

Stock Code: 6175

LITON TECHNOLOGY CORP.

2023 Annual Meeting of Shareholders

Handbook

Meeting Time: 30 June 2023

**Location: No. 9, Zhonglong 2nd Rd., Tongluo Township, Miaoli County, Taiwan
(R.O.C.) (The Company's 3F Meeting Room)**

Table of Contents

I. MEETING PROCEDURE	1
II. MEETING AGENDA	2
1. Management Presentation	3
2. Proposals	5
3. Discussion	6
4. Election Matters	9
5. Other Matters	10
6. Questions and Motions	10
ATTACHMENT	
1. 2022 Business Report	11
2. 2022 Audit Committee’s Review Report	18
3. Issuance of Unsecured Domestic Convertible Bonds	19
4. 2022 Independent Auditors’ Report and Financial Statements	20
5. 2022 Profit Distribution Table	30
6. List of Candidates for the Election of Independent Directors	31
7. Details of the Proposal of Release of the Prohibition on Directors from Participation in Competitive Business	32
APPENDICES	
1. Articles of Incorporation	33
2. Rules of Procedure for Shareholders Meetings	38
3. Procedures for Election of Directors	47
4. Shareholdings of Directors and Independent Directors	51

**LITON TECHNOLOGY CORP.
2023 Annual Meeting of Shareholders
Meeting Agenda**

I. Call the Meeting to Order

II. Chairperson Remarks

III. Management Presentation

IV. Proposed Resolutions

V. Discussion

VI. Election

VII. Other Matters

VIII. Questions and Motions

IX. Adjournment

LITON TECHNOLOGY CORP.

2023 Annual Meeting of Shareholders

Meeting Agenda

Meeting Time: 9:00 a.m., 30 June 2023 (Friday)

Location: No. 9, Zhonglong 2nd Rd., Tongluo Township, Miaoli County, Taiwan
(R.O.C.) (The Company's 3F Meeting Room)

Type of meeting: Physical Meeting

I. Call the Meeting to Order (Report the total number of shares represented at this AGM)

II. Chairperson Remarks

III. Management Presentation

(I) 2022 Business Report

(II) 2022 Audit Committee's Review Report

(III) 2022 Distribution Report of employee compensation and director's remuneration.

(IV) Report of Loaning of Funds to Others and Making of Endorsement/ Guarantees.

(V) Report of Buyback of the Company's Shares.

(VI) Issuance of Unsecured Domestic Convertible Bonds.

(VII) 2022 The Implement of Private Placements with Certificates.

IV. Proposed Resolutions

(I) Adoption of the 2022 Business Report and Financial Statements.

(II) Adoption of the Proposal for Distribution of 2022 Profits.

V. Discussion

Proposal for a cash offering by private placement.

VI. Election

Proposal for a by-election of one independent director.

VII. Other Matters

Proposal of Release of the Prohibition on Directors from Participation in Competitive Business.

VIII. Questions and Motions

IX. Adjournment

Management Presentation

(I) 2022 Business Report

(Please refer to page 11 to page 17, Attachment 1 of this Handbook.)

(II) 2022 Audit Committee's Review Report

(Please refer to page 18, Attachment 2 of this Handbook.)

(III) 2022 Distribution Report of employee compensation and director's remuneration.

Explanation: 1. In Accordance with the Articles 19 of the Articles of Incorporation:

“Where there are profits of the Company for the year (The term "profit" refers to the benefits derived from deducting employee compensation and director remuneration from net income before tax.), the Company shall allocate no less than 2.5% as employee compensation, and less than 2.5% as director remuneration.”

2. In 2022, 3.5% of employee compensation of NT\$21,180 thousand and 1.75% of director remuneration of NT\$10,600 thousand were distributed in the form of cash.

(IV) Report on the state of implementation of Loaning of Funds to Others and Making of Endorsement/ Guarantees.

Explanation: 1. The Company's loan balances was NT\$0, and the subsidiary's loan balances was NT\$26,580 thousand as of 31 March 2023.

2. The Company's remainder of endorsement guarantee was NT\$0, up to 31 March 2023.

(V) Report on the State of Implementation of Buyback of the Company's shares.

Explanation: The implementation of buyback of the Company's shares

Repurchase tranche	6th	7th
Purpose of the repurchase	For transferring shares to employees	For transferring shares to employees
Period for the repurchase	09 April 2020 to 22 May 2020	16 November 2021 to 6 January 2023
Actual price range of the shares to be repurchased	NT\$15.50 to NT\$20.25	NT\$29.10 to NT\$33.80
Types and number of shares to be repurchased	185,000 common shares	1,300,000 common shares
Amount of shares to be repurchased	NT\$3,459,199	NT\$41,808,445
Average amount of per share to be repurchased	NT\$18.70	NT\$32.16
The number of shares to be canceled and transferred	185,000 shares	0 shares
Number of accumulated shareholdings	0 shares	1,300,000 shares
Number of accumulated shareholding to the issued shares ratio (%)	0.00%	0.91%

Subsequent actions taken	Transferred 185,000 shares to employees on 20 April 2023.	Not transferred yet.
--------------------------	---	----------------------

(VI) Issuance of Unsecured Domestic Convertible Bonds
(Please refer to page 19 Attachment 3 of this Handbook.)

