	Remuneration for Directors, General Managers and Deputy General Managers in Most Recent Year.....	18
III.	Implementation of Corporate Governance	24
IV.	Information on CPA Fees.....	69
V.	Information Regarding Replacement of CPAs.....	69
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.....	71
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.....	72
VIII.	Relationship information, if among the Company's ten largest shareholders anyone is a related party or a relative within the second degree of kinship of another	74
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	75
Chapter 4.	Capital Overview	76
I.	Capital and Shares.....	76
II.	Corporate Bonds.....	81
III.	Preferred Shares	81
IV.	Overseas Depository Receipt	81
V.	Status of Employee Stock Option	81
VI.	New Restricted Employee Shares	82
VII.	Issuance of New Shares in Connection with Mergers or Acquisitions or with Acquisitions of Shares of Other Companies	83
VIII.	Implementation of Capital Utilization Plan	83
Chapter 5.	Operational Highlights	84
I.	Business Activities	84
II.	Analysis of the Market as well as Production and Marketing Situation	92
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.....	105
IV.	Disbursements for Environmental Protection	106
V.	Relation of employer and employee.....	106
VI.	Information Security Management	109

VII. Important Contracts	111
Chapter 6. Review and Analysis of the Company's Financial Position and Financial Performance, and Listing of Risks	112
I. Financial Position	112
II. Financial Performance	113
III. Cash Flow	115
IV. Effect Upon Financial Operations of Any Major Capital Expenditures During the Most Recent Fiscal Year	115
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	116
VI. Risks Items	118
VII. Other Important Matters	123
Chapter 7. Special Disclosure	117
I. Information on the Company Affiliates	124
II. In the Most Recent Year as of the Publication Date of the Annual Report, Any Private Placement of Securities	124
III. Holding or Disposal of the Company's Shares by the Company's Subsidiaries in the Most Recent Year as of the Publication Date of the Annual Report	131
IV. Other Necessary Additional Information	131
V. Any Material Differences from the Rules of Taiwan, China in Relation to the Protection of Shareholders' Equity	131
VI. In the Most Recent Year as of the Publication Date of the Annual Report, if There an Issue of Significant Impact on Shareholders' Equity or Securities Prices as Stipulated in Subparagraph 2 of Paragraph 2 of Article 36 of the Securities Exchange Act	143

Chapter 1 Letter to Shareholders

Dear Shareholders,

In FY2025, Lemtech Group continued to execute its strategic transformation amid a volatile macroeconomic and geopolitical environment. Consolidated revenue increased to NTD 6.275 billion, driven by incremental capacity expansion and the progressive ramp-up of regional manufacturing operations. Profit after tax declined to NTD 140 million, primarily due to a non-recurring divestment loss associated with the disposal of Lemtech Electronics Technology (LET), a structurally loss-making subsidiary. Excluding this one-off impact, the Group's core operating performance remained resilient. The divestment enhances earnings quality, improves margin sustainability and strengthens management focus on higher-return core businesses.

During FY2025, the Group increased capital expenditures to expand manufacturing facilities in Mexico and Thailand. Despite this investment-intensive phase, cash and cash equivalents remained robust at NTD 1.45 billion at year-end. The commercial commencement of the Malaysia and Thailand plants further expanded production capacity and positions the Group to benefit from improved operating leverage in FY2026.

As part of its disciplined capital management approach, the Group also completed the disposal of real estate in Zhongli, with the property handover and repayment of long-term loans and partial short-term financing finalized in January 2026. This action not only strengthens liquidity but also reinforces financial flexibility to support ongoing investment in high-return core operations.

Global supply chains continue to undergo structural realignment as geopolitical fragmentation and trade policy shifts accelerate regional diversification. Customers are increasingly prioritizing production resilience, tariff mitigation, and proximity to end markets. Lemtech's multi-regional manufacturing platform across Asia and North America directly addresses these structural shifts.

Our continued investment in automation, smart manufacturing systems and supply chain flexibility enhances cost competitiveness while mitigating labor and geopolitical risk. We are actively evaluating further expansion opportunities in Southeast Asia and North Africa to reinforce geographic optionality and long-term growth visibility.

Industry fundamentals remain constructive. Electric vehicle penetration is projected to exceed 20% of global new vehicle sales in 2026, while structural investment in AI infrastructure continues to drive demand for precision components and advanced manufacturing capabilities.

Against this backdrop, the Group will maintain a disciplined growth strategy anchored on:

- Strengthening core margin profile
- Enhancing asset utilization and operating leverage

- Maintaining a conservative balance sheet
- Pursuing selective, earnings accretive acquisitions
- Preserving liquidity flexibility under volatile macro conditions

Management remains focused on sustainable profitability, cash flow generation and return optimization. With an expanded regional footprint, improved earnings quality and strengthened financial resilience, Lemtech is positioned to deliver stable long term value creation for shareholders.

I. 2025 Business Report

(1) Implementation results of the business plan

Unit: Thousand NTD

Item \ Year	2025	2024	Amount of increase (decrease)	Change by percentage (%)
Net operating revenue	6,275,379	5,682,176	593,203	10.44%
Operating costs	4,925,968	4,377,460	548,508	12.53%
Gross profit	1,349,411	1,304,716	44,695	3.43%
Operating expenses	946,076	757,587	188,489	24.88%
Net operating income	403,335	547,129	(143,794)	-26.28%
Non-operating income and expenses	(96,574)	(28,430)	(68,144)	239.69%
Net income before tax	306,761	518,699	(211,938)	-40.86%
Less: Income tax expenses	93,616	104,517	(10,901)	-10.43%
Current net income from continuing operations	213,145	414,182	(201,037)	-48.54%
Profit (loss) of discontinued operations	(73,175)	14,963	(88,138)	-589.04%
Net income for this period	139,970	429,145	(289,175)	-67.38%

Analysis on the change of amount of increase/decrease:

- Increase in operating expenses and decrease in net operating profit:
 - (1) Due to changes in the sales mix, the revenue share of online fitness equipment products increased this year, resulting in a decline in the overall gross margin.
 - (2) The increase in operating expenses was primarily due to: a 38.6 million increase in shipping and import/export costs under sales and marketing expenses, a 17 million increase in commission expenses, and a 6.3 million increase in entertainment expenses. The increase in administrative expenses was primarily driven by newly established overseas subsidiaries in Mexico, Thailand, and Malaysia. Mexico began mass production in the fourth quarter of this year, while the other two subsidiaries are still in the operational preparation phase, resulting in a 57.3 million increase in administrative expenses. The increase in R&D expenses was mainly due to a 13.3 million increase in salary expenses and a 10.9 million increase in amortization of intangible assets.
- Increase in net non-operating expenses: Due to quality issues, the subsidiary Changshu Electronics incurred significant operating losses in the second quarter of this year. On December 18, 2025, the consolidated company's board of directors resolved to sell its equity interest in Changshu Electronics. The investment company LIL, which accounts for its investment in Changshu Electronics using the equity method, recognized an impairment

loss of 125.6 million based on the difference between the expected fair value less costs to sell and the carrying amount.

- Decrease in profit or loss from discontinued operations: As mentioned in point 2, since the transaction meets the criteria of IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations,” the profit or loss of Changshu Electronics for the two fiscal years is reported as profit or loss from discontinued operations.
- Decrease in net profit for the period: Taking into account the above factors, the decrease in net profit for the period was primarily due to a decline in product gross margin, an increase in operating expenses, and the recognition of a significant impairment loss on an equity-method investment.

(2) 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	2025	2024	Increase (decrease)
Financial structure	Ratio of liabilities to assets		56.92	53.58	3.34
	Ratio of long-term capital to fixed assets		256.29	269.29	-13.00
Debt service ability	Current ratio		180.07	197.37	-17.30
	Quick ratio		140.00	160.38	-20.38
Profitability	Asset return ratio		2.30	6.23	-3.93
	Shareholders' equity return ratio		3.58	11.56	-7.98
	Basic earnings per share (NTD)		1.98	6.16	-4.18

II. 2026 Business Plan

1. Operating Strategies

- Capacity Optimization and Regional Expansion: Enhance asset utilization and accelerate revenue contribution from our Mexico, Malaysia and Thailand facilities, while advancing construction and operational readiness of the North Africa plant by FY26-Q4 to support automotive and consumer electronics demand across the Western Europe and North Africa region.
- Tooling Localization Strategy: Establish a second tool design and fabrication center in Thailand by FY26-Q4 to diversify tooling capabilities beyond China, strengthen supply chain resilience, and mitigate geopolitical concentration risk while ensuring greater operational continuity and responsiveness to regional customer demand

- Smart Production and Digital Integration: Intensify the deployment of AI-enabled automation, integrated digital manufacturing systems and predictive analytics to improve quality stability, optimize yield performance, and reinforce operational efficiency.
- Process Optimization: Strengthen the implementation of lean manufacturing and Six Sigma disciplines to enhance productivity, cost competitiveness, and margin resilience.

2. Supply Chain Management Strategies

- Diversified Supplier Ecosystem: Expand and regionalize our supplier network across Asia, North Africa, and Latin America to reduce concentration risk and mitigate geopolitical and supply disruption exposure.
- Supply Chain Transparency: Strengthen our cloud-based enterprise resource planning (ERP) system to enhance real-time visibility, multi-tier supplier risk monitoring and responsiveness to potential disruptions.
- Sustainable Procurement: Collaborate with environmentally responsible suppliers to align procurement practices with evolving global environmental, social and governance (ESG) standards and regulatory expectations.

3. Sales and Marketing Strategies

- Regional Manufacturing-Led Market Penetration: Leverage Lemtech's multi-country footprint - Mexico, Thailand, Malaysia and planned North Africa, to strengthen the Group's position as a regionalized supply chain partner for global OEMs.
- Solution-Based Business Model Transformation: Evolve from a component supplier to a comprehensive precision engineering partner by offering platform-based solutions that integrate precision stamping, mechanical kits, and thermal modules.
- Next-Generation Technology Focus: Prioritize high-value programs in EV battery systems, AI-driven servers, industrial automation, and emerging technology areas such as satellite communications and AI robotics to capture next-generation growth opportunities and drive long-term value creation.

4. Research and Development Strategies

- Customer-Centric R&D and Cost-Effective Design: Engage customers early in product design and manufacturing process planning to optimize cost efficiency, enhance manufacturability and accelerate time-to-market for high-value solutions
- Thermal and Power Management Innovation: Prioritize the development of advanced cooling systems including cold plate liquid cooling and integrated heat spreaders for AI servers, EV powertrains and high-density electronics to enhance performance and reliability.
- Collaboration with Leading Institutions: Strengthen partnerships with academic and research organizations to drive innovation and accelerate the commercialization of next-generation solutions.

5. Human Resource Strategies

- Talent Acquisition and Retention: Attract and retain top engineering and management talent through competitive compensation, career development programs and structured succession planning to strengthen organizational capability.
- Upskilling and Workforce Transformation: Implement AI and automation training initiatives to future-proof employee skillsets, enhance operational efficiency and support the Group's digital transformation.
- Diversity and Inclusive Culture: Foster a collaborative and innovative corporate culture that drives employee engagement, productivity and sustainable long-term organizational performance.

6. Financial Strategies

- Capital Structure Optimization: Maintain a balanced debt-to-equity ratio to ensure financial flexibility, optimize cost of capital and support strategic growth initiatives.
- Return on Capital Management: Prioritize projects and investments that deliver superior return on invested capital to enhance long-term shareholder value.
- Working Capital Efficiency: Streamline receivables, payables and inventory management to free up cash, reduce financing costs and improve operational liquidity.
- Financial Risk Management: Implement robust hedging, currency and interest rate risk mitigation strategies to safeguard earnings in a volatile global environment.
- Investment Discipline and Portfolio Review: Continuously evaluate capital projects and acquisitions for strategic fit, profitability and risk-adjusted returns to ensure optimal capital allocation.

7. Sustainability & ESG Commitment Strategies

- Formal ESG Roadmap: Establish measurable ESG targets covering carbon emission reduction, energy efficiency and sustainable procurement practices.
- ESG Governance and Reporting: Strengthen governance structures and disclosure frameworks to meet evolving investor expectations and regulatory standards.
- Carbon and Energy Efficiency Initiatives: Enhance manufacturing energy efficiency and reduce greenhouse gas emissions across operations.
- Sustainable Material Adoption: Increase the use of recyclable and eco-friendly materials in production to support long-term sustainability goals.
- Corporate Social Responsibility (CSR): Deepen community engagement and promote ethical business practices that reinforce the Group's social license to operate.

8. Risk Management Strategies

- Geopolitical and Economic Risk Mitigation: Strengthen regional risk management frameworks to safeguard operations and earnings resilience amid global geopolitical and macroeconomic uncertainties.

- Cybersecurity and Regulatory Compliance: Implement robust cybersecurity and compliance frameworks to protect intellectual property, secure digital infrastructure and uphold regulatory integrity.
- Crisis Management and Business Continuity: Enhance enterprise-wide contingency planning and business continuity systems to mitigate operational disruptions and preserve stakeholder confidence.

III. Company Future Development Strategy

1. Expansion into High-Potential Markets

- EV Automotive and Satellite Communications Sector: Deepen strategic engagement with global OEMs and Tier 1 integrators to supply high precision, high reliability components for next-generation EV, autonomous driving and intelligent mobility platforms, as well as emerging applications in satellite communications.
- AI, Data Infrastructure and Advanced Electronics Thermal Solutions: Strengthening R&D capabilities in thermal solutions tailored for high-performance computing 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, as well as emerging application in AI robotics.
- North Africa Manufacturing Hub: Operationalize the North Africa facility as a strategic export and manufacturing base serving Western Europe and North Africa, leveraging proximity advantages, regional automotive assembly growth and expanding logistics infrastructure.

2. Digital Transformation & Smart Manufacturing

- Smart Factory Network Integration: Deploy integrated digital platforms, including ERP and the Lemtech Portal, across global facilities to enhance data transparency, quality governance, and operational agility.
- Intelligent Production Systems: Implement IoT-enabled manufacturing systems to enhance end-to-end operational visibility, improve production efficiency, enable predictive maintenance and support data driven decision making.

