

# 2023 Annual Meeting of Shareholders Meeting Notice of LITON TECHNOLOGY CORP.

1. The 2023 Annual Shareholders' Meeting will be held at 9:00 a.m. on 30 June 2023 (Friday) at No. 9, Zhonglong 2nd Rd., Tongluo Township, Miaoli County, Taiwan (R.O.C.) (The Company's 3F Meeting Room). Shareholders may start signing in 8:30 a.m. at the meeting place.
2. Meeting Agenda: (I) Management Presentation: 1. 2022 Business Report. 2. 2022 Audit Committee's Review Report. 3. 2022 Distribution Report of Employee Compensation and Director's Remuneration. 4. Report of Loaning of Funds to Others and Making of Endorsement/ Guarantees. 5. Report of Buyback of the Company's Shares. 6. Issuance of Unsecured Domestic Convertible Bonds. 7. 2022 The Implement of private placement with certificates (II) Proposals: 1. Adoption of the 2022 Business Report and Financial Statements. 2. Adoption of the Proposal for Distribution of 2022 Profits. (III) Discussion: Proposal for a Cash Offering by Private Placement. (IV) Election: Proposal for a By-Election of one Independent Director. (V) Other Matters: Proposal of Release of the Prohibition on Directors from Participation in Competitive Business. (VI) Questions and Motions.
3. The content of the proposal of the distribution of cash dividends by the Company's Board of Directors for 2022: The proposed dividend per share is NT\$1.75 (i.e., the EPS is NT\$1.75). The Chairman is authorized to determine the ex-dividend date and payment date upon the approval of the upcoming shareholders meeting. The actual dividend ratio is adjusted based on the actual number of shares outstanding on the dividend record date.
4. Where there is any matter that shall be listed in the grounds for convening this meeting with its main content specified as stipulated in Article 172 of the Company Act, please visit the Market Observatory Post System (MOPS) (<https://mops.twse.com.tw>), click on Basic Information/Electronic Books/Annual Report and Shareholders' Meetings, and enter the Company's stock code and year; then, select related information of shareholders' meetings. The information about "Proposal of the Company's Private Placements with Cash Infusion" recent shareholders' meetings, please refer to fifth page.
5. According to Article 209 of the Company Act, it is proposed to the shareholders' meeting to lift the prohibition on directors from participation in competitive business in accordance with the laws. Regarding the concurrent positions held by the newly appointed director, please visit the Market Observatory Post System (MOPS) (<https://mops.twse.com.tw>), click on Basic Information/Electronic Books/Annual Report and Shareholders' Meetings.
6. In accordance with Article 165 of the Company Act, share transfers shall be discontinued during the period starting from 2 May 2023 until 30 June 2023. For account opening procedures (including submission of seal cards), please contact the Registrar Agency Department, Taishin Securities Co., Limited. to process the request.

7. Should there be proxy form solicitors, the Company will prepare a list of solicitors and disclose it on the website of the Securities and Futures Institute before 30 May 2023. For any inquiry, you may enter <https://free.sfi.org.tw> and enter the query criteria. The agency for counting and verifying the proxy forms for this shareholders' meeting is the Registrar Agency Department, Taishin Securities Co., Limited.
8. One of independent director to be re-elected at the shareholders meeting. The Company's candidates for the election: Independent director: LI-HUA HUANG. Regarding the information about education, past experiences and current positions of the nominees for directors, please visit the Market Observation Post System (<http://mops.twse.com.tw>).
9. In addition to the public announcement, a set of sign-in cards and proxy forms for this shareholders' meeting is hereby attached to this notice. If you intend to attend this meeting in person, please fill out the attendance card on the third page, sign or stamp it, and hand it in directly at the venue on the day of this meeting without the need to mail it back. If you entrust a proxy to attend this meeting, please fill out the proxy form on the second page, sign or stamp it, and serve it to the Registrar Agency Department, Taishin Securities Co., Limited, the Company's stock affairs agency, by mail at least five days before the meeting.
10. In the present shareholders' meeting, shareholders are entitled to exercise voting powers by electronic means (e-voting). The period of exercise of such right: A period starting from 31 May 2023 until 27 June 2023. A shareholder shall log in into "Shareholders e-voting" of Taiwan Depository & Clearing Corporation (TDCC) (Website: <https://www.stockvote.com.tw>) and then vote as instructed.
11. The attendee should attend the shareholders' meeting and bring proof of identity for verification.
12. Please acknowledge.

Sincerely  
The Board of LITON TECHNOLOGY CORP.