(VII) 2022 The Implement of Private Placements with Certificates

Explanation: 1. At the shareholders' meeting held on 24 June 2022, the Company approved the authorization for the board of directors to carry out two tranches of private placement of ordinary shares for capital increase, within the limit of up to 13,000,000 shares, within one year from the date of the shareholders' meeting resolution.

2. Considering that the private placement period is nearing its end (to 23 June 2023), the previously planned issuance of 13,000,000 shares of private placement common stock for 2022 will no longer be proceeded.

Proposed Resolutions

Report No. 1: 2022 Business Report and Financial Statements (Proposed by the Board of Directors)

Explanation: 1. The Company's 2022 Parent Company Only Financial Statements and Consolidated Financial Statements have been audited by the CPAs of Ernst & Young Taiwan, MING-HUNG CHEN and WEN-PI YEN. The audit report, along with the business report, has been submitted to the Audit Committee for review and a written audit report has been issued.

2. For the business report, audit report and the preceding financial statements, please refer to page 11-17 and page 20-29, Attachment 1, 4 of this Handbook.

3. Proposed for adoption.

Resolution:

Report No. 2: Proposal for Distribution of 2022 Profits (Proposed by the Board of Directors)

Explanation: 1. The Company 2022 profit distribution table, please refer to page 30, Attachment 5 of this Handbook.

2. The net income after tax for 2023 was NT\$503,342,230. In accordance with the law, NT\$50,520,571 will be allocated to the legal reserve and NT\$43,132,993 will be allocated to the special reserve. After taking into account the undistributed earnings from the beginning of the period, it is proposed to distribute a cash dividend of NT\$248,359,311 to the shareholders. Based on the outstanding shares of 141,919,606 (Taking into account the transfer of 185,000 treasury shares to employees and deducting the repurchase of treasury shares for the 7th time, amounting to 1,300,000 shares.), the proposed dividend per share is NT\$1.75. Once approved by the shareholders at the upcoming shareholders meeting, it is planned to authorize the Chairman

to determine the ex-dividend date and payment date, as well as other relevant matters regarding the dividend distribution.

3. If there are any changes in the dividend yield due to fluctuations in the outstanding shares resulting from changes in the company's share capital, it is proposed to seek authorization from the shareholders at the shareholders meeting to empower the Chairman to handle such adjustments.
4. The cash dividends for this distribution will be calculated and rounded down to the nearest whole dollar, with any fractional amounts less than one dollar being disregarded. The total amount of fractional dividends, in descending order of decimal numbers, will be adjusted according to the account numbers from front to back until it matches the total cash dividend distribution amount.
5. Proposed for adoption.

Resolution:

Discussion

Description: Proposal for a cash offering by private placement. (Proposed by the Board of Directors)

Explanation: 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 Association, 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 securities:

(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 to repay 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. Proposed for resolution

Resolution:

Election

Description: Proposal for a by-election of one independent director (Proposed by the Board of Directors)

Explanation:

1. The Company's independent director, CHENG-MING OU has resigned from his position on 29 June 2023 due to personal reasons. In accordance with the Articles of Incorporation, it is proposed to elect one independent director through candidate nomination at the upcoming shareholders' meeting.
2. The newly appointed independent director shall assume office immediately after being elected at the shareholders' meeting and serve the remaining term of the previous director. The term from 30 June 2023 to 26 August 2024.
3. The upcoming shareholders' meeting will in accordance with Election of Directors Procedure.
4. The Company's candidates for the election of independent directors, please refer to page 31, Attachment 6 of this Handbook.
5. The Company's Election of Directors Procedure, please refer to page 47, Appendix 3 of this Handbook.

6. Proposed for election.

Election Results:

Other Matters

Description: Proposal of Release of the Prohibition on Directors from Participation in Competitive Business. (Proposed by the Board of Directors)

Explanation:

1. In accordance with Article 209 of the Company Act: “A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.”
2. In order to leverage the expertise and relevant experience of the company's directors, it is hereby proposed to the shareholders' meeting to lift the restrictions on the newly appointed director's competition activities in accordance with the law.
3. Details of the proposal of release of the prohibition on directors from participation in competitive business, please refer to page 32, Attachment 7 of this Handbook.
4. Proposed for resolution

Resolution:

Questions and Motions

Adjournment

2022 Business Report

We would like to express our gratitude to all shareholders and directors for full support. It is through the collective efforts of our dedicated team that the company has been able to operate successfully in challenging circumstances. Since the outbreak of the pandemic, the global economy has faced its most challenging period in 2022. To cope with the impact of the pandemic over past 3 years, many countries worldwide have implemented expansive monetary policies, including zero or even negative interest rates, along with significant currency issuance, leading to abundant liquidity and driving up asset prices. Furthermore, the global surge in oil, natural gas, and food prices due to the Russia-Ukraine conflict has pushed global inflation to historic highs. These two primary factors have significantly impacted the consumer market, causing a substantial contraction in demand. The passive component market has also been strongly impacted, with most electrode foil companies operating at a utilization rate below 60% in the fourth quarter. Liton, with a smaller proportion in the consumer electronics market, has experienced relatively less impact overall. Its subsidiary, Ruyuan Lidong Electronic Technology Co., Ltd., has adopted proactive strategies by developing cost-effective customized products and actively pursuing opportunities in the low, medium, and high-end market segments. We will continue to invest in research and development to improve our processes and enhance the quality and grade of our products. We will also adjust our production and marketing strategies to increase the added value of our products and create value for our shareholders. We would like to express our gratitude to all our dedicated employees for their relentless efforts, as well as the unwavering support and trust of our shareholders and directors. We hereby present the financial results for the 2022 and provide an outlook for the operational performance in 2023 as follow:

I. 2022 Business Report**(I) Implementation Results of Business Plan**

In the 2022, the Company achieved a net operating revenue of NT\$1,755,439 thousand and net income before tax of NT\$573,221 thousand. This represents a 10.05% growth in operating revenue and an 8.90% growth in net income before tax compared to 2021, where the net operating revenue was NT\$1,595,151 thousand and the net income before tax was NT\$526,374 thousand.

In 2022, the Company recorded a consolidated operating revenue of NT\$3,844,248 thousand, which represents a decrease of NT\$344,126 thousand or 8.22% compared to the consolidated operating revenue of NT\$4,188,374 thousand in 2021. The net income after tax for 2022 was NT\$ 572,952 thousand, showing a decrease of NT\$3,432 thousand or 0.59% compared to the net income after tax of NT\$576,384 thousand in 2021.

(II) Budget Execution Status: The Company did not disclose financial forecasts for 2022. Here is the actual operational performance for the year as shown in the following table:

Unit: NT\$ thousands

Item	2022 (Individual)	2022 (Consolidated)
Operating revenue, net	1,755,439	3,844,247
Operating cost, net	(1,489,853)	(2,880,206)
Unrealized Profit on Intercompany Sales	(1,877)	-
Gross profit	263,709	964,041
Operating expense	(74,502)	(313,821)
Non-operating incomes and expenses	384,014	49,242
Net income (loss) before tax	573,221	699,462
Net income (loss) after tax	503,342	572,952
Comprehensive income	548,338	627,381

(III) Financial Income and Expenditure and Profitability Analysis

1. Individual

Unit: NT\$ thousands ; %

Item	2022	2021
Net cash generated by operating activities	138,774	128,607
Net cash used in investing activities	(7,815)	(19,704)
Net cash (used in) generated by financing activities	(92,268)	39,034
Return on assets (%)	12.11	13.40
Return on shareholders' equity (%)	16.95	19.18
Operating profit to paid-in capital ratio (%)	13.23	11.60
Net income before tax to paid-in capital ratio (%)	40.02	37.27
Net profit margin (%)	28.67	30.51
Basic EPS (NT\$)	3.52	3.45
Diluted EPS (NT\$)	3.29	3.18

2. Consolidated

Unit: NT\$ thousands ; %

Item	2022	2021
Net cash generated by operating activities	968,076	369,176

Net cash used in investing activities	(461,070)	(512,025)
Net cash (used in) generated by financing activities	(382,266)	173,664
Return on assets (%)	10.41	11.86
Return on shareholders' equity (%)	15.97	18.78
Operating profit to paid-in capital ratio (%)	45.48	49.14
Net income before tax to paid-in capital ratio (%)	48.92	49.52
Profit ratio (%)	14.90	13.76
Basic EPS (NT\$)	3.52	3.45
Diluted EPS (NT\$)	3.29	3.18

II. Research and Development Achievements in 2022

1. Improved corrosion foil dispersion to below 3%.
2. Research and development under 10Vf foil for solid capacitor process.

III. 2023 Summary Business Plan

(I) Business Policy

1. Production line improvement plan - advancing energy-saving processes, assessing phosphoric acid recovery technology.
2. Chemical process development - improve features, cut down cost, Differentiation.
3. Etched Aluminum Foils - development of high-volume foil, improvement feature of dispersion.
4. Management System Enhancement - Management IT digitization, maintenance of qualification certificate for a high-tech enterprise.
5. Progressing greenhouse gas inventory and product carbon footprint verification in all factories.

(II) Sales Plan

1. Low pressure formed foil
 - A. International market
 - a. Continuously leverage the competitive advantage of subsidiary Lidong Advanced Electric Foil products to promote the expansion of the market share replacing Japanese foils and strengthen strategic cooperation with high-quality customers in niche products.
 - b. Sustain the advantage in the high-end customer market share, aligning with customers' utilization of advanced products, and deepen and broaden the market presence in the high-quality customer segment.
 - c. Maintain the focus on targeting new customers and exploring new application markets for products.
 - B. Domestic market
 - a. Stabilize the order stability with key domestic customers,

increase production line utilization, and improve gross profit margin.