3. Strategic Mergers & Acquisitions

- Technology-Driven Acquisitions: Pursue selective acquisitions that complement Lemtech's core competencies, enhance technological capabilities and deliver earnings-accretive growth.
- Market Access Expansion: Evaluate M&A opportunities that provide entry into strategic regional markets and diversify revenue streams to strengthen long-term resilience.
- Vertical Integration: Strengthen control over critical supply chain components to improve cost competitiveness, supply security and margin stability.

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

1. External Competitive Environment

- Intensifying Industry Competition: The precision components and advanced manufacturing sector continues to experience pricing pressure and capacity expansion, particularly across Asia. Lemtech differentiates through multi-regional manufacturing capabilities, smart factory deployment, engineering integration expertise and long-term customers partnerships, enabling value-based competition rather than price-driven competition.
- Technological Disruption: Rapid advancements in AI infrastructure, electrification and intelligent automation are reshaping end-market demand. The Group remains proactive in investing in AI-enabled manufacturing, advanced thermal management and digital engineering capabilities to remain aligned with next-generation industry requirements.

2. Regulatory Environment

- Compliance and Risk Management: Increasing regulatory scrutiny across carbon reporting, data protection, export controls and supply chain transparency necessitates strengthened governance oversight. Lemtech continues to enhance internal control frameworks, ESG disclosure practices and cross-border compliance systems to ensure adherence to evolving international standards.
- Trade Policy and Tariff Adaptation: Ongoing geopolitical fragmentation and shifting tariff regimes are accelerating supply chain regionalization. Leveraging our manufacturing presence in Mexico, Southeast Asia and the planned North Africa facility, the Group mitigates trade exposure and enhances proximity to major end markets.

3. Overall Business Environment

- Economic Volatility and Inflationary Pressures: Elevated interest rates, currency fluctuations and demand variability continue to shape global markets. The Group maintains a prudent balance sheet, disciplined capital allocation and flexible cost structures to preserve financial resilience under varying economic conditions.
- Global Trade and Supply Chain Resilience: Persistent geopolitical tensions and trade restrictions have reinforced the importance of diversified sourcing and regional production hubs. Lemtech's geographically balanced manufacturing footprint and supplier diversification strategy strengthens operational continuity and reduce concentration risk.

Conclusion

Lemtech Group remains firmly committed to operational excellence, disciplined strategic expansion and sustainable long term value creation in 2026. Supported by a resilient balance sheet, a diversified multi-regional manufacturing footprint, a technology-aligned product portfolio and an increasingly integrated ESG framework, the Group is well positioned to navigate global

Chapter 2 Company Introduction

I. Date of Incorporation

Lemtech Holdings Co., Limited (hereinafter referred to as "the Company") is mainly engaged in production and selling of precision metal dies and metal stamping. The Company was established in Cayman Island on Sep. 29, 2009 with several production and operating sites in Taiwan, Mainland China, Hongkong, Thailand, Malaysia, Czech and the Mexico in consideration of the Company's development. The Company also set an office in the USA to obtain more shares in the overseas market, strengthen the layout of the overseas business market in the European and American markets, so as to improve the Company's business performance. Since its establishment, the Company has been focusing on mold manufacturing, process and improvement of heat dissipation devices and timely adjusted its operation and development trend to cope with the continuous change of market demand. By actively introducing advanced equipment, and continuously developing and upgrading its processing technology, the Company has successfully shifted from engineering processing to single-equipment continuous processing and combined equipment continuous processing technology using manipulator. At the same time, to cope with the customer demand, the Company has gradually shifted from single-piece production and manufacturing of products to the assembly and production of components. 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.

By virtue of its excellent mold development, design capabilities and precision stamping technology, the Company has built a variety of product lines and customer clusters. Currently, the Company's products can be applied in different industries such as information, communications, consumer electronics, household appliances, automobile industry, and construction industry. The Company serves different customers in different industries instead of focusing on a single product. This has effectively reduced the Company's business risk.

II. Group Structure: Please refer to page 124 in this annual report.

III. Risk Items: Please refer to page 118~123 in this annual report.

Chapter 3 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. 31, 2026 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	8,688	12.95	-	-	104	0.15	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 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	6,079	9.06	-	-	-	-	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	None	None	None	-
Director	Mainland China	Tan, Yong	Male 60~70	2024.06.18	3	2009.11.24	2,094	3.70	2,188	3.26	-	-	-	-	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	-

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	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	Director of the Company Chairman, Huifengfu Management Consulting Co., Ltd. Director of the Solarfarm Corporation.x Independent director of World Gym Corporation. Independent director of Promate Electronic 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	2
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. 31, 2026 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	6,079	9.06	-	-	-	-	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	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	Elaine Chien (Note 1)	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, the former Head of Finance and Accounting, resigned on February 5, 2026. Chien, Yi-Ling has assumed the role of Acting Head of Finance and Accounting.

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

1. Remuneration to general directors and independent directors

Dec. 31, 2025 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)	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				
Director	Hsu, Chi-Feng	-	3,840	-	-	383	383	-	-	383 0.30%	4,223 3.27%	-	7,468	-	-	166	-	166	-	549 0.43%	11,857 9.19%	None
	Ye, Hang	-	3,700	-	-	383	383	-	-	383 0.30%	4,083 3.17%	-	7,346	-	-	166	-	166	-	549 0.43%	11,595 8.99%	None
	Tan, Yong	-	1,080	-	-	383	383	-	-	383 0.30%	1,463 1.13%	-	665	-	-	61	-	61	-	444 0.28%	2,189 1.70%	None
	Chen Hui-Min	1,173	1,173	-	-	191	191	-	-	1,364 1.06%	1,364 1.06%	-	-	-	-	-	-	-	-	1,364 1.06%	1,364 1.06%	None
Independent Director	Wang, Chi-Chuan	1,173	1,173	-	-	-	-	-	-	1,173 0.91%	1,173 0.91%	-	-	-	-	-	-	-	-	1,173 0.91%	1,173 0.91%	None
	Cheng Frank	1,173	1,173	-	-	-	-	-	-	1,173 0.91%	1,173 0.91%	-	-	-	-	-	-	-	-	1,173 0.91%	1,173 0.91%	None
	Hsieh, Ainsley	1,173	1,173	-	-	-	-	-	-	1,173 0.91%	1,173 0.91%	-	-	-	-	-	-	-	-	1,173 0.91%	1,173 0.91%	None

Note 1 : The Board of Directors of the Company resolved in March 11, 2026.

- 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.
- 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

Date: Dec. 31, 2025

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	-	Hsu, Chi-Feng, Ye, Hang Tan, Yong	-
NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)	Chen Hui-Min Wang, Chi-Chuan Cheng, Frank Hsieh, Ainsley	Tan, Yong Chen Hui-Min Wang, Chi-Chuan Cheng, Frank Hsieh, Ainsley	Chen Hui-Min Wang, Chi-Chuan Cheng, Frank Hsieh, Ainsley	Chen Hui-Min Wang, Chi-Chuan Cheng, Frank Hsieh, Ainsley
NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)	-	-	-	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)	-	-	-	Hsu, Chi-Feng Ye, Hang
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	7 persons	7 persons	7 persons	7 persons

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, 2025 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-subsiary 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	7,053	7,889	-	-	-	-	140	-	140	-	7,193 5.58%	8,029 6.22%	None
Chief Technology Officer (CTO)	Ye, Hang	-	7,346	-	-	-	-	166	-	166	-	166 0.13%	7,512 5.82%	None
Marketing Director	Murali Nair	-	3,440	-	-	-	-	140	-	140	-	140 0.11%	3,580 2.78%	None

Range of Remuneration

Date: Dec. 31, 2025

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)	-	Murali Nair
NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive)	Eu, Ricky	Ye, Hang, 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, 2025 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	7,053	7,889	-	-	-	-	140	-	140	-	7,193 5.58%	8,029 6.22%	None
Chief Technology Officer (CTO)	Ye, Hang	-	7,346	-	-	-	-	166	-	166	-	166 0.13%	7,512 5.82%	None
Marketing Director	Murali Nair	-	3,440	-	-	-	-	140	-	140	-	140 0.11%	3,580 2.78%	None
Technical Director	Lim, Shawn	-	2,658	-	-	-	-	66	-	66	-	66 0.05%	2,724 2.11%	None
Financial and Accounting Supervisor	Jed, Huang (Note 1)	-	2,684	-	-	-	-	-	-	-	-	0 0.00%	2,684 2.08%	None

Note 1: Jed Huang, the former Head of Finance and Accounting, resigned on February 5, 2026.

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

Dec. 31, 2025 Unit: NT\$1,000

	Title	Name	Stock amount	Cash amount	Total	Ratio of total amount to net income (%)
Manager	General Manager	Eu, Ricky	-	140	140	0.11%
	Chief Technology Officer (CTO)	Ye, Hang	-	166	166	0.13%
	Marketing Director	Murali Nair	-	140	140	0.11%
	Technical Director	Lim, Shawn	-	66	66	0.05%
	Financial and Accounting Supervisor	Jed, Huang	-	0	0	0.00%

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 (%)			
	2024		2025	
	The Company	All companies in consolidated financial statements	The Company	All companies in consolidated financial statements
Director	2.42%	7.29%	4.98%	23.66%
General Manager and Deputy General Managers	1.63%	4.51%	5.81%	14.82%

Note: The increase in the ratio of total remuneration to net income in 2025 was primarily due to a 67.91% decrease in the company's net income compared to 2024.

(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 2025. 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	100.00	-
Director	Ye, Hang	6	0	100.00	-
Director	Tan, Yong	6	0	100.00	-
Director	Chen, Hui-Min	6	0	100.00	-
Independent Director	Wang, Chi-Chuan	5	1	83.33	-
Independent Director	Cheng, Frank	6	0	100.00	-
Independent Director	Hsieh, Ainsley	6	0	100.00	-

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
2025/08/21	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.
2025/11/13	The First Issuance of Restricted Stock Awards.	Hsu, Chi-Feng Ye, Hang	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	2025/01/01 to 2025/12/31	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	2025/01/01 to 2025/12/31	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	2025/01/01 to 2025/12/31	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	2025/01/01 to 2025/12/31	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.

(1) Results of the Board of Directors' Self-Assessment:

Both performance evaluation results of the Board of Directors and functional committees in 2025 were submitted to the Board of Directors on March 11, 2025. Among them, the average score of the overall Board of Directors' self-evaluation was 96.05 points (out of 100 points); the average score of the individual director's self-evaluation was 96.57 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 92.89 points (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.

(2) Results of the External Evaluation of the Board of Directors' Performance:

In 2025, the Company commissioned the Taiwan Investor Relations Association, an external organization, to conduct a board effectiveness assessment covering the period from July 1, 2024, to June 30, 2025. The association appointed three assessment experts to evaluate the Board's effectiveness across five key dimensions—composition and development, decision-making quality, operational efficiency, internal controls and risk management, and commitment to corporate social responsibility—using questionnaires and on-site interviews. The association and its experts have no business dealings with the Company and are independent; they submitted their assessment report on September 1, 2025. The overall evaluation and recommendations from this assessment were submitted to the Board of Directors on March 11, 2026. The relevant summary and recommendations are as follows:

Summary:

The board of directors of the evaluated company convenes regularly, with all directors actively participating; overall attendance rates are strong, and directors engage in continuous professional development to stay abreast of the latest industry knowledge and trends. The division of responsibilities between the chairman and the general manager is clearly defined. The board has a sound structure and a diverse membership, encompassing different genders, professional backgrounds, and fields of expertise, enabling it to effectively fulfill its oversight responsibilities and governance functions. However, the company's corporate governance mechanisms and the board's operational efficiency could be further strengthened by implementing the following recommendations.

Recommendations:

- (1) Ensure that women hold at least one-third of the board seats.
- (2) The number of directors who are employees should be less than one-third of the total number of board seats.
- (3) Oversee risk management through functional committees and report on implementation to the board of directors on a regular basis.
- (4) Develop an intellectual property management plan linked to operational

objectives.

- (5) Develop specific measures to enhance corporate value and submit them to the board of directors.
 - (6) Disclose policies linking senior executive compensation to ESG-related performance evaluations.
 - (7) Actively promote governance in environmental and social areas.
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 2025. 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	1	83.33	-
Independent Director	Cheng, Frank	6	0	100.00	-
Independent Director	Hsieh, Ainsley	6	0	100.00	-

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
2025.03.04	<ol style="list-style-type: none">2024 Business Report and Consolidated Financial Statements.2024 Earnings Distribution Proposal.Q4 2024 Cash Dividend Distribution Proposal.Proposal for the Issuance of New Shares through Capitalization of 2024 Earnings.Proposal for the Issuance of Restricted Stock Awards (RSAs).Proposal to Terminate the Private Placement of Common Shares Approved by the 2024 Annual General Shareholders' Meeting.Proposal for the Change of External Auditors and the Evaluation of their Independence, effective from Q1 2025.2024 Internal Control System Statement.Proposal for the Acquisition of Equity in a Subsidiary.Change of the Chief Financial Officer and Chief Accounting Officer.Amendment to the Company's "Articles of Incorporation."Provision of Guarantees by the Company.	All audit members approved.	None
2025.05.12	<ol style="list-style-type: none">Q1 2025 Consolidated Financial Statements.Q1 2025 Earnings Distribution Proposal.Proposal to Establish the General Principles for the Pre-Approval Policy of Non-Assurance Services.Amendment to the Internal Control Procedures.Provision of Guarantees by the Company.	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
2025.07.15	1. Proposal to determine the record date for the issuance of new shares through capitalization of earnings and the distribution date of said shares. 2. Provision of guarantees by the Company.	All audit members approved.	None
2025.08.21	1. Q2 2024 Consolidated Financial Statements. 2. Q2 2025 Earnings Distribution Proposal. 3. Amendment to the Company's Internal Control Procedures. 4. Provision of Guarantees by the Company.	All audit members approved.	None
2025.11.13	1. Q3 2024 Consolidated Financial Statements. 2. The First Issuance of the Company's Restricted Stock Awards (RSAs). 3. Q3 2025 Earnings Distribution Proposal. 4. 2026 Internal Audit Plan. 5. Amendment to the Company's Internal Control Procedures. 6. Provision of Guarantees by the Company.	All audit members approved.	None
2025.12.18	1. 2026 Annual Budget. 2. Proposal for the disposal of equity in the subsidiary, Lemtech Electronic Technology (Changshu) Co., Ltd., and the recognition of related impairment losses in accordance with IFRS 5. 3. Provision of Guarantees and the amendment to the terms and conditions of Endorsements and Guarantees.	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.