The explanation of proposal for a cash offering by private placement is as follow:

1. In order to meet the operational growth needs and strengthen the company's financial structure, as well as to diversify and enhance the flexibility of fundraising channels, it is proposed to the shareholders' meeting to authorize the Board of Directors to, based on market conditions and the company's funding requirements, raise medium- to long-term funds through private placement of common shares in accordance with the Article of Incorporation, relevant laws, and the following principles. The following is an explanation of the methods, content, and principles for the Board of Directors to handle the private placement of shares:

(1) The private placement of shares in this offering is limited to a maximum of 13,000,000 common shares with a par value of NT\$ 10 per share. In accordance with Article 43-6 of the Securities and Exchange Act and the "Directions for Public Companies Conducting Private Placement of Securities", the following information shall be provided:

A. Basis and rationale for price determination:

(a) The issuance price for this offering will be no lower than 80% of the higher of the following two reference prices and shall not be lower than the par value of NT\$10 per share:

i. The simple average closing price of the common shares of the TWSE listed or TPEX listed company for either the 1, 3, or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction.

ii. The simple average closing price of the common shares of the TWSE listed or TPEX listed company for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.

(b) The actual issuance price of the private placement common shares will be based on a reference price of not less than 80% and shall not be lower than the par value of NT\$10 per share. The specific pricing date and the actual private placement price will be determined by the Board of Directors within the range defined by the shareholder meeting resolution. The determination will take into account the circumstances of the specific parties involved and the market conditions at a later date.

(c) Rationale for price determination: The determination of the aforementioned price is based on the reference to the Company's stock price and complies with the provisions of the "Directions for Public Companies Conducting Private Placement of Securities." It takes into account the three-year transfer restriction on private placement securities and is considered reasonable.

B. The method, purpose, necessity, and expected benefits of selecting specific individuals:

(a) The method and purpose of candidate selection:

The target of this private placement is limited to specific individuals who meet the requirements stipulated in Article 43-6 of the Securities and Exchange Act. They must be strategic investors who can generate benefits for the long-term development, competitiveness, and existing shareholder equity of the Company. However, we currently do not have any confirmed candidates. The specifics regarding the selection of specific individuals will be handled by the Board of Directors, and we plan to seek authorization from the shareholders' meeting for this purpose.

(b) The necessity and expected benefits of candidate selection:

In order to meet the operational development needs of the Company, we aim to attract strategic investors through this recruitment process. The selection of candidates will prioritize those who can contribute to the Company's future operations. We will focus on individuals or entities that can assist in market development, product sales, and technical collaborations, while also contributing to the Company's profitability and positively impacting shareholder equity. Strategic investors who meet these criteria will be considered.

C. Essential reason for conducting private placement:

(a) Reasons for not conducting a public offering: Considering the expedient and efficient nature of private placement, it is deemed advantageous for achieving the objective of attracting strategic investors. Moreover, the three-year transfer restriction on privately placed securities ensures a long-term cooperative relationship between the company and strategic investors. Additionally, authorizing the Board of Directors to conduct private placements based on the actual operational needs of the company will enhance the flexibility and agility of our fundraising efforts.

(b) The quota for private placement: Offering is limited to a maximum of 13,000,000 common shares.

- (c) Expected benefits to be achieved: The Purpose of the private placements of this financing plan is Repaying loans and enhancing working capital to improve financial structure. The private placement plan is expected to be implemented in two tranches within one year from the resolution of the shareholders' meeting. The intended use of funds and the expected achievements for each tranche of the private placement are as follows:

Projected transaction tranche	Expected the number of shares of the private placements	Purpose of the private placements	Expected benefits to be achieved
1st	6,500,000 shares	Repaying loans and enhancing working capital to improve financial structure	Repaying loans and enhancing working capital to reduce interest burden, improve financial structure, and enhance operational efficiency of the company.
2nd	6,500,000 shares	Repaying loans and enhancing working capital to improve financial structure	Repaying loans and enhancing working capital to reduce interest burden, improve financial structure, and enhance operational efficiency of the company.

- (2) The rights and obligations of the privately placed common shares in this offering are generally the same as those of the common shares already issued by the Company. However, the transfer of privately placed common shares shall be subject to the provisions of Article 43-8 of the Securities and Exchange Act within three years from the delivery date. After the expiration of three years from the delivery date of the privately placed common shares, the Company intends to comply with the relevant regulations of the Securities and Exchange Act and apply to the competent authority for the public offering of the privately placed common shares and their listing on the stock exchange.
- (3) The main details of the proposed private placement of common shares include the actual number of shares to be issued, the issuance conditions, the amount of the private placement, the reference date for the capital increase, the planned projects, the expected timeline and anticipated benefits, as well as any other matters not yet specified. In the future, if there are any modifications due to changes in regulatory requirements or objective environmental factors, the Board of Directors intends to seek authorization from the shareholders' meeting to proceed in accordance with the relevant regulations.
- (4) In addition to the authorized scope mentioned above, it is proposed to seek authorization from the shareholders' meeting for the Chairman of the Board or the designated person to represent the company in signing, negotiating, and amending all contracts and documents related to the private placement of common shares. Furthermore, the Chairman of the Board is authorized to handle all other matters related to the private placement of common shares that may arise.
2. Investors who wish to inquire about private placement-related information can visit the Private Placement section on the Market Observation Post System (MOPS) (Website: <http://mops.twse.com.tw>) or the Company's Website (<http://www.liton.com.tw>).