- b. Continuously expand the sales proportion of polymer solid capacitors and vehicle dedicated capacitor to enhance the market share of niche products.
 - c. Utilize the competitive advantages of Lidong Electronic Foil's niche products and Linton formed foil's superior product quality to develop a sales strategy for expanding the customer market and achieve the company's goal of full production and sales utilization.
2. Medium and high pressure formed foil
 - A. Achieve full capacity utilization in the line of medium and high pressure formed, effectively improving market share and gross profit targets.
 - B. Focus on customer orders and sales in high-value application markets to enhance product competitiveness effectively (catering to demands for long lifespan, high capacity, and high strength).
 - C. Continuously strive to increase market share among high-end customers in Europe, America, and Japan.
 3. Guide foil and lead-out bar
 - A. Our main objective is to expand in the Japanese market and continue to leverage our sales advantages in the European and American markets, while maintaining a high gross profit margin.
 - B. We aim to increase our sales proportion to first-tier domestic customers.
 - C. Coupled with high-end precision cutting process, we aim to maintain our leading position as a high-quality lead frame brand both domestically and internationally.

(III) R&D Plan

1. Achieving a specific volume above $27\mu\text{F}/\text{cm}^2$ for LY12 specification with 64Vf ratio.
2. Above low pressure 130Vf research and development of process optimization for long-term hydration resistance.

(IV) Projected Revenue Growth for the Year 2023.

IV. The Impact of the External Competitive Environment, Regulatory Environment, and Macroeconomic Conditions

(I) External competitive environment

In 2022, global inflation became a hot topic, particularly in European and American countries, experiencing the highest inflation levels in nearly 40 years. To address high inflation, the Federal Reserve implemented seven interest rate hikes, raising the benchmark interest rate from 0% to 0.25% at the beginning of the year to 4.25% to 4.5%, making it the steepest interest rate hike in history. The sharp interest rate hikes have significant impacts on global economic growth, capital markets, and exchange rates. According to the IMF's analysis and projections at the end of 2022, the global GDP growth rates for 2022 and 2023 are estimated to be 3.2% and 2.7% respectively. The United Nations released the "World Economic Situation and Prospects 2023" report, which predicts a further decline in global economic growth in 2023, from around 3% in 2022 to 1.9%, indicating a less optimistic outlook. Under the impact of the COVID-19 pandemic, the Ukraine crisis, high inflation rates, and climate change, the global economy suffered significant setbacks in 2022. In 2023, the world economy continues to face pressures and is expected to experience one of the lowest growth rates in decades.

The deceleration of global economic growth affects not only developed countries but also has implications for developing nations. Many countries will face the risk of economic recession in 2023. In 2022, the growth momentum of developed economies such as the United States and the European Union noticeably weakened. It is projected that in 2023, the economic growth rates of the United States and the European Union will slow down to 0.4% and 0.2% respectively. Japan is expected to experience a growth rate of 1.5%, while the economies of the United Kingdom and Russia are projected to contract by 0.8% and 2.9% respectively. In 2023, the East Asian region is expected to achieve an economic growth rate of 4.4%, primarily driven by China's government optimizing its pandemic prevention policies and implementing favorable economic measures. China's economic growth is projected to accelerate in 2023, although the unresolved issues in the real estate sector pose ongoing risks. The global economic growth and business outlook are generally pessimistic, leading to a decline in demand and a trend of decreasing prices in the passive component market. In the coming year, the market is expected to be challenging, with supply surpassing demand, posing intense competitive challenges for electrode foil manufacturers.

(II) Regulatory environment

With the comprehensive reopening of COVID-19 restrictions in Europe and the United States, there has been a turning point in the pandemic situation worldwide in 2022. The focus has shifted from strict measures such as widespread screening, contact tracing, and lockdowns to a more controlled approach. In the initial stages of reopening, countries experienced a rapid increase in infection cases, leading to some level of panic. However, after a quarter of testing, most countries have achieved a state of herd immunity, with a significant decrease in the proportion of severe cases, China also announced the easing of its "zero-COVID" policy towards the end of 2022. Starting from December 8th, the transition from first-tier cities to nationwide was implemented. Initially, people were hesitant to go out, and there was a frenzy of panic buying of medical supplies. However, within a month, the panic subsided, and the isolation policies at entry and exit ports were lifted. Although the virus is not completely eradicated, its virulence and transmission capacity have significantly decreased. The Chinese National Health Commission has announced that COVID-19 has been reclassified as a Class B infectious disease, indicating that this wave of the pandemic has officially become part of history. Measures such as personnel quarantine, logistics restrictions, closure of stores and attractions, factory shutdowns, and city lockdowns, which were once frightening terms, no longer threaten people's lives. Undoubtedly, this is a major positive factor for the struggling economy. Although there are still many unfavorable factors to be resolved, and the economy cannot immediately recover to pre-pandemic growth rates, it is evident that the economic recovery is gradually gaining momentum.

(III) Macroeconomic conditions

In the overall pessimistic economic environment, we need to be prepared for the slowdown or even recession in global economic growth. Starting from 2023, as the pace of interest rate hikes by the Federal Reserve gradually slows down, the pressure of capital outflows from Asian financial markets may alleviate. The global financial markets' trajectory depends on the long-term interest rate trends in the United States, and currently, the US economy is experiencing stagflation. Based on the latest economic data, there is a possibility that the Eurozone and the UK may face negative growth in 2023. As China gradually optimizes its epidemic control measures, the pent-up consumer demand that has been suppressed for three years is being released. This can be observed through the high consumption levels in sectors such as

dining, hotels, air travel, and tourist attractions during the Chinese New Year period. Over the past five years, consumer spending in China has contributed more to GDP than investment and exports. The recovery of consumer spending is also an important driving force for China's economic revival. The transition from traditional energy sources to renewable energy is an inevitable trend. In order to achieve the "dual carbon" goals, it is essential to vigorously develop clean energy. Looking at the industry outlook, new energy vehicles, photovoltaics, wind power, and energy storage are still expected to be high-growth sectors in the future. During the economic recovery phase, there are both challenges and opportunities. Although the demand for consumer electronics, computers, and household appliances remains weak, the Industrial field, new energy vehicles, charging stations, photovoltaic inverters, smart grids, and other markets continue to grow due to the strong drive of energy-saving and carbon reduction policies. We should not be overly pessimistic, but we need to approach the situation with caution.