2. 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.
3. 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	2025.03.04	Report on the Status of Internal Audit Operations.	Noticed without objections.
		2024 Internal Control System Statement.	

Type of Communication	Date	Communication Item	Communication Results
	2025.05.12	Report on the Status of Internal Audit Operations.	Noticed without objections.
	2025.07.15	Report on the Status of Internal Audit Operations.	Noticed without objections.
	2025.08.21	Report on the Status of Internal Audit Operations.	Noticed without objections.
	2025.11.13	Report on the Status of Internal Audit Operations.	Noticed without objections.
		Discussion of 2026 audit plan.	
2025.12.18	Report on the Status of Internal Audit Operations.	Noticed without objections.	

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

Type of Communication	Date	Communication Item	Communication Results
Audit Committee	2025.03.04	Reported on the key audit results of 2024, and Discussed the financial statements for the year 2024.	No objections. Submitted the financial statements to Board of Directors for discussion, resolved by all presented Directors and reported to the competent authorities.
	2025.05.12	Explanation and communication of the results of the audit of the financial statements for 2025 Q1.	No objections. Submitted the financial statements to Board of Directors for discussion, resolved by all presented Directors and reported to the competent authorities.
	2025.08.21	Explanation and communication of the results of the audit of the financial statements for 2025 Q2.	No objections. Submitted the financial statements to Board of Directors for discussion, resolved by all presented Directors and reported to the competent authorities.
	2025.11.13	Explanation and communication of the results of the audit of the financial statements for 2025 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		Description	Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No		
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 (https://www.lemtech.com/tw/).	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 2025.	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 2025, each director completed at least 6 hours of advanced training courses to master the latest knowledge and improve decision-making capabilities. In 2026, 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 th 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		Description	Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No		
(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 2025 Board and Functional Committee Performance Evaluation was reported to the Board of Directors on March 11, 2026, and the results of the performance evaluation please refer to page 25~26 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 11, 2026 and submitted to the Board of Directors for approval on March 11, 2026. For the evaluation mechanism, please refer to pages 67~69 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 Senior Accounting Associate, Mrs. Elaine Chien, 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 of financial, stock affairs, and corporate governance related matters has	

Evaluation items	Operating status		Description	Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No		
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>served for more than three years. Their scope of authority includes:</p> <ol style="list-style-type: none"> 1. Handling matters related to meetings of the Board of Directors and shareholders' meetings in accordance with the law. 2. Preparation of minutes of meetings of the Board of Directors and shareholders' meetings. 3. Assisting directors in their appointment and continuing education. 4. Providing information necessary for directors to carry out their duties. 5. Assisting directors in compliance with laws and regulations. 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. 7. Handling matters related to changes in the Board of Directors. 8. Other matters stipulated in the company's articles of association or contracts, etc. <p>The Corporate Governance Manager has performed various duties in accordance with his/her responsibilities in 2025 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 65.</p>	No deviation

Evaluation items	Operating status		Description	Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No		
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 (https://www.lemtech.com/tw/).	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: http://www.lemtech.com , 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 2025 annual financial report audited by a CPA. on March 26, 2026, 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		Description	Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No		
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>【Communication with stakeholders was reported to the Board of Directors on November 13, 2025.】</p> <p>2. In FY2026, 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, 2026 to March 19, 2027, and more detailed information about the operation of corporate governance will be disclosed in the 2025 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 2025 evaluation results were 51~66% 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	2025/07/09	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit Forum.	3
		2025/10/15	Business Council for Sustainable Development (BCSD) Taiwan	Toward a Global Circular Vision: The GCP Framework and the Path of Circular Practices in Taiwan's Industries.	3
Director	Ye, Hang	2025/07/09	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit Forum.	6
Director	Tan, Yong	2025/07/09	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit Forum.	6
Director	Chen, Hui-Min	2025/10/03	Taiwan Project Management Association (TPMA)	Continuing Education Program for Directors of Listed and OTC Companies: Case Studies in Corporate Digital Transformation.	3
		2025/10/27	Taipei Bar Association (TBA)	Corporate Governance of Related Party Transactions and Significant Transactions.	3
Independent Director	Wang, Chi-Chuan	2025/08/11	Corporate Governance Association in Taiwan (CGA)	Practical Issues of Atypical Transactions for Directors and Supervisors.	3
		2025/08/11	Corporate Governance Association in Taiwan (CGA)	Liabilities of Directors and Supervisors under Corporate Governance: Explanations and Case Studies.	3
Independent Director	Cheng, Frank	2025/08/22	Securities and Futures Institute, SFI	Current Regulatory Status and Future Development of Virtual Assets.	3
		2025/09/05	Securities and Futures Institute, SFI	Fintech Through the Lens of Stablecoins: Blockchain Practice and the Future.	3
Independent Director	Hsieh, Ainsley	2025/10/30	Securities and Futures Institute, SFI	Anatomy of Fraudulent Tactics and Introduction to Case Studies on Anti-Money Laundering (AML) Regulations.	3
		2025/10/30	Securities and Futures Institute, SFI	Trends in Sustainability Disclosure: The Issuance, Impact, and Strategic Response to IFRS S1 and S2 Sustainability Disclosure Standards.	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.

(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

Dec. 31, 2025

Identity	Qualification		Status of independence	Number of other public companies where the individual concurrently serves as a member of Remuneration Committee
	Name	professional qualifications and experience		
Independent Director (Convener)	Cheng, Frank	Please refer to director-related information content on page 11-14		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 2025. 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	4	0	100.00	-

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
2025.03.04	2024 Employees' and Directors' Compensation Distribution Proposal.	All members approved.	None
	Change of the Company's Chief Financial Officer and Chief Accounting Officer.		
2025.08.21	Proposal for the Adjustment of Managerial Compensation.	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
2025.11.13	Proposal for the Allocation of Restricted Stock Awards (RSAs) to Directors and Managerial Officers.	All members approved.	None
2025.12.18	Proposal for the Adjustment of Compensation for Two Managerial Officers.	The resolution is temporarily deferred and will be resubmitted for deliberation at the next meeting along with relevant supporting documentation.	None
	Proposal for the Distribution of 2025 Year-End Bonuses for Managerial Officers.	All members approved.	

(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	
			<p>continuously reported to the Board of Directors every quarter. Other ESG implementation plans will be implemented by various units according to the plans.</p> <p>2025 Board Reporting Summary: A total of four reports were submitted to the Board of Directors in 2025. The agenda items included:</p> <ul style="list-style-type: none"> (1) Progress Report on Key ESG Initiatives. (2) Sustainability Report (including Materiality Analysis results). (3) Group-wide Greenhouse Gas (GHG) Inventory Planning and Progress Report. (4) Domestic and International Sustainability Trends and Policies. (5) Establishment of Annual Work Objective. <p>Upon receiving reports, the Board evaluates the effectiveness of the relevant strategies and plans and, when necessary, prompts the management team to make adjustments.</p>	
<p>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?</p>	✓		<p>Lemtech Holding Group implements its risk management operations through hierarchical levels of responsibility across all departments to ensure robust risk control and mitigate operational risks. Our framework integrates international standards—such as ISO 27001 (Information Security), ISO 45001 (Occupational Health and Safety), ISO 9001 (Quality Management), and ISO 14001 (Environmental Management). The effectiveness of these risk management measures is verified through annual internal and external audits.</p> <p>1. Risk assessment boundaries: The risk assessment scope of Lemtech Group primarily focuses on the design and production activities across its subsidiaries, including Lemtech Precision, Lemtech Slide, and Lemtech Electronics. For the risk assessment criteria, processes, and results of material ESG issues, as well as the related risk management policies or strategies, please refer to page 52~53.</p> <p>The Board of Directors serves as the Company's highest decision-making body for risk management. The Audit Committee assists the Board in overseeing the Company's risk management operations, monitoring all existing and potential risks, and ensuring compliance with relevant regulations and the effectiveness of risk management mechanisms. The Sustainability Management Committee serves as the executive body, driving relevant departments to identify environmental, social, and governance</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	
			<p>(ESG) risks related to business operations and to implement risk control and mitigation measures, while reporting annually to the Audit Committee and the Board of Directors on the status of risk management.</p> <p>The Company identifies material risks based on the materiality principle and compiles the risk items and countermeasures proposed by various units (please refer to pages 53~55): In 2025, the overall environment was affected by factors such as high interest rates, high inflation, and international instability (global tariff barriers, geopolitical tensions, and war), leading to a significant increase in raw material costs and, consequently, an increase in the Company's overall operational risks.</p> <p>In 2026, the macroeconomic environment will continue the trends observed in 2025, with the Company still facing the impacts of geopolitical instability, tariff issues, financial volatility, abnormal weather conditions, and global supply chain instability. Currently, all risks remain within manageable limits.</p>	
<p>III. Environmental issues</p> <p>(I) Has the Company established environmental management systems proper to its industry's characteristics?</p> <p>(II) Does the Company endeavor to utilize all resources more efficiently and use renewable materials that have low impact on the environment?</p>	<p>✓</p> <p>✓</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, have all obtained environmental management system certification (ISO14001:2015), which is valid from April 29, 2023 to April 28, 2026, and June 18, 2025, to June 17, 2028, to effectively implement carbon reduction, energy conservation, water conservation, and industrial waste management, thereby reducing the environmental impact of our operations.</p> <p>(II) As a holding company without manufacturing facilities, the Company does not utilize recycled materials in its direct operations. Our energy consumption is primarily limited to purchased electricity, resulting in a relatively low environmental footprint from our corporate activities. Primary production and manufacturing operations are conducted by our group subsidiaries.</p> <p><u>Energy Management Systems (ISO 50001)</u></p> <p>In support of green energy policies, our subsidiary Lemtech Precision Materials has obtained the ISO 50001:2018 Energy Management</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										
<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> <p>(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>	<p>✓</p> <p>✓</p>		<p>System certification (valid from June 25, 2023, to June 24, 2026). By adopting systematic methods to optimize energy efficiency, the subsidiary has implemented rooftop solar power systems across its plants to reduce reliance on external grids and lower carbon emissions. The subsidiary, Lemtech Precision Material (China) Co., Ltd., completed the installation of rooftop solar power systems across its entire plant in 2025. The total annual power generation reached 2,117,326.8 kWh, with an actual consumption of 2,065,026.8 kWh, representing a solar energy coverage rate of 18.09%. The company will continue to promote the use of renewable energy and gradually increase the solar coverage ratio, with a target of reaching 50% by 2026. Regarding the subsidiary Lemtech Slide, the factory rooftop solar system was installed by the landlord; consequently, a portion of its electricity supply is derived from solar energy, which helps enhance the proportion of renewable energy usage and reduce carbon emissions.</p> <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 (please refer to page 55~58) 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 2024 and 2025 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 border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Year</th> <th style="width: 35%;">Scope 1</th> <th style="width: 35%;">Scope 2</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">2024</td> <td style="text-align: center;">522.935 tons</td> <td style="text-align: center;">4,285.13 tons</td> </tr> <tr> <td style="text-align: center;">2025</td> <td style="text-align: center;">670.254 tons</td> <td style="text-align: center;">5,789.84 tons</td> </tr> </tbody> </table> <p>(1) The combined GHG emissions of Scope 1 and Scope 2 in 2024 are 6,460.085 tons of CO2e, mainly from Scope 2 electricity emissions, which account for 89.62% 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</p>	Year	Scope 1	Scope 2	2024	522.935 tons	4,285.13 tons	2025	670.254 tons	5,789.84 tons	
Year	Scope 1	Scope 2											
2024	522.935 tons	4,285.13 tons											
2025	670.254 tons	5,789.84 tons											

Evaluation items	Operating status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof																	
	Yes	No	Description																		
			<p>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 for the past two years is disclosed below. The significant variance between the two periods is primarily due to a change in the basis of comparison. The scope for FY2025 covers the Group Headquarters, Lemtech Industrial Services Ltd, Lemtech Energy Solutions Corporation, Kunshan Lemtech Slide Technology Co., Ltd., and Lemtech Precision Material (China); whereas the FY2024 data only includes Lemtech Precision Material (China)</p> <p>Water consumption in the past two years:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Total Water Use</th> </tr> </thead> <tbody> <tr> <td>2024</td> <td>8,111 tons</td> </tr> <tr> <td>2025</td> <td>10,248 tons</td> </tr> </tbody> </table> <p>Despite continued operational growth, our subsidiary, Lemtech Precision Material (China), has effectively managed its water consumption and enhanced water use efficiency. This was achieved through hardware optimizations, including the installation of water-saving valves and sensor-activated faucets, ensuring responsible resource management alongside business expansion</p> <p>The waste generation data for the past two years is disclosed below. The reporting scope for 2025 covers Lemtech Energy Solutions Corporation, LemTech Global Industries Ltd., Kunshan Lemtech Slide Technology Co., Ltd., and Lemtech Precision Material (China). For 2024, the data includes Kunshan Lemtech Slide Technology Co., Ltd., Lemtech Precision Material (China), and Lemtech Electronics Technology (Changshu) Co., Ltd.</p> <p>Waste Production in the Last Two Years:</p> <table border="1"> <thead> <tr> <th rowspan="2">Year</th> <th colspan="2">Unit: tons</th> </tr> <tr> <th>Hazardous Waste</th> <th>Non-hazardous Waste</th> </tr> </thead> <tbody> <tr> <td>2024</td> <td>46.92</td> <td>11,505.79</td> </tr> <tr> <td>2025</td> <td>69.075</td> <td>11,485.49</td> </tr> </tbody> </table> <p>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.</p> <p>(1) The proportion of annual electricity output value is $\leq 1.60\%$ (2) The proportion of annual water fee output value $\leq 0.06\%$ In 2025, 1.562% and 0.017% respectively achieved the goal.</p>	Year	Total Water Use	2024	8,111 tons	2025	10,248 tons	Year	Unit: tons		Hazardous Waste	Non-hazardous Waste	2024	46.92	11,505.79	2025	69.075	11,485.49	
Year	Total Water Use																				
2024	8,111 tons																				
2025	10,248 tons																				
Year	Unit: tons																				
	Hazardous Waste	Non-hazardous Waste																			
2024	46.92	11,505.79																			
2025	69.075	11,485.49																			