Chairman: TE-CHUAN WU

President: TSUN-HSIN KO

Accounting Supervisor: KUO-CHUAN WANG

(Attachment 2)



9, Chung-Lung 2nd, Chung-Hsing Ind. District, TEL : 886-37-222899

Tung Lo Shiang, Miaoli Hsien, Taiwan, R.O.C. FAX : 886-37-229213

Audit Committee's Review Report

The board of directors has prepared the Company's 2022 Business Report, Financial Statements, Consolidated Financial Statements and profit distribution table. The CPAs of Ernst& Young Taiwan, MING-HUNG CHEN and WEN-PI YEN were retained to audit LITON TECHNOLOGY CORP. 's Financial Statements and Consolidated Financial Statements and has issued an audit report. For the preceding the Business Report, Financial Statements, Consolidated Financial Statements and proposal of statement of appropriation of earnings have been reviewed and determined to be correct and accurate by the Audit Committee members of LITON TECHNOLOGY CORP. According to relevant requirements of Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Best regards,

2023 shareholders meeting of LITON TECHNOLOGY CORP.

Convener of the audit committee YEN-CHUNG TSOU

22 March 2023

(Attachment 3)

LITON TECHNOLOGY CORP.

Issuance of Unsecured Domestic Convertible Bonds

Type of Convertible Bonds	The fourth unsecured conversion of corporate bonds
Date of issuance (processing)	July 15, 2021
Denomination	NTD \$100,000
Issue price	NTD \$101(Issued at a premium)
Total price	NTD \$ 505,000,000
Interest rate	0%
Term	Three-year term, Expiry date: July 15, 2024
Trustee	Taishin International Bank
Underwriters	Fubon Securities Co., Ltd.
Repayment method	Except for those converted into common shares of the Company or exercised the right of sale and the Company recovered in advance or repurchased and cancelled by the securities dealer's business premises, the principal will be repaid in cash at maturity according to the par value of the bonds.
Outstanding Principal amount	NTD \$ 500,000,000
Funding plan Execution	All executions have been completed in 2021 Q3
The year ended 30 April ,2023 The number of common shares converted	0 Share
The year ended 30 April ,2023 Outstanding corporate amout	NTD \$ 500,000,000

Independent Auditors' Report Translated from Chinese

To Liton Technology Corp.

Opinion

We have audited the accompanying consolidated balance sheets of Liton Technology Corp. and its subsidiaries (the "Group") as of 31 December 2022 and 2021, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2022 and 2021, and notes to the consolidated financial statements, including the summary of significant accounting policies (together "the consolidated financial statements").

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of 31 December 2022 and 2021, and their consolidated financial performance and cash flows for the years ended 31 December 2022 and 2021, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2022 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Valuation for inventories

As of 31 December 2022, the Group's net inventories amounted to NT\$1,029,755 thousand. Net inventories accounted for 17% of consolidated total assets. The losses of write-downs and slow-moving inventories are caused by valuation for finished goods. Based on valued amounts for inventories which was considered material in the consolidated statements, and as the uncertainty due to fast-changing technology, the assessment of the inventory valuation require significant management judgement. We therefore determined this a key audit matter.

Our audit procedures included, but not limited to, observing inventory counts to ensure quantities and status; checking the unit cost of inventory; evaluating the reasonableness of accounting policy of loss allowance; sampling and testing the accuracy of inventory aging intervals; investigating whether manufactured goods had properly classified by level of inventories and valued with each levels. We also assessed the adequacy of disclosures related to inventory in Notes 5 and 6 to the Group's consolidate financial statements.

2. Impairment of accounts receivable

As of 31 December 2022, the gross accounts receivable and loss allowance by the Group amounted to NT\$824,514 thousand and NT\$11,330 thousand, respectively. The net accounts receivable accounted for 13% of consolidated total assets, which was considered material to the Group. The collection of accounts receivable is a key factor in the working capital management of the Group. As the measurement of expected credit loss involves making judgment, analysis and estimates, and the result will affect the net account receivable, we therefore determined this a key audit matter.

Our audit procedures included, but not limited to, understanding and testing of the effectiveness of the Group internal control related to the management of customer credit risk and accounts receivable collection; assessing the reasonableness of loss allowance policy, including understanding related information to evaluate expected credit loss ratio according to historical experience, current market and future economic outlook expected; recalculating the reasonableness of loss allowance based on trading

conditions; evaluating individually the reasonableness of the impairment of accounts receivable longer aging and significant overdue amounts ; recalculating the reasonableness of non individual significant customers (cohort assessment) based on accounting policy of loss allowance ; sampling and testing accounts receivable letter and reviewed its collection in subsequent period. We also assessed the adequacy of disclosures related to accounts receivable in Notes 5 and 6 to the Group's consolidate financial statements.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the ability to continue as a going concern of the Group, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee or supervisors, are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial

statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Group. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2022 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or

when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other

We have audited and expressed an unqualified opinion on the parent company only financial statements of Liton Technology Corp. as of and for the years ended 31 December 2022 and 2021.

/s/Chen, Ming Hung

/s/Yen, Wen Bi

Ernst & Young, Taiwan

22 March 2023

Notice to Readers

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

Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

Independent Auditors' Report Translated from Chinese

To Liton Technology Corp.

Opinion

We have audited the accompanying parent company only balance sheets of Liton Technology Corp. (the “Company”) as of 31 December 2022 and 2021, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2022 and 2021, and notes to the parent company only financial statements, including the summary of significant accounting policies. (together “the parent company only financial statements”).

In our opinion, the parent company only financial statements referred to above present fairly, in all material respects, the financial position of the Company as of 31 December 2022 and 2021, and its financial performance and cash flows for the years ended 31 December 2022 and 2021, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2022 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

3. Valuation for inventories

As of 31 December 2022, the Company's net inventories amounted to NT\$287,104 thousand. Net inventories accounted for 7% of total assets. The losses of write-downs and slow-moving inventories are caused by valuation for finished goods. Based on valued amounts for inventories which was considered material in the consolidated statements, and as the uncertainty due to fast-changing technology, the assessment of the inventory valuation require significant management judgement. We therefore determined this a key audit matter.

Our audit procedures included, but not limited to, observing inventory counts to ensure quantities and status; checking the unit cost of inventory; evaluating the reasonableness of accounting policy of loss allowance; sampling and testing the accuracy of inventory aging intervals; investigating whether manufactured goods had properly classified by level of inventories and valued with each levels. We also assessed the adequacy of disclosures related to inventory in Notes 5 and 6 to the parent company only financial statements.

4. Impairment of accounts receivable

As of 31 December 2022, the gross accounts receivable and loss allowance by the Company amounted to NT\$629,692 thousand and NT\$801 thousand, respectively. The net accounts receivable accounted for 14% of total assets, which was considered material to the Company. The collection of accounts receivable is a key factor in the working capital management of the Company. As the measurement of expected credit loss involves making judgment, analysis and estimates, and the result will affect the net account receivable, we therefore determined this a key audit matter.

Our audit procedures included, but not limited to, understanding and testing of the effectiveness of the Company internal control related to the management of customer credit risk and accounts receivable collection; assessing the reasonableness of loss allowance policy, including understanding related information to evaluate expected credit loss ratio according to historical experience, current market and future economic outlook expected; recalculating the reasonableness of loss allowance based on trading conditions; evaluating individually the reasonableness of the impairment of accounts receivable longer aging and significant overdue amounts ; recalculating the reasonableness of non individual significant customers (cohort assessment) based on accounting policy of loss allowance ; sampling and testing accounts receivable letter and reviewed its collection in subsequent period. We also assessed the adequacy of disclosures related to accounts receivable in Notes 5 and 6 to the parent company only financial statements.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the ability to continue as a going concern of the Company, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high

level of assurance but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

7. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
8. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
9. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
10. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
11. Evaluate the overall presentation, structure, and content of the parent company only financial statements, including the accompanying notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. Obtain sufficient appropriate audit evidence regarding the financial information of the

entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2022 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

/s/Chen, Ming Hung

/s/Yen, Wen Bi

Ernst & Young, Taiwan

22 March 2023

LITON TECHNOLOGY CORP.

2022 Profit Distribution Table

Unit: in NT\$

Items	Amount
Unappropriated retained earnings , beginning balance	391,486,433
Remeasurement on defined benefit plan	1,863,483
Net profit	503,342,230
Adjusted retained earning	896,692,146
Appropriation of 10% legal reserve	(50,520,571)
Rotation propriated retained earning	43,132,993
Cash dividends of shareholders (NT\$ 1.75 share)	(248,359,311)
Unappropriated retained earnings, ending balance	640,945,257
Note:	
1. The amount of this profit distribution is given priority to the distribution of 2022.	
2. The distribution amount per share is calculated based on the number of outstanding shares of 141,919,606 shares (185,000 shares transferred to employees plus the transfer of treasury shares to employees and deduction of 1,300,000 shares of treasury shares repurchased for the seventh time).	

Chairman: WU,TE-CHUAN

Manager: KO,TSUN-HSIN

Accounting Supervisor: WANG,KUO-CHUAN

(Attachment 6)

LITON TECHNOLOGY CORP.
Candidates for the Election of Independent Directors
Shareholders' Meeting Date: 30 June 2023

Candidate category	Name or account/ ID of candidate	Education	Relevant experience	Current position	Shareholding
Independent Director	LI-HUA HUANG	Accounting Statistics, National Taichung Junior College of Business (Now known as National Taichung University of Science and Technology)	Senior Manager, Ernst & Young Taiwan Senior Manager, Hong Siang Certified Public Accountants Independent Director, Chian Hsing Forging Industrial Co., Ltd.	Senior Manager, Hong Siang Certified Public Accountants Independent Director, Chian Hsing Forging Industrial Co., Ltd.	0 share

Detail of Release of the Prohibition on Directors from Participation in
Competitive Business

Title	Name	Positions currently held in other companies
Independent Director	LI-HUA HUANG	Senior Manager, Hong Siang Certified Public Accountants Independent Director, Chian Hsing Forging Industrial Co., Ltd.