Evaluation items	Operating status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof						
	Yes	No	Description							
IV. Social issues (I) Has the Company formulated management policies and procedures following relevant regulations and international human rights treaties?	✓		<p>(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.</p> <p>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. As of the end of 2025, a cumulative total of 515 suppliers have completed the signing. The Company's human rights management policy and specific management plan are summarized as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Human Rights Management Policy</th> <th style="width: 50%;">Specific implementation situation</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Labor rights</td> <td>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.</td> </tr> <tr> <td style="text-align: center;">Building good labor-management relations</td> <td>Provide smooth communication channels and strive for harmonious labor-management</td> </tr> </tbody> </table>	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	No deviation
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									

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?	✓			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 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.				
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-				

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>based salary adjustments to maintain overall salary competitiveness. In 2025, the average salary increase for the Company's supervisory and non-managerial employees was 3%. <u>(The Company is a foreign issuer listed on the TWSE; the definition of employees includes entry-level staff.)</u></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 2025, the proportion of female employees in our company stood at 52.77%, of which female supervisors accounted for 42.11%.</p>	
(IV) Has the Company established effective career development and training plans for its employees?	✓		<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. In 2025, no fire-related incidents were reported at the Company's headquarters or its subsidiaries. However, a total of 9 occupational injury incidents occurred across the China and Taiwan regions. Of these, 3 were traffic accidents involving employees during their commute, while the remaining cases were primarily minor injuries with no significant impact on operations. The Company remains committed to strengthening Occupational Health and Safety (OHS) management and enhancing employee safety awareness to further mitigate the risk of future accidents.</p> <p>(IV) The company has established [annual training program], through the systematic training to enhance the staff's personal qualities and</p>	

Evaluation items	Operating status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
(V) Has the Company followed relevant laws, regulations and international guidelines for the customer health and safety, customer marketing and labeling of its products and services and established related consumer protection policies and grievance procedures?	✓		<p>professional competence, part of the staff to adopt the system of rotation to cultivate and explore personal expertise and make career adjustments accordingly.</p> <p>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; 2025 effectively completed the annual training program, but also achieved a relatively satisfactory training results.</p>	
(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?	✓		<p>(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".</p> <p>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 2025, no violations of customer privacy or loss of customer information that harmed customer rights and interests have been found.</p> <p>The Company's "stakeholder complaint channel" email address: whistleblower@lemtech.com</p> <p>(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 nature of their operations, and the supplier management department formulates an annual supplier audit plan and conducts audits every</p>	

Evaluation items	Operating status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
			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. 293 suppliers have signed the "Supplier CSR Commitment" by 2025, with a coverage rate of 94.82%.	
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?		✓	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. The 2025 Sustainability Report will be prepared in 2026 and will be uploaded to the TWSE and published on the Company's website in August 2026 after approval by the Board of Directors. The 2025 Sustainability Report has not been verified by a third party.	The "Sustainability Report" is prepared in accordance with the GRI standards.
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: 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.				
VII. Other important information helpful to understand the implementation of the promotion of sustainable development: For details of the Company's relevant sustainability operations and performance, please refer to the Company's Annual Sustainability Report; Website: https://www.lemtech.com/zh_tw/esg/				

The risk assessment criteria, processes, and results for material environmental, social, and governance (ESG) issues, along with the associated risk management policies and strategies, are as follows:

Material Topics	Risk Assessment Items	Description
Environmental	Low-Carbon Operations: Upholding the principles of environmental protection and energy conservation, we implement robust resource management and conservation practices.	Upholding the principles of environmental protection and energy saving and carbon reduction, we actively implement resource conservation and management. We have adopted the ISO 14001 Environmental

Material Topics	Risk Assessment Items	Description
		Management System to establish a robust organizational framework, clear policies, and relevant management practices, thereby mitigating the environmental impact throughout our operational processes.
Social	Human Rights Risk: Conduct regular human rights risk assessments for employees to prevent legal violations and the deterioration of labor-management relations.	We strictly adhere to all laws and regulations, ensuring that our labor policies fully comply with local government requirements. To maintain harmonious labor-management relations, we hold regular labor-management meetings. These meetings serve as a platform for both parties to discuss and reach a consensus on the implementation of human rights policies, working environments and conditions, as well as corporate policies and compensation and benefits. This process ensures transparency and facilitates smooth, effective communication between labor and management.
Governance	(1) Ethical Management and Regulatory Compli	(1) Establishment of the "Ethical Corporate Management Best Practice Principles," "Code of Ethical Conduct," and "Procedures for the Prevention of Insider Trading" to safeguard the rights and interests of both investors and the Company. (2) Regular implementation of education and training programs focused on ethical management. (3) Management units continuously monitor regulatory compliance trends within their respective scopes of authority and expertise to establish and refine internal management policies.
	(2) Information Security, Trade Secrets, and Privacy	The Company has established the 'Information Security Management Regulations' and 'Personal Data Protection Management Measures' and has achieved ISO 27001 Information Security Management System (ISMS) certification to ensure the information security and data privacy of both the Company and its clients.
	(3) Board Functions and Effectiveness	In response to the Company's operational needs and regulatory changes, we plan continuing education programs for directors and provide them with updates regarding relevant laws, regulations, and corporate governance information.
	(4) Stakeholder Engagement and Communication	Establish diverse communication channels to facilitate effective engagement and dialogue with stakeholders

Risk identification and countermeasures

Risk Category	Risky Projects/Scenarios	Control Units	Risk Countermeasures
Operational risk	Raw material price fluctuations and supply chain risks • 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	Supply chain department	<ul style="list-style-type: none"> • Diversify procurement and integrate raw material needs; seek alternative raw materials and suppliers to stabilize supply sources. • Control raw material safety stocks, monitor market changes, improve bargaining power for raw materials and products, and flexibly respond to production and market demands.

Risk Category	Risky Projects/Scenarios	Control Units	Risk Countermeasures
	<p>production capacity and increases production costs.</p> <ul style="list-style-type: none"> Raw material prices fluctuated due to the unstable international situation. 		<ul style="list-style-type: none"> Multiple logistics and transportation networks to flexibly adjust the supply of raw materials and products.
	<p>HR risks</p> <ul style="list-style-type: none"> Disharmonious labor-capital relations affect staff turnover and corporate image. Due to the aging population, social and industrial structure, salary competitiveness is relatively lower than that of the industry or competitors. 	<p>HR Department</p> <p>Management Department</p> <p>Affiliated business units</p>	<ul style="list-style-type: none"> 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. Smooth communication channels between labor and management to promote harmony between the two parties. Increase production automation, optimize manpower requirements and improve efficiency. Provide stable salary and benefits, and career development plans to facilitate talent retention and recruitment.
	<p>Environmental protection and occupational safety and health risks</p> <ul style="list-style-type: none"> Emergency disasters (such as fire, explosion, etc.) will cause harm to the environment and personnel inside and outside the factory. Industrial waste is harmful to the environment, residents around the factory, and employees. Improper operating procedures or controls may result in harm to personnel safety and health or financial losses to the company. 	<p>Management Department</p> <p>Affiliated business units</p>	<ul style="list-style-type: none"> 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. 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 promotion activities and subsidies to shape a healthy workplace.
Financial risk	<p>Exchange rate fluctuation risk</p> <ul style="list-style-type: none"> Exchange rate fluctuations due to interest rate policies of major central banks around the world. 	<p>Finance and Accounting Department</p>	<ul style="list-style-type: none"> The finance department closely monitors exchange rate changes and adjusts foreign currency positions based on actual funding needs and exchange rate trends. Develop hedging strategies, such as "forward rate" hedging operations.
Information risk	<p>Information security risks</p> <ul style="list-style-type: none"> 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. 	<p>Information Management Department</p>	<ul style="list-style-type: none"> Implement the "ISO27001 Information Security Management System" and integrate and strengthen relevant security mechanisms. Implement information security education and simulation drills to enhance information security intelligence and emergency response capabilities. Appoint dedicated information security supervisors and personnel to maintain information security protection affairs.
Compliance and integrity risks	<p>Social, economic and regulatory compliances</p> <ul style="list-style-type: none"> 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 	<p>Management Department</p> <p>Affiliated</p>	<ul style="list-style-type: none"> 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. Keep abreast of changes in laws and regulations. Send personnel to

Risk Category	Risky Projects/Scenarios	Control Units	Risk Countermeasures
	and exchange laws, etc.).	business units	<p>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.</p> <ul style="list-style-type: none"> •Strengthen the promotion of honest business operations and intellectual property rights (education and training, and signing of compliance commitments).
Other risks	<p>Climate change risks</p> <ul style="list-style-type: none"> •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. •Various countries are developing carbon tax/carbon fee systems, thereby increasing corporate operating costs. •Requirements for corporate greenhouse gas inventory and verification report. •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. 	<p>Sustainability Committee</p> <p>Affiliated business units</p>	<ul style="list-style-type: none"> •Strengthen the decision-making management model of production, process, operation and supply chain to respond immediately to the impacts of climate change. •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. •Set water conservation targets to mitigate future water resource impacts through measurement and reduction. •Set energy-saving targets, expand self-generated green electricity equipment, and improve the utilization rate of renewable energy. •Set waste reduction goals and implement reduction plans (source reduction, recycling of scraps or waste) to reduce waste output and carbon emissions.

(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 Company's business, strategy and finance (short, medium, and long-	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, 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

Item	Implementation			
term).	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	The international climate consensus has led to global suppression of the petrochemical fuel industry, resulting in a rise in raw material prices.	•The expected greater volatility in raw material costs will lead to higher cost expenditures.
	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.	•In terms of operations, new low-carbon technology equipment needs to be purchased or replaced to reduce carbon emissions. •Loss of customers during the transformation period.
	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.	•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.
	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 carbon emission costs.	•Use low-carbon energy sources to reduce carbon emission costs.	
Mid-term	Service 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.	•Invest in R&D of carbon footprint assessment capabilities to meet customers' "net-zero emissions" requirements and expand cooperation opportunities	
Describe the financial impact of	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			

Item	Implementation																
<p>extreme climate events and transformation actions.</p>	<p>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> <table border="1" data-bbox="577 486 2033 1110"> <thead> <tr> <th data-bbox="577 486 786 579">Timeline of risk impacts</th> <th data-bbox="786 486 1005 579">Risk name</th> <th data-bbox="1005 486 1547 579">Potential financial impacts</th> <th data-bbox="1547 486 2033 579">Countermeasures</th> </tr> </thead> <tbody> <tr> <td data-bbox="577 579 786 735">Short term</td> <td data-bbox="786 579 1005 735">Rising raw material costs</td> <td data-bbox="1005 579 1547 735"> <ul style="list-style-type: none"> The expected greater volatility in raw material costs will lead to higher cost expenditures. </td> <td data-bbox="1547 579 2033 735"> <ul style="list-style-type: none"> Diversify the supply chain database to avoid single supplier or excessive concentration. Develop core R&D capabilities and implement strategic sourcing plans. </td> </tr> <tr> <td data-bbox="577 735 786 984">Mid-term</td> <td data-bbox="786 735 1005 984">Customer behavior changes</td> <td data-bbox="1005 735 1547 984"> <ul style="list-style-type: none"> In terms of operations, new low-carbon technology equipment needs to be purchased or replaced to reduce carbon emissions. Loss of customers during the transformation period. </td> <td data-bbox="1547 735 2033 984"> <ul style="list-style-type: none"> Research and develop "low energy consumption or high efficiency" process technology. Use low-carbon energy and materials to reduce carbon emissions. Diversify business scope, avoid centralization and reduce the risk of customer loss. </td> </tr> <tr> <td data-bbox="577 984 786 1110">Long term</td> <td data-bbox="786 984 1005 1110">Imposition of carbon fee</td> <td data-bbox="1005 984 1547 1110"> <ul style="list-style-type: none"> 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. </td> <td data-bbox="1547 984 2033 1110"> <ul style="list-style-type: none"> Pay close attention to updates on local regulations at production locations. Develop and maintain relationships with second and third-tier supply chains. </td> </tr> </tbody> </table>	Timeline of risk impacts	Risk name	Potential financial impacts	Countermeasures	Short term	Rising raw material costs	<ul style="list-style-type: none"> The expected greater volatility in raw material costs will lead to higher cost expenditures. 	<ul style="list-style-type: none"> Diversify the supply chain database to avoid single supplier or excessive concentration. Develop core R&D capabilities and implement strategic sourcing plans. 	Mid-term	Customer behavior changes	<ul style="list-style-type: none"> In terms of operations, new low-carbon technology equipment needs to be purchased or replaced to reduce carbon emissions. Loss of customers during the transformation period. 	<ul style="list-style-type: none"> Research and develop "low energy consumption or high efficiency" process technology. Use low-carbon energy and materials to reduce carbon emissions. Diversify business scope, avoid centralization and reduce the risk of customer loss. 	Long term	Imposition of carbon fee	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Pay close attention to updates on local regulations at production locations. Develop and maintain relationships with second and third-tier supply chains.
Timeline of risk impacts	Risk name	Potential financial impacts	Countermeasures														
Short term	Rising raw material costs	<ul style="list-style-type: none"> The expected greater volatility in raw material costs will lead to higher cost expenditures. 	<ul style="list-style-type: none"> Diversify the supply chain database to avoid single supplier or excessive concentration. Develop core R&D capabilities and implement strategic sourcing plans. 														
Mid-term	Customer behavior changes	<ul style="list-style-type: none"> In terms of operations, new low-carbon technology equipment needs to be purchased or replaced to reduce carbon emissions. Loss of customers during the transformation period. 	<ul style="list-style-type: none"> Research and develop "low energy consumption or high efficiency" process technology. Use low-carbon energy and materials to reduce carbon emissions. Diversify business scope, avoid centralization and reduce the risk of customer loss. 														
Long term	Imposition of carbon fee	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Pay close attention to updates on local regulations at production locations. Develop and maintain relationships with second and third-tier supply chains. 														
<p>Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</p>	<p>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.</p>																
<p>If a scenario analysis is used to assess the resilience to climate</p>	<p>The company has not yet implemented scenario analysis.</p>																

Item	Implementation
change risks, the scenarios, parameters, assumptions, analysis factors, and main financial impacts used shall be described.	
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 physical risks and transformation risks.	<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 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 places great importance on managing energy consumption and environmental impact. To fulfill its corporate social responsibility, it has been progressively implementing greenhouse gas emissions inventories to establish a comprehensive foundation for carbon management. In 2025, the Group's subsidiary, Lemtech Precision Material (China) Co., Ltd, commissioned Suzhou Industrial Park Tian'an Environmental Protection Technology Co., Ltd. to conduct a greenhouse gas inventory. This systematic assessment of carbon emissions from the manufacturing process serves as a critical basis for subsequent carbon management and carbon reduction strategy planning, and the company continues to implement energy-saving and carbon-reduction management measures based on the inventory results. Additionally, in 2025, the headquarters and Lemtech Energy Solutions Corporation, in accordance with regulatory requirements, commissioned the third-party verification body ARES International Certification Co., Ltd. to conduct greenhouse gas inventory verification. The verification process for the 2025 fiscal year has been completed to enhance the credibility and transparency of the inventory data. For further details, please refer to the Company's official website and Sustainability Report.</p> <p>To address the impacts of climate change and strengthen sustainability measures, the Company will follow the sustainability roadmap established by the Financial Supervisory Commission to complete greenhouse gas inventories and related verification activities on schedule or ahead of schedule.</p>
Greenhouse gas inventory and assurance status, as well as reduction goals, strategies, and concrete action plans. (Also fill in	Please refer to the "Promotion of Sustainable Development" section of this annual report. According to the "Sustainable Development Roadmap for Listed Companies", the Company is not yet required to disclose greenhouse gas inventories and related information.