Articles of Association

Chapter 1 General Provisions

Article 1: The Company shall be incorporated under the Company Act of the Republic of China, and its name shall be 立敦科技股份有限公司, and LITON TECHNOLOGY CORP. in English.

Article 2: The business of the Company is as follows:

- 1.CC01080 Electronics Components Manufacturing (Limited to the industry classifications of 2620 - Passive Electronic Component Manufacturing and 2699 - Unclassified Other Electronic Component Manufacturing in the Republic of China.)
- 2.CC01030 Manufacture of Appliance and Audio and Video Equipment (Limited to the industry classifications of 2730 - Audiovisual Electronic Product Manufacturing and 2859 - Other Household Appliance Manufacturing in the Republic of China.)
- 3.CB01010 Manufacture of Machinery and Equipment (Limited to the industry classification of 2531 - Boiler, Metal Tank, and Pressure Vessel Manufacturing in the Republic of China.)
- 4.CC01990 Other Electrical and Electronic Equipment Manufacturing (Limited to the industry classification of 2699 - Unclassified Other Electronic Component Manufacturing in the Republic of China)
- 5.CA04010 Treatment of Surface (Limited to the industry classification of 2544 - Metal Surface Treatment Industry in the Republic of China.)
- 6.F119010 Wholesale of Electronic Materials (Limited to industry classification 4642 - Wholesale of Electronic Equipment and Components Industry in the Republic of China)
- 7.F113020 Wholesale of Household Appliance(Limited to industry classification 4561 - Wholesale of Household Appliances Industry in the Republic of China)
- 8.F113010 Wholesale of Machinery(Limited to industry classification 4643 - Wholesale of Agricultural and Industrial Machinery and Equipment Industry in the Republic of China)
- 9.F113990 Wholesale of Other Machinery and Equipment (Limited to industry classification 4649 - Wholesale of Other Machinery and Equipment Industry in the Republic of China)
- 10.F219010 Retail of Electronic Materials (Limited to industry classifications 4831 - Retail of Computers and Peripheral Equipment, Software Retail Industry, 4832 - Retail of Communication Equipment Industry, and 4833 - Retail of Audiovisual Equipment Industry in the Republic of China)
- 11.F213010 Retail Sale of Electrical Household Appliances in Specialized Stores (Limited to industry classification 4741 - Retail of Household Appliances Industry in the Republic of China) and retail of audiovisual equipment (limited to industry classification in the Republic of China: 4833 - Retail of Audiovisual Equipment Industry)
- 12.F213080 Retail of Machinery and Equipment (limited to industry classification 4749 - Retail of Other Household Articles and Supplies Industry in the Republic of China)
- 13.F213990 Retail of Other Machinery and Equipment (limited to industry classification 4749 - Retail of Other Household Articles and Supplies Industry in

the Republic of China)

Article 2-1: The Company's investments are not subject to the limitation of 40 percent of the paid-in capital.

Article 2-2: The Company may provide guarantees to external parties in accordance with the endorsement guarantee.

Article 3: The Company shall have its head office in Miaoli County, the Republic of China, and may, pursuant to a resolution adopted at the meeting of the board of directors, set up branch offices within or outside the territory of the Republic of China when deemed necessary.

Article 4: Deleted

Chapter 2 Capital Stock

Article 5: The total capital stock of the Company shall be in the amount of 3,600,000,000 New Taiwan Dollars, divided into 360,000,000 shares, at ten New Taiwan Dollars to be issued in installments. Authorized to the board of directors to issue in installments. A total of 70,000,000 New Taiwan Dollars among the above total capital stock should be reserved for stock warrants, preferred shares with warrants or quota of the conversion for corporate bonds with warrants, which amounted to 7,000,000 shares, at ten New Taiwan Dollars each.

Article 6: The Company's stocks are generally registered shares issued with the signature or seal of the directors representing the Company, and after being certified by a bank authorized to issue stock certificates in accordance with the law. The shares issued by the Company may be exempted from printing any share certificate for the shares. Nonetheless, the issued shares shall be registered with a centralized securities depository enterprise and shall be in line with the regulations of the institute.

Article 7: In the event of lost or replacement of stock certificates for any reason, a handling fee may be charged.

Article 8: Registration for transfer of shares shall be suspended for a period of sixty days before the convening date of a regular shareholders meeting, thirty days before the convening date of a special shareholders meeting, or within five days before the date on which dividends, bonus, or other benefits are scheduled to be paid by the Company.

Chapter 3 Shareholders Meeting

Article 9: Shareholders meetings of the Company are of two kinds: (1) regular meeting and (2) special meeting. Regular meetings shall be convened by Board of Directors at least once a year within six months after close of each fiscal year. Special meetings shall be convened whenever necessary according to the laws and regulations. The procedure for convening a shareholders meeting in accordance with the Company Act and related regulations and laws.