Item	Implementation
1-1 and 1-2).	

(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>	<p>No deviation</p>

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.	
<p>II. Fulfill operations integrity policy</p> <p>(I) Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts?</p> <p>(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?</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>		<p>(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 2025.</p> <p>(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 "2025 Integrity Management Situation" is scheduled to be approved by the Board of Directors on May 13, 2026.</p> <p>2024 Implementation Progress and Results:</p> <p>(1) External Training: Implementation Status:</p> <p>1. All directors completed at least the required 6 hours of continuing education courses in 2024.</p> <p>2. The Corporate Governance Officer completed 18 hours of continuing education courses in 2024.</p> <p>(2) Regular Reviews:</p> <p>Risk assessments regarding ethical management are conducted for the business activities of all units. Through annual self-assessments</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	
	✓		<p>by each department, the company achieves effective control and implementation. Furthermore, the Internal Audit unit conducts independent audits to ensure the overall functionality of the mechanism, collectively managing and preventing unethical behavior.</p> <p>Implementation Status: No violations of ethical management were identified in 2024.</p> <p>(3) Whistleblowing System: The Company has established the "Stakeholder Grievance and Whistleblowing Policy" and set up a dedicated whistleblower hotline (02-8684-1618) and email (whistleblower@lemtech.com) to actively prevent unethical behavior. We encourage both internal and external personnel to report any unethical acts or misconduct. A dedicated unit is responsible for handling reported cases in accordance with the whistleblower protection provisions. The identity of the whistleblower and the content of the report are kept strictly confidential. The Company commits to protecting whistleblowers from any unfair treatment or retaliation resulting from their reports.</p> <p>Implementation Status: A total of 0 whistleblowing cases were received in 2024.</p> <p>(4) Continuous Communication with Stakeholders: Effective communication channels for employees, shareholders, stakeholders, and external parties have been provided in the "Stakeholder Section" of the company website.</p> <p>Implementation Status: No reports or incidents regarding unethical behavior were received in 2024.</p> <p>(5) Avoidance of Conflict of Interest: Implementation Status: In 2024, all directors and managers attending Board meetings adhered to relevant laws and regulations by recusing themselves from discussions and voting on any proposals in which they or the legal entities they represent had a conflict of interest.</p>	

Evaluation items	Operating status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
(III) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?			<p>(III)</p> <p>(1) If a director, manager, or any other stakeholder attending or present at a Board meeting has a personal interest or represents a legal entity with an interest in a proposal, they shall disclose the material content of such interest during the meeting. If there is a concern that such interest may prejudice the interests of the Company, the individual shall not participate in the discussion or voting, shall recuse themselves during such discussion and voting, and shall not exercise voting rights as a proxy for other directors. Directors shall also exercise self-discipline and must not engage in improper mutual support. In 2024 (Year 113), there were three proposals involving conflicts of interest for the Chairman and certain directors. These individuals recused themselves and did not participate in the discussion or voting. Following an inquiry by the Acting Chairperson, the remaining directors present expressed no objections, and the proposals were approved as submitted.</p> <p>(2) The Company's directors, managers, employees, mandataries, and substantial controllers are prohibited from using their positions or influence within the Company to obtain improper benefits for themselves, their spouses, parents, children, or any other third party. No such incidents occurred in 2024.</p> <p>(3) The Company has established a whistleblowing system under the "Stakeholder Grievance and Whistleblowing Policy," providing a dedicated hotline (02-8684-1618) and email address (whistleblower@lemtech.com) to actively prevent unethical behavior.</p>	
(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			<p>(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</p>	

Evaluation items	Operating status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
information Does the Company disclose its ethical corporate management policies and the results of its implementation on the Company's website and MOPS?			dedicated person responsible for disclosing financial business and corporate governance related information, as well as disclosing the "Integrity Management Operating Procedures and Behavior Guidelines".	
<p>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.</p>				
<p>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.):</p> <p>(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.</p> <p>(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.</p> <p>(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.</p>				

(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. 2025 Manager to attend corporate governance related courses for further study:

Title	Name	Date	Organizer	Course	Hours
Head of Corporate Governance	Elanie, Chien	2025.03.20 To 2025.03.21	Securities and Futures Institute	Sustainability Disclosure Implementation Workshop for Listed and OTC Companies	9
		2024.05.16	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit	6
		2024.07.03	Taiwan Corporate Governance Association	Risk Management and Strategic Analysis for Corporate Sustainability	3

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

Lemtech Holdings Co., Limited
Statement of Internal Control System

Date: Mar. 11, 2026

The Company hereby states the results of the self-evaluation of the internal control system for 2025 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, 2025, 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. 11, 2026. 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 2025 Annual Shareholders' Meeting

Date	Important resolutions	Implementation status
2025.05.28 Annual shareholders' meeting	Approval of 2024 Business Report and Consolidated Financial Statements	Adopted through resolution.
	Approval of the earnings distribution for 2024	Adopted through resolution.
	Transfer of surplus to capital increase by issuing new shares	Approved and implemented in accordance with the resolution of the shareholders' meeting.
	Approval of amendment to Articles of Association of the Company	Adopted through resolution, and complete the Cayman registration filing.
	Proposal of issue new shares of Restricted Stock Awards.	Approved and implemented in accordance with the resolution of the shareholders' meeting.

2. Important resolutions of the Board of Directors for 2025 and up to the date of publication of the Annual Report

Date	Important resolutions
2025.03.04	<ol style="list-style-type: none"> 1. 2024 Annual Business Report and Consolidated Financial Statements 2. 2024 Employee and Director Remuneration Distribution Proposal 3. 2024 Earnings Distribution Proposal 4. 2024 Q4 Distribution of cash dividends to shareholders 5. 2024 transfer of surplus to capital increase by issuing new shares 6. The Company proposal of issue new shares of Restricted Stock Awards 7. Termination of the 2024 Private Placement of the Company's Common Stock 8. Proposed Replacement of Accountant and Assessment of Independence from Q1 2025 9. 2024 Internal Control System Statement 10. Proposed acquisition of equity interests in subsidiaries by the Company 11. Agenda for the 2025 regular shareholders' meeting, shareholders' proposals 12. Change in the Company's head of finance and accounting 13. Change in the Company's head of corporate governance 14. Amendment to the company's internal control system 15. The Company's application for financing facilities with banks 16. Guarantee Provision Proposal
2025.05.12	<ol style="list-style-type: none"> 1. Consolidated financial statements for the 1st quarter of 2025. 2. Proposal for earnings distribution for the 1st quarter of 2025. 3. Non-assurance services expected to be provided by Deloitte & Touche in 2025. 4. Proposal to amend the Company's internal control system. 5. The Company's application for financing facilities with banks. 6. Guarantees provided by the Company.
2025.07.15	<ol style="list-style-type: none"> 1. Proposal to set the record date for capital increase from earnings and the distribution date of the new shares. 2. The Company's application for financing facilities with banks. 3. Guarantees provided by the Company.
2025.08.21	<ol style="list-style-type: none"> 1. Consolidated financial statements for the 2nd quarter of 2025. 2. Proposal for earnings distribution for the 2nd quarter of 2025. 3. Proposal to approve the Company's 2024 Sustainability Report.

Date	Important resolutions
	<ol style="list-style-type: none"> 4. Proposal to amend the Company’s internal control system. 5. Guarantees provided by the Company. 6. Proposal to adjust the salary and remuneration of the Company’s managers.
2025.11.13	<ol style="list-style-type: none"> 1. Consolidated financial statements for the 3rd quarter of 2025. 2. Proposal for the first issuance of restricted employee shares by the Company. 3. Proposal for earnings distribution for the 3rd quarter of 2025. 4. Proposal for the Company’s 2026 Annual Internal Audit Plan. 5. Proposal to establish the scope and key themes of the Company’s 2025 Sustainability Report. 6. Proposal to amend the Company’s internal control system. 7. Guarantees provided by the Company.
2025.12.18	<ol style="list-style-type: none"> 1. Proposal for the Company’s budget for fiscal year 2026. 2. Proposal for the disposal of the Company’s equity interest in Lemtech Electronics Technology (Changshu) Co., Ltd (hereinafter referred to as “LET (CS)”), in response to adjustments in the Company’s operating strategy, and for the recognition of related impairment losses in accordance with International Financial Reporting Standard No. 5 (IFRS 5). 3. Proposal for the Company to apply for credit facilities with banks. 4. Proposal for amendments to the terms and conditions of guarantees and endorsements provided by the Company. 5. Proposal for the distribution of year-end bonuses to managerial officers for fiscal year 2025.
2026.01.15	<ol style="list-style-type: none"> 1. Proposal for the disposal of equity interest in the indirectly held subsidiary, Lemtech Electronics Technology (Changshu) Co., Ltd. ("LET Changshu"), resulting in the loss of control over the subsidiary. 2. Adjustment of Compensation for the Company’s Executive Officers.
2026.03.11	<ol style="list-style-type: none"> 1. 2025 Annual Business Report and Consolidated Financial Statements. 2. 2025 Employee and Director Remuneration Distribution Proposal. 3. 2025 Earnings Distribution Proposal. 4. 2025 Q4 Distribution of cash dividends to shareholders. 5. Proposal for the subsidiary, Lemtech Technology Limited (hereinafter "LTL"), to conduct a cash capital increase in Lemtech Precision Material (Thailand) Co., Ltd. (hereinafter "LPM(TH)"). 6. Periodic assessment of external auditor independence. 7. Non-assurance services to be provided by Deloitte & Touche in 2026. 8. 2025 Internal Control System Statement. 9. Agenda for the 2025 regular shareholders’ meeting, shareholders’ proposals. 10. Proposal for the change of the Company’s spokesperson. 11. Amendment to the company’s internal control system. 12. Proposal to set the record date of capital reduction for the cancellation of repurchased restricted stock awards. 13. The Company's application for financing facilities with banks. 14. Guarantee Provision Proposal.

(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	Kuo, Nai-Hua Xue, Jun-Min	2025/01/01-2025/03/31	5,500	180	5,680	-
		2025/04/01-2025/06/30				
		2025/07/01-2025/09/30				
		2025/10/01-2025/12/31				

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	Circumstances	Parties	CPAs
	Terminated the engagement		NA
	No longer accepted the engagement (discontinued)		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	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:

- (I) 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 11, 2026 and submitted to the Board of Directors, which approved the assessment of the

accountant's suitability and independence on March 11, 2026. 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.	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N
2	The CPA has no significant or close business relationship with the Company.	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N
3	There is no potential employment relationship between the CPA and the Company during the audit period.	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N
4	The CPA should ensure that the auditing personnel involved are honest, professional and independent.	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N
5	The CPA has no monetary loan relationship with our company.	<input checked="" type="checkbox"/> Y <input type="checkbox"/> 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.	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N
7	The CPA does not engage in any other business that may cause loss of independence.	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N
8	The CPA has not provided audit services to the Company for seven consecutive years.	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N
9	The CPA does not hold any shares in the Company.	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N
10	The CPA has no joint investment or interest relationship with our company.	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N
11	The CPA does not have any management role in decision making for the Company.	<input checked="" type="checkbox"/> Y <input type="checkbox"/> 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.	<input checked="" type="checkbox"/> Y <input type="checkbox"/> 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"?	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N
14	To date, the CPA has not been disciplined or had his independence compromised.	<input checked="" type="checkbox"/> Y <input type="checkbox"/> 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	2025		As of Mar. 31, 2026	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Chairman	Hsu, Chi-Feng	583,699 (190,000)	0	0	0
Director and CTO	Ye, Hang	451,361 (20,000)	0	0	0
Director	Tan, Yong	104,200 (10,000)	0	0	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	170,000 (170,000)	0	0	0
Marketing Director	Murali Nair	170,000	0	0	0
Information Technology Director	Lim Chin Boon	0	0	0	0
Corporate Governance Supervisor and Financial & Accounting Supervisor	Elaine, Chien (Note 1)	0	0	0	0
Financial and Accounting Supervisor	Jed, Huang (Note 2)	60,000 (60,000)	0	0	0
Corporate Governance Supervisor	Jessy, Lu (Note 3)	0	0	0	0

Note 1: Elaine, Chien was appointed as Corporate Governance Officer on March 4, 2025, and assumed the position of Acting Head of Finance and Accounting on February 5, 2026.

Note 2: Jed Huang resigned and was relieved of his duties as Head of Finance and Accounting on February 5, 2026.

Note 3: Jessy Lu was relieved of her duties as Corporate Governance Officer on March 4, 2025.

- (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. 31, 2026 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	8,687,680	12.95%	0	0	103,822	0.15%	None	None	-
Ye, Hang	6,078,599	9.06%	0	0	0	0	None	None	-
Chan Kim Seng Maurice	4,436,000	6.61%	0	0	0	0	None	None	-
Liao, Mu	2,672,300	3.98%	0	0	0	0	None	None	-
Tan, Yong	2,188,216	3.26%	0	0	0	0	None	None	-
Liao, Wen-Yen	1,201,325	1.79%	0	0	0	0	None	None	-
Liao, Wen-Yi	1,110,488	1.66%	0	0	0	0	None	None	-
Su, Li-Ju	986,402	1.47%	0	0	0	0	None	None	-
Bei, Hui-Fang	903,000	1.35%	0	0	0	0	None	None	-
CTBC Bank Co., Ltd. in Custody of the Employee Restricted Stock Trust Account (with Voting and Dividend Rights) for Lemtech Holdings Co., Ltd.	670,000	1.00%	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. 31, 2026 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	(Note 1)	100	(Note 1)	100
Lemtech Technology Limited	0	0	20,000	100	(Note 1)	100
Lemtech Precision Material (Czech) s.r.o.	0	0	(Note 1)	100	(Note 1)	100
Lemtech USA Inc.	0	0	50,000	100	(Note 1)	100
Lemtech Industrial Services Ltd	2,250,000	90	0	0	2,250,000	90
Kunshan Lemtech Slide Technology Co., Ltd.	0	0	(Note 1)	100	(Note 1)	100
Lemtech International Limited	7,000,000	100	0	0	7,000,000	100
Lemtech Energy Solutions Corporation	0	0	3,000,000	100	3,000,000	100
LemTech Global Industries Ltd.	3,000,000	100	0	0	3,000,000	100
Lemtech Precision Engineering (Tianjin) Co.,Ltd	0	0	(Note 1)	100	(Note 1)	100
Lemtech Precision Material (Huizhou) Co.,Ltd	0	0	(Note 1)	100	(Note 1)	100
Lemtech Mexico S.A. de C.V.	0	0	(Note 1)	100	(Note 1)	100
Lemtech Techonology Malaysia Sdn. Bhd.	0	0	(Note 1)	100	(Note 1)	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.

Chapter 4 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	-
2025.08	10	100,000	1,000,000	65,303	653,031	Recapitalization of retained earnings	None	-
2025.11	10	100,000	1,000,000	67,093	670,930	1,790 thousand shares of RSA.	None	FSC No. 1140347713 , June 18, 2025

2. Type of shares:

Mar. 31, 2026 Unit: Share

Type of shares	Authorized capital			Remarks
	Issued shares	Unissued shares	Total	
Common shares	67,093,099	32,906,901	100,000,000	Listed company shares

Note: The above shares are all listed company shares, counted to book closure date on Mar. 31, 2026.

(II) List of major shareholders

Mar. 31, 2026 Unit: Share; %

Shareholder's name	Shareholding (shares)	Percentage (%)
Hsu, Chi-Feng	8,687,680	12.95%
Ye, Hang	6,078,599	9.06%
Chan Kim Seng Maurice	4,436,000	6.61%
Liao, Mu	2,672,300	3.98%
Tan, Yong	2,188,216	3.26%
Liao, Wen-Yen	1,201,325	1.79%
Liao, Wen-Yi	1,110,488	1.66%
Su, Li-Ju	986,402	1.47%
Bei, Hui-Fang	903,000	1.35%
CTBC Bank Co., Ltd. in Custody of the Employee Restricted Stock Trust Account (with Voting and Dividend Rights) for Lemtech Holdings Co., Ltd.	670,000	1.00%

(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 2025:

(1) Cash dividends:

The Company's 2025 cash dividend distribution totals NT\$ 59,874,901. The distribution will be processed after the 2025 Board of Directors' resolution is passed and will be reported at the 2025 Annual Shareholders' Meeting.

The cash dividend distribution for each quarter in 2025 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
2025 1 st quarter	2025/05/12	0.45	27,987,043	2025/08/22
2025 2 nd quarter	2025/08/20	0.177	11,558,649	2025/10/23
2025 3 rd quarter	2025/11/11	0.303	20,329,209	2026/01/22
2025 4 th quarter	2026/03/11	0	0	NA

(2) Stock dividends:None.

(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 2025 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 2025. The amount of employee remuneration and director remuneration is NT\$ 1,340,329, 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 May 28, 2025 passed the resolution of NT\$ 4,148,357 of employee remuneration and NT\$ 4,148,357 of director remuneration, which was proposed by the Board meeting on March 4, 2025 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:

Type of Restricted Stock Awards (RSA)	The 1st Issuance of Restricted Stock Awards in 2025
Effective date of filing and total shares approved	Effective date of filing: June 18, 2025; Total shares approved: 3,109,000
Date of issuance	2025/12/18
Number of issued Restricted Stock Awards	1,790,000 Shares
Number of shares available for issuance	1,319,000 Shares
Issue price	NTD 0元
Ratio of issued RSAs to total issued shares	2.67%
Vesting conditions of Restricted Stock Awards (RSA)	<p>Employees who remain employed with the Company on each vesting date following the grant of RSAs, and who have not violated the employment contract, Code of Conduct, trust agreement, Corporate Governance Best Practice Principles, Ethical Corporate Management Operating Procedures and Code of Conduct, work rules, non-compete and confidentiality agreements, or any other inter-company agreements, and have achieved the overall financial performance and operational targets set by the Company, are eligible for vesting. The vesting period is five years, conducted in accordance with the issuance rules of each effective filing.</p> <p>The actual proportion and number of shares to be vested on each vesting date shall be calculated based on the achievement levels of the Company's overall financial performance and operational targets. Specifically, operational targets will be evaluated independently for each fiscal year to determine the number of vestable shares. Calculation results shall be rounded down to the nearest whole share, and any fractional shares shall be forfeited. The overall financial performance and operational targets shall be agreed upon between the Company (including its domestic and foreign controlled companies or subsidiaries) and the individual employee.</p> <p>The performance evaluation and the corresponding vesting proportions for the current year are as follows: The vesting proportions for the Company's performance indicators that meet the vesting conditions are as follows:</p> <ol style="list-style-type: none"> (1) Vesting proportion after the first year of issuance: 10%. (2) Vesting proportion after the two year of issuance: 15%. (3) Vesting proportion after the three year of issuance: 20%. (4) Vesting proportion after the four year of issuance: 15%. (5) Vesting proportion after the five year of issuance: 30%.
Rights restrictions on Restricted Stock Awards (RSA)	<ol style="list-style-type: none"> (1) Employees may not sell, pledge, transfer, gift, create any other rights or encumbrances on, or otherwise dispose of the Restricted Stock Awards (RSA). (2) Matters regarding proposals, speaking, voting rights, and other shareholder rights at the Company's shareholders' meetings shall be entrusted to the trustee or custodian (as applicable) to be exercised on behalf of the employees. (3) Prior to satisfying the vesting conditions, the Restricted Stock Awards shall have the right to participate in cash capital increases and dividend distributions. Furthermore, any stock or cash dividends received shall not be subject to vesting period restrictions. (4) Other rights and obligations of the Restricted Stock Awards shall be the same as the issued common shares of the Company.

Type of Restricted Stock Awards (RSA)	The 1st Issuance of Restricted Stock Awards in 2025
Custody/Trust status of Restricted Stock Awards. (RSA)	For the Restricted Stock Awards (RSA) issued by the Company, grantees who are ROC nationals shall, immediately upon being granted, deliver the shares to a trust institution designated by the Company for trust and custody. Unless otherwise provided in these Rules, such shares shall remain in trust and custody until the vesting conditions are satisfied. For grantees of other nationalities, the shares shall be managed under a mandate to a custodian bank.
Handling of shares for which vesting conditions are not met after grant or subscription.	Any unvested RSAs shall be forfeited upon failure to satisfy vesting conditions, termination of employment, or inheritance. The Company will reclaim all such unvested shares at no cost for cancellation.
Number of RSA shares repurchased or recovered.	0 Share
Number of RSA shares with restrictions removed.	0 Share
Number of RSA shares still under restriction.	1,790,000 Shares
Ratio of unvested RSA shares to total issued shares (%)	2.67%
Impact on shareholders' equity	The shares issued this time account for approximately 2.67% of the Company's total issued shares. The impact on existing shareholders' equity will be a gradual dilution over the years, and the dilution effect remains limited.

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 5 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 2025 are as follows:

Unit: NT\$1,000

Item	2025	
	Net revenue	Percentage of business
Automotive Components	3,385,000	53.94%
Electronic Components	2,408,468	38.38%
Connected Fitness Equipment	464,733	7.41%
Others	17,178	0.27%
Total	6,275,379	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, cold plate, 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.

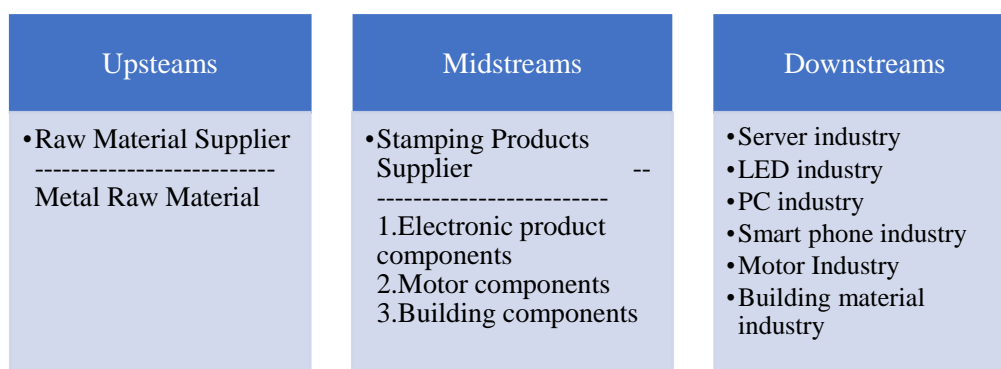
China has become the world manufacturing center, and achieved rapid development in automotive, communications, electronics, household appliances and other industries in the last 10 years, increasing the demands for metal stamping components. Many multinational companies have repositioned complete machine 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



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 the latest research from Fortune Business Insights and Precedence Research, the global thermal management system market reached \$81.97 billion in 2025 and is projected to grow further to \$88.18 billion in 2026. The liquid cooling segment has shown the most robust growth, driven by the surging power demands of AI servers. Its market size was approximately \$4.68 billion in 2025 and is expected to reach \$5.58 billion by 2026, with a high Compound Annual Growth Rate (CAGR) of 18.6% from 2026 to 2035. While air cooling technology retains a cost advantage, its market share in the High-Performance Computing (HPC) sector is being rapidly superseded by cold plate and immersion liquid cooling solutions. Leveraging their advantages in vertical integration within the AI server supply chain, Taiwanese companies continue to lead the global market in high-end technologies such as thermal modules and Coolant Distribution Units (CDUs).

(2) Slide Rail industry

The global slide rail market is projected to surpass US\$6 billion in 2025, with server and telecommunications applications consistently increasing their share to over 35%. The server slide rail segment is expected to see an annual growth rate exceeding 20% in 2025, primarily due to the significant increase in AI server weight—with some rack gross weights exceeding 1,000 kg. This trend imposes stricter requirements for load-bearing capacity, shock resistance, and thermal expansion/contraction designs. By 2026, the industry will pivot toward "structural modularization," where slide rails evolve into smart modules integrating airflow designs and auto-eject functions. Global output value is forecasted to reach US\$6.5 to US\$7 billion.

(3) Server industry

According to the latest tracker report released by IDC in April 2026, global server market revenue hit a record high of US\$444.1 billion in 2025, a staggering 80.4% surge compared to 2024. This phenomenal growth was primarily fueled by heavy investment in AI infrastructure, with revenues from servers equipped with GPUs or accelerators accounting for more than half of the total market.

Furthermore, hyperscale data center capacity now represents over 40% of the global total. Corporate spending on cloud infrastructure has maintained an annual growth rate of approximately 40%, reflecting a comprehensive migration of computing resources from on-premise facilities to cloud and colocation services.

B. Motor Industry

According to the latest data from the China Association of Automobile Manufacturers

(CAAM) and the China Passenger Car Association (CPCA), China's automobile production and sales volumes both surpassed 34.75 million units in 2025, consistently maintaining its position as the world's leader. The performance of New Energy Vehicles (NEVs) was particularly remarkable, with annual sales reaching approximately 15.3 million units. The market penetration rate historically broke the 51.3% threshold, signaling that electric vehicles have officially become the market mainstream.

Looking ahead to 2026, sales of New Energy Vehicles (NEVs) in China are projected to reach 19 million units, with the market penetration rate expected to climb further to between 54.7% and 58.3%. On the global front, NEV sales hit 23 million units in 2025, with Chinese brands accounting for 8.32 million export units (including both Internal Combustion Engine (ICE) vehicles and EVs), representing a 30% year-on-year (YoY) increase

As automakers accelerate their "Glocalization" strategies, the growth driver for exports in 2026 will shift toward a model of "overseas manufacturing and supply chain synergy.

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	2024	2025
R&D expenses	205,745	217,812
Net operating revenue	5,682,176	6,275,379
Ratio of R&D expenses to net operating revenue	3.62%	3.47%

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

Year	R&D results	Description	Scope of application
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 temperature uniformity surface, simple structure, easy molding and assembly, and good practicality.	Applicable to consumer electronics

Year	R&D results	Description	Scope of application
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 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	Applicable to new energy products

Year	R&D results	Description	Scope of application
		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
2024	Research and development of an air-suspended aluminum casing production line based	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

Year	R&D results	Description	Scope of application
	on automated loading and unloading technology		
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
2025	R&D of automated loading and unloading systems for AI server cooling components.	This project develops an automated production system for upper and lower structural components used in AI server thermal management. It pioneers the application of collaborative robot (cobot) operations within AI server production lines, effectively resolving the process uncertainties inherent in traditional soldering systems. Furthermore, this marks the first time these products have been successfully integrated into the AI system supply chain.	Suitable for electronic parts and other products
2025	R&D of semi-automated chemical passivation systems for mechanical components in AI server cooling devices.	Our R&D in semi-automated coating systems improves material durability by preventing thermal oxidation and fluid erosion in cooling modules. Integrating collaborative robotic operations, this technology ensures the structural integrity of AI server components within the production line.	Suitable for electronic parts and other products
2025	R&D of semi-automated cleaning equipment for mechanical components in AI server cooling devices.	This project develops automated cleaning systems for structural components to achieve effective control over internal cleanliness. These processes ensure that product cleanliness meets ISO 16232 standards, satisfying the stringent reliability requirements for AI server operations.	Suitable for electronic parts and other products
2025	R&D of precision solder control devices for thermal module welded assemblies.	Our R&D focuses on an advanced precision solder control system for thermal modules. By pioneering the use of automated dispensing technology in solder application, we leverage 3D spatial mapping and controlled needle speeds to ensure high-precision volume control. This breakthrough removes the instability of manual labor and provides a dual-purpose solution supporting both soldering and high-performance copper brazing.	Suitable for electronic parts and other products
2025	Process improvement for aluminum brazing.	The process improvement developed in this project is applied to thermosyphon heat sink manufacturing. It features the pioneering use of nano-coatings to resolve welding challenges, thereby enhancing thermal performance and successfully integrating the solution into the mass production chain.	Suitable for thermosyphon radiators
2025	R&D of automated sealing and welding process equipment.	The automated sealing and welding process developed in this project is applied to thermosyphon heat sink manufacturing. It marks the first use of a robotic arm linkage structure to resolve automated sealing challenges, effectively eliminating the instability of manual sealing and successfully integrating the process into the production line.	Suitable for thermosyphon radiators

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	2024		2025	
	Amount	Ratio	Amount	Ratio
Asia	3,184,905	56.05	3,191,344	50.86
America	1,436,503	25.28	1,860,200	29.64
Europe	1,060,768	18.67	1,223,835	19.50
Total	5,682,176	100	6,275,379	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

Market Outlook

Based on the latest data from Fortune Business Insights and Precedence Research, the global thermal management market attained a value of US\$81.97 billion in 2025. Fueled by escalating power demands from AI infrastructure, this figure is expected to reach US\$88.18 billion in 2026.

Liquid Cooling Market Dynamics

Valued at US\$4.68 billion in 2025, the global data center liquid cooling market is poised for robust expansion. Market revenue is expected to rise from US\$5.58 billion in 2026 to nearly US\$25.8 billion by 2035, driven by a strong CAGR of 18.61% over the ten-year forecast period.

Lemtech Holdings Group remains strategically focused on the R&D and application of liquid cooling technology, spanning the three core sectors of AI data centers, New Energy Vehicles (NEVs), and Energy Storage Systems (ESS). Through intensive research and technological integration, the Group has developed scalable, cross-industry thermal management solutions. Our key strategic 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

The global slide rail market value exceeded US\$6 billion in 2025, with server and telecommunications applications climbing to over 40% of the total share. This segment has officially surpassed furniture hardware as the industry's primary growth driver. Due to the need to support higher density and heavier equipment, the Average Selling Price (ASP) of AI server slide rails is several times higher than that of traditional servers, propelling the server slide rail sector to a year-on-year (YoY) growth rate exceeding 25% in 2025.

Since 2017, Lemtech has maintained a proven track record with Tier 1 server brand manufacturers, providing long-term supply of slide rail products and comprehensive after-sales support. Simultaneously, we are actively expanding our business development with both domestic and international ODMs. In response to the escalating performance and precision requirements of modern servers, we have implemented more rigorous testing protocols and higher safety factors. Our current strategic objective is to perfect our server slide rail product portfolio, enabling customers to select optimal, ready-made solutions and eliminating the need for further tooling development for new mechanical components.

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

Gartner predicts that global IT spending will reach US\$6.31 trillion in 2026. Data Center Systems are expected to exhibit the most robust growth, with a staggering 55.8% year-on-year (YoY) increase, surpassing US\$788 billion. Furthermore, total global server shipments are forecasted to grow by 12.8% YoY in 2026, while AI server shipments will continue to expand at a high-speed rate exceeding 28%.

As AI infrastructure development accelerates in 2026, demand for AI data center liquid cooling products is poised for significant growth. Lemtech will increase its R&D investment to further optimize the performance and energy efficiency of our cooling solutions, addressing the dual demands for high performance and sustainability. Key initiatives include developing advanced thermal technologies and intelligent temperature control systems to bolster our global market competitiveness.

B. Automobile

1. Global Sales Scale

The New Energy Vehicle (NEV) market is entering a phase of stabilization and globalization. Global sales are projected to reach 23.4 million units in 2026, representing a year-on-year (YoY) growth rate of approximately 14%. The Chinese market continues to dominate, accounting for roughly 66% of global volume. Meanwhile, Western Europe and Southeast Asia are exhibiting robust momentum, emerging as the new battlegrounds for competition among multinational automakers.

2. Technical and Operational Trends

On average, each Electric Vehicle (EV) requires 250 to 300 stamped metal parts. The market is currently shifting from traditional steel to high-strength aluminum alloys. In 2024, the Company successfully developed "composite liquid cold plates" and "composite fin-type liquid cold plates," achieving high heat exchange efficiency and structural stability. These innovations are precisely positioned to capture the US\$4.6 billion global battery cold plate market.

3. Global Market Deployment

Thailand has emerged as a strategic hub for the global NEV supply chain. In March 2026, the Board of Directors approved a US\$2 million capital increase for our Thai subsidiary to establish a second mold design and R&D center, significantly strengthening our localized support capabilities. Meanwhile, our subsidiaries in the Czech Republic and Mexico provide direct fulfillment to European and U.S. customers, effectively mitigating risks associated with tariff fluctuations.

(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.

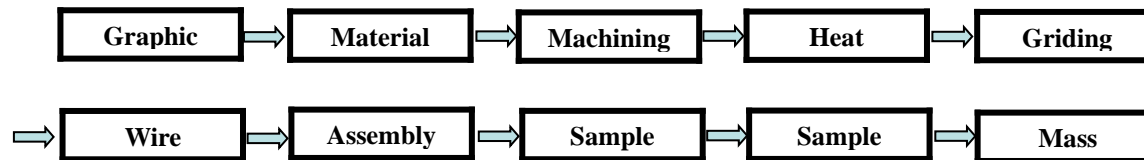
(II) Main functions and production process of main products

1. Major functions

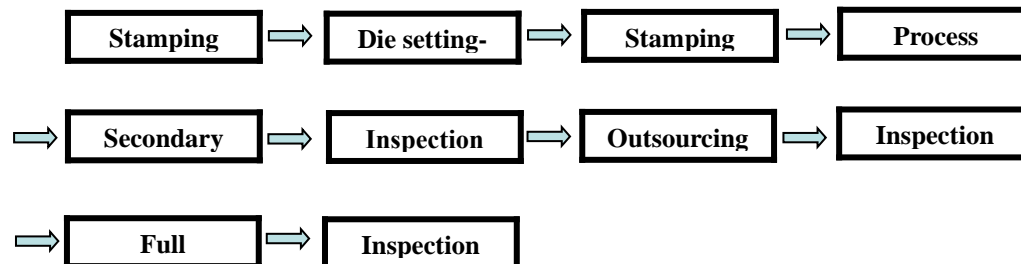
Major products	Products (services) applications
Electronic Components	Computers, radiators related stamping parts, server slides, cloud computing and intelligence equipment
	Mobile phone internals, vapor chamber
	Metal stamping parts for medical equipment
Automotive Components	Airbags, seat belt buckles, 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

1. 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

Item	2024				2025			
	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	3,166,175	100.00	None	Others	4,442,869	100.00	None
2	Net purchase	3,166,175	100.00		Net purchase	4,442,869	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.

2. 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

Item	2024				2025			
	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	803,678	14.14	None	Company J	1,203,753	19.18	None
2	Company Z	666,701	11.73	None	Company Z	673,275	10.73	None
3	Company A	594,640	10.47	None	Company A	627,104	9.99	None
4	Others	3,617,157	63.66	-	Others	3,771,247	60.10	-
	Net sales	5,682,176	100.00	-	Net sales	6,275,379	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		2024	2025	As of Mar. 31, 2026
Number of employees	Direct personnel	401	543	570
	Indirect personnel	500	547	560
	Total	901	1090	1130
Average age		35.53	37.64	37.58
Average year of services		2.80	4.71	4.66
Educational background	PhD	0.33%	0%	0%
	Master	3.88%	4.6%	4%

Year		2024	2025	As of Mar. 31, 2026
	Bachelor	39.40%	39.8%	40%
	High school	24.97%	25.3%	26%
	Below high school	31.41%	30.3%	30%

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\$3,089 thousands in 2025.

(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):

The Company remains committed to monitoring risks associated with energy consumption and greenhouse gas (GHG) emissions. In alignment with regulatory requirements and international trends, we will progressively implement the following countermeasures:

1. Continue to expand the scope of greenhouse gas (GHG) inventories to improve the completeness and accuracy of carbon emission data across all locations, while conducting regular internal audits and third-party verification.
2. Promote energy-saving and carbon-reduction initiatives, including process optimization and energy efficiency enhancements, to reduce overall energy consumption and carbon emission intensity.

Regarding potential expenditures, the Company anticipates future investments in greenhouse gas (GHG) inventories, verification fees, energy-saving equipment, and the establishment of related management systems. However, as the implementation schedules, technological choices, and regulatory changes for various carbon reduction measures remain subject to uncertainty, it is currently not possible to reasonably estimate the specific expenditure amounts.

If relevant countermeasures are not taken, the Company may face regulatory compliance risks (such as carbon fees or carbon emission control measures), increased operating costs, and potential fines, which could adversely affect corporate reputation and customer relationships. However, as the extent of such impact remains subject to future policy developments and market fluctuations, the potential losses or penalty amounts cannot be reasonably estimated at this time.

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:

Item	Amount / Personnel / Hours
Total Training Expenses	NT\$ 3,581 Thousand
Total Number of Employees Trained	616 Employees
Total Training Hours	17,236.5 Hours

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

Title	Name	Organizer	Course title	Hours of courses
Finance Manager	Jed Huang	Accounting Research and Development Foundation (ARDF)	Orientation Training Program for Accounting Supervisors of Issuers, Securities Firms, and Stock Exchanges	30

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. No fire incidents were reported at the Group's headquarters or its subsidiaries in 2025. However, a total of nine occupational injury cases occurred across the China and Taiwan regions during the year. Among these, three were commuting-related traffic accidents, while the remainder were minor injuries with no significant impact. The Company remains committed to strengthening occupational health and safety (OHS) management and enhancing employee safety awareness to mitigate the risk of future incidents.

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

4. Resources allocated to information security management

Information security has become a critical issue for company operations. The corresponding information security management measures and resource allocation plans are as follows:

b. Dedicated personnel:

A dedicated information security management team is established to oversee the company's information security planning, system

operations, technology implementation, and related matters. Regular meetings are convened to maintain and continuously enhance information security.

- c. Conduct annual employee information security training to provide the latest information security updates and emphasize the critical importance of information security to company operations, thereby maintaining and continuously strengthening information security.

(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	Kunshan Jiawei Kitchen Equipment Manufacturing Co., Ltd.	2025.07.01 2026.06.30	Building lease contract	None
Lease contract	Kunshan Jiawei Kitchen Equipment Manufacturing Co., Ltd.	2026.07.01 2026.10.30	Building lease contract	None
Lease contract	Suzhou Hengbi Intelligent Technology Co., Ltd.	2026.02.10 2026.06.09	Building lease contract	None
Lease contract	Cheng Chen Enterprise Co., Ltd.	2026.01.01 2035.12.31	Building lease contract	None
Lease contract	Kunshan Hengrun Sheng Plastic Technology Co., Ltd.	2024.01.01 2026.12.31	Building lease contract	None
Lease contract	Tianjin Saida Weiye Co., Ltd.	2022.02.16 2027.02.15	Building lease contract	None

Chapter 6 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		Difference	
	2024	2025	Amount	%
Current assets	5,936,429	6,423,130	486,701	8.20
Property, plant and equipment	1,767,026	1,855,319	88,293	5.00
Intangible assets	12,973	11,522	-1,451	-11.18
Other non-current assets	698,098	790,522	92,424	13.24
Total assets	8,414,526	9,080,493	665,967	7.91
Current liabilities	3,007,738	3,567,041	559,303	18.60
Non-current liabilities	1,500,681	1,601,764	101,083	6.74
Total liabilities	4,508,419	5,168,805	660,386	14.65
Share capital	621,934	670,931	48,997	7.88
Capital surplus	1,463,061	1,587,132	124,071	8.48
Reserved earnings	1,636,866	1,674,880	38,014	2.32
Other equity interest	93,456	(50,960)	-144,416	-154.53
Non-controlling interests	90,790	29,705	-61,085	-67.28
Total shareholder equity	3,906,107	3,911,688	5,581	0.14
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:				
1. Other Equity: Attributable to the issuance of Restricted Stock Awards (RSAs).				
2. Non-controlling Interests: Attributable to the buyback (reacquisition) of non-controlling interests from a subsidiary.				

(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	2024	2025	Amount Of increase (decrease)	Percentage of increase (decrease) (%)
Net operating revenue	5,682,176	6,275,379	593,203	10.44
Operating costs	4,377,460	4,925,968	548,508	12.53
Gross profit	1,304,716	1,349,411	44,695	3.43
Operating expenses	757,587	946,076	188,489	24.88
Net operating profit	547,129	403,335	(143,794)	-26.28
Non-operating income and expenses	(28,430)	(96,574)	(68,144)	239.69
Net income before tax	518,699	306,761	(211,938)	-40.86
Income tax expenses	104,517	93,616	(10,901)	-10.43
Profit (loss) of discontinued operations	14,963	(73,175)	(88,138)	-589.04%
Net profit for this period	429,145	139,970	(289,175)	-67.38
Other comprehensive income	122,288	(9,154)	(131,442)	-107.49
Total comprehensive income attributable to owners of the parent	554,499	117,718	(436,781)	-78.77
Total comprehensive income attributable to non-controlling interests	(3,066)	13,098	16,164	527.20
<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"> 1. Increase in operating expenses: Due to the fact that new overseas subsidiaries in Mexico, Thailand, and Malaysia are still in the operational ramp-up (preparatory) stage. 2. Decrease in operating profit: Attributable to the increase in operating expenses compared to the previous year. 3. Increase in non-operating expenses: Resulting from the recognition of impairment losses on subsidiaries. 4. Decrease in net profit before tax: Due to the increase in both operating and non-operating expenses compared to the previous year. 5. Decrease in Profit (loss) of discontinued operations: Due to the resolution to dispose of a subsidiary, which resulted in the reclassification of its gains/losses to discontinued operations. 6. Decrease in net income: Due to the resolution to dispose of a subsidiary, which led to the reclassification of its profit/loss to discontinued operations. 				

7. Decrease in other comprehensive income: Due to the decrease in cumulative translation differences from the conversion of financial statements of foreign operations.
8. Total comprehensive income attributable to owners of the parent: Attributable to the decrease in net income for the current period compared to the previous year.
9. Total comprehensive income attributable to non-controlling interests: Due to the decrease in cumulative translation differences from the conversion of financial statements of foreign operations.

(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	2024	2025	Amount of increase (decrease)	Percentage of increase (decrease) (%)
Operating activities	656,875	274,866	(382,009)	(58.16)
Investing activities	(303,001)	(680,407)	(377,406)	124.56
Financing activities	26,245	(11,224)	(37,469)	(142.77)
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
1,395,888	707,014	(264,000)	1,838,902	-	-
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 10 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.

3. 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	2025 investment profit (loss)	Main reason for such profit or loss	Improvement plan
Lemtech Global Solution Co. Ltd.	68,735	Mainly caused by recognition of investment gains of Lemtech Precision Materials (China) Co., Ltd.	-
Lemtech International Limited	(94,787)	Operations are in good condition	-
Lemtech Industrial Services Ltd	76,261	Mainly caused by recognition of investment gains of Lemtech Slide Co.,Ltd	-
LemTech Global Industries Ltd.	101,353	Operations are in good condition	-
LemTech Precision Material (China) Co., Ltd.	101,438	Operations are in good condition	-
Lemtech Technology Limited	(76,613)	Group policy changed to LIL accepting orders	-
LDC Precision Engineering Co., Ltd.	(78,138)	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.	36,890	Operations are in good condition.	-
Lemtech USA Inc.	605	It is for maintaining relationship with US customers and obtaining real-time business information, not for profit	-
Kunshan Lemtech Slide Technology Co., Ltd.	101,880	Operations are in good condition	-

Reinvestment company	2025 investment profit (loss)	Main reason for such profit or loss	Improvement plan
Lemtech Electronics Technology (Changshu) Co., Ltd.	(73,175)	Operations ar The Board of Directors has resolved to reclassify the loss as discontinued operations. e in good condition	-
Lemtech Energy Solutions Corporation	16,178	Operations are in good condition.	-
Lemtech Precision Engineering (Tianjin) Co.,Ltd	(3,232)	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.	(67,598)	Due to the fact that the business is still in its early stages of operation and has not yet achieved economies of scale.	-
Lemtech Techonology Malaysia Sdn. Bhd.	(47,043)	Still in the factory construction stage	-
Lemtech Precision material (Thailand) Co.,Ltd	(16,217)	Still in the factory construction stage	-
Lemtech Precision Material (Huizhou) Co.,Ltd	(11,415)	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 2024 and 2025 accounted for 1.27% and 1.40% 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 2024 and 2025 was NT\$(14,932) thousand NT\$ 31,909 thousand respectively, accounting for (0.26)% and 0.51% 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 die 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 die 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 2025, the Company invested approximately NT\$217,812 thousand in research and development of product, production technology innovation and process improvement. In 2026, the Company continued to invest NT\$ 264,231 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.

(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	<ul style="list-style-type: none"> 1. The average wage in Thailand's manufacturing industry is lower than China's and there is an abundant supply of workers. 2. Serving local customers reduces transportation costs and strengthens customer stickiness, potentially increasing order volume. 3. Diversify geopolitical risks and use Thailand as a hub to radiate emerging markets such as Vietnam and Indonesia.

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	1. As the AI server market continues to grow, it is imperative to establish production bases outside of mainland China and Taiwan. 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.
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

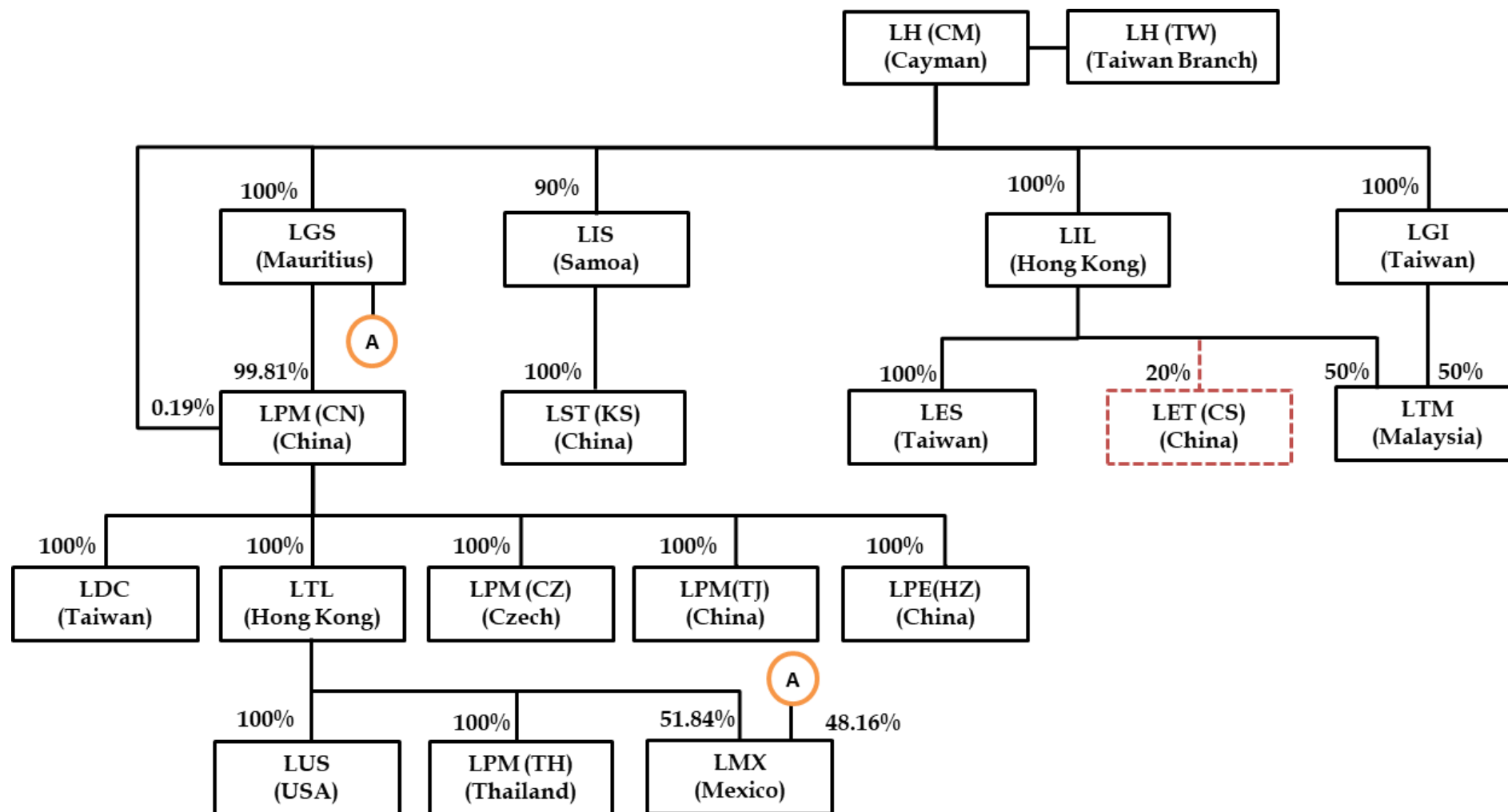
The Company was registered in the British Cayman Islands, which is only the registered place of the group, and operates in mainland China, Taiwan, China and Hong Kong, China. Changes in the overall economic and political environment of the registered place and operation places and fluctuations in the 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 7 Special Disclosure

I. Information on the Company Affiliates

(I) Profiles and status of affiliates

March. 31, 2026



(II) Basic information of all affiliates

Dec. 31, 2025 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 Stráž 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	Vertice Park Palmas, Parcela 351, Ejido EI Sauz, Pedro Escobedo, Queretaro 76729, Mexico.	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, 2025 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	-	-
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
	Director	Ye, Hang	-	-
	General Manager	Stanislav Stepanek	-	-
Lemtech Energy Solutions Corporation	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, 2025 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	4,050,929	188,356	3,862,573	0	(95)	68,735	(註 1)
LemTech Precision Material (China) Co., Ltd.	286,242	5,066,709	1,101,424	3,965,286	2,418,509	201,367	101,438	1.54
LDC Precision Engineering Co., Ltd.	9,524	354,319	18,422	335,896	251	(70,943)	(78,138)	(註 1)
Lemtech Technology Limited	597	753,027	283,541	469,485	567,729	(28,082)	(76,613)	(註 1)
Lemtech Precision Material (Czech) s.r.o.	195,984	894,456	558,610	335,845	1,103,106	68,234	36,890	(Note 1)
Lemtech USA INC.	1,502	1,534	0	1,534	15,614	605	605	(Note 1)
Lemtech Industrial Services Ltd	82,091	344,413	47,361	297,052	0	(4,644)	87,245	(Note 1)
Kunshan Lemtech Slide Technology Co., Ltd.	69,758	726,760	402,722	324,038	952,372	133,643	101,880	(Note 1)
Lemtech International Limited	214,320	947,763	721,999	225,764	1,649,541	78,409	(94,787)	(Note 1)
Lemtech Energy Solutions Corporation	30,000	510,247	364,609	145,638	516,813	30,409	16,178	5.39
Lemtech Electronics Technology (Changshu) Co., Ltd.	368,705	94,923	79,063	13,860	47,146	(71,347)	(73,175)	(Note 1)
Lemtech Precision Engineering (Tianjin) Co.,Ltd	120,868	165,817	70,250	95,567	87,518	(3,182)	(3,232)	(Note 1)
Lemtech Mexico S.A. de C.V.	320,995	738,936	556,033	182,903	179,592	(83,543)	(67,598)	(Note 1)
LemTech Global Industries Ltd.	30,000	851,722	480,383	371,339	1,031,372	155,760	101,353	33.78
Lemtech Techonology Malaysia Sdn. Bhd.	161,004	202,902	82,168	120,734	1,455	(40,229)	(47,043)	(Note 1)
Lemtech Precision material (Thailand) Co.,Ltd	98,355	172,590	88,554	84,036	1,798	(17,518)	(16,217)	(Note 1)
Lemtech Precision Material (Huizhou) Co.,Ltd	31,014	18,151	0	18,151	0	(2,843)	(11,415)	(Note 1)

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

(VI) Consolidated financial statements of the affiliates: Please refer to the Market Observation Post System (MOPS).

(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: None.

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
II. Convening Procedures and Resolutions of Shareholders' Meetings			
<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</p>	<p>1. Company Act Article 170 2. Company Act Article 172-2 3. Company Act Article 172-1 4. Company Act Article 173-1 & 2, 173-1 5. Company Act Article 172 and Securities and Exchange Act 26-1 & 43-6</p>	<p>Article 23 Article 25 Article 26 Article 29 Article 32 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 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,</p>

<p>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 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</p>			<p>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 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</p>
--	--	--	---

<p>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>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</p>			<p>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 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 can be held. This Article is stricter than 111 Annual Review Checklist for Amendments to the Protection of Shareholders' Rights and</p>
---	--	--	---

<p>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"> (a) election or discharge of Directors & Supervisors. (b) amendments to the Memorandum of Association and/or these Articles; (c) capital reduction; (d) application for the approval of ceasing the Shares to be publicly offered; (e) winding-up, Merger/Consolidation or Spin-off of the Company; (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; (g) the transfer of the whole or any material part of its business or assets; and (h) taking over another's whole business or assets, which will have a material effect on 			<p>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>
--	--	--	---

<p>the business operation of the Company;</p> <p>(i) carrying out a Private Placement of equity securities;</p> <p>(j) granting a waiver to the Director’s non-competition obligation;</p> <p>(k) distributing part or all of its dividends or bonus by way of issuance of new Shares; and</p> <p>(l) capitalization of the Legal Reserves and 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>1. The shareholders’ meeting shall adopt the electronic transmission as one of the methods for exercising the voting power. °</p> <p>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.</p>	<p>1. Company Act Article 177-1</p> <p>2. Company Act Article 177-2</p>	<p>Article 46</p> <p>Article 47</p> <p>Article 47-1</p> <p>Article 48</p> <p>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>A shareholder who exercises his/her/its 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,</p>			
--	--	--	--

<p>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 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</p>			
--	--	--	--

<p>by the authorized proxy for the said shareholder shall prevail.</p>			
<ol style="list-style-type: none"> 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. 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. 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 	<ol style="list-style-type: none"> 1.Regulations Governing Content and Compliance Requirements for Shareholders' Meeting Agenda Handbooks of Public Companies Article 5 2.Regulations Governing Content and Compliance Requirements for Shareholders' Meeting Agenda Handbooks of Public Companies Article 6 	<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>

<p>more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders meeting.</p>			
<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</p>	<p>1. Company Act Article 317 & 186</p> <p>2. Business Mergers and Acquisitions Act Article 12</p>	<p>Article 40</p>	<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>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, 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>			
<p>III. Powers and Responsibilities of Directors</p>			
<p>1. When a company director has a personal</p>	<p>1.Company Act Article 206-</p>	<p>Article 84</p>	<p>In accordance with the Taiwan Stock</p>

<p>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</p>	<p>2、206-3、206-4 2.Business Mergers and Acquisitions Act Article5, Item 3 & Item 4</p>		<p>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>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 prohibited from exercising their voting rights under these regulations in the total number of votes of directors present.</p>			
---	--	--	--

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.

Lemtech Holdings Co., Limited



Chairman : Hsu, Chi-Feng