Article 10: According to Article 177 of the Company Act, if a shareholder is unavailable to attend a shareholders meeting, he/she could hand in a written proxy and appoints a proxy to attend the shareholders meeting on his/her behalf. Unless otherwise stipulated in the Company Act, the means of attending a shareholder meeting by proxy shall in line with the “Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies”.

Article 11: Except for being stipulated in related regulations, each of the Company’s shareholder is entitled to one vote for each share held. However, the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act not subject to this limitation.

Article 12: Unless otherwise provided for in related regulations, a meeting of shareholders shall proceed only if attended by shareholders representing more than one-half of the total outstanding capital stock of the Company. Resolutions of a shareholders meeting shall be made at the meeting with the concurrence of a majority of the votes held by the shareholders present at the meeting.

Chapter 4 Board of directors and Audit Committee

Article 13: The Company shall have 7 to 11 directors, including at least 3 independent directors. The number of directors is authorized to the board of directors for resolution, with the term of three years. The election adopts a candidate nomination system and directors shall be eligible for re-election. After being elected, the Company shall take out liability insurance for directors during their terms. For the aggregate shareholding percentage of all of the directors shall in line with the regulations stipulated by the central competent authority.

Regulations governing the professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination, and other matters for compliance with respect to independent directors shall be prescribed by the Competent Authority.

In compliance with Articles 14-4 of the Securities and Exchange Law, the Company shall establish an Audit Committee, which shall consist of all independent directors, and the powers and other related affairs shall be in line with the related regulations and laws. The Organization Regulations is stipulated by the board of directors.

The Company is available to establish Remuneration Committee or other functional committees and shall be in line with the related regulations and laws or business needs.

Article 14: Board is organized by directors. The board of directors shall elect a chairman of the board directors from among the directors by a majority vote at a meeting attended by over two-thirds of the directors. The chairman represents the Company.

Article 14-1: A board of directors shall meet at least quarterly. The directors (independent directors included) should be informed 7 days in advance. In emergency circumstances, however, a meeting may be called on shorter notice. The notice set forth in the preceding paragraph shall state the reason for calling the meeting in writing, E-mail or by fax.

Article 15: Where there the chairman is on leave or for any reason unable to exercise the powers,

his/her proxy shall comply with Article 208 of the Company Act.

Article 15-1: Unless otherwise provided for in this Act, resolutions of the Board of Directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors. Where there a director for any reason unable to attend a meeting shall give a written proxy stating the scope of authorization with respect to the reasons for meeting and appoint another director to attend the meeting. A director may accept a proxy from one person only.

In case a board meeting is proceeded via visual communication network, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

Article 16: The board of directors is authorized to determine the salary for the directors, considering the extent and value of the services provided for the management of the Company and the standards of the industry.

Chapter 5 Managers

Article 17: The Company shall appoint a president, vice president and several managers. The appointment, discharge and the remuneration of the Company's managers shall be in line with Article 29 of the Company Act.

Chapter 6 Accounting

Article 18: After the close of each fiscal year, the following reports shall be prepared by the board of directors: (1) Business Report (2) Financial Statements (3) Proposal Concerning the Distribution of Earnings or Covering of Losses, and submitted to the regular shareholders meeting for acceptance.

Article 19: Where there are profits (The term "profits" means the net income before tax for the year without allocation of employee remuneration and director remuneration.) of the Company for the year, the Company shall allocate above 2.5% as employee remuneration. For director remuneration, the Company shall allocate less than 2.5%. Nonetheless, the Company shall have reserved a sufficient amount to offset its accumulated losses (including adjustment the amount of undistributed earnings).

A company may, by a resolution adopted by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation and directors' compensation distributed in the form of shares or in cash; and in addition, thereto a report of such distribution shall be submitted to the shareholders' meeting.

Employee remuneration shall be provided in share or cash. The employee remuneration obtained by the employees of parents or subsidiaries of the Company meeting certain specific requirements. The requirements and distribution methods shall be determined by the Board of Directors or its authorized personnel.

Director remuneration shall be provided in cash only.

Article 20: Where there are final accounts shall first pay taxes and offset previous losses (including adjustment the amount of undistributed earnings). Then, set aside 10% of such profits as a legal reserve. However, when the legal reserve amounts to the Company's paid-in

capital, this shall not apply. Furthermore, depending on the Company's operational requirements and to comply with legal regulations, the Company shall set aside or reverse a special reserve. Where there are earnings and undistributed earnings at the beginning of the period (including adjustment the amount of undistributed earnings), the appropriation of earnings shall be proposed by the board and submitted to the shareholders meeting to approve the appropriation.

Article 20-1: The Company is in the "growth stage" of its business life cycle, and in order to ensure sustainable development through capital expenditures and sound financial planning, a dividend distribution of at least 10% of distributable profits, as defined in the previous article, will be allocated. However, if the distributable profits are less than 0.5% of the paid-up capital, it may be proposed not to distribute dividends. The Company distributes both stock dividends and cash dividends. The ratio of cash dividends shall not be less than 10% of the total shareholder dividend distribution for the fiscal year. If the cash dividend per share is lower than 0.5 NT dollars, the Board of Directors is authorized to propose a resolution to the shareholders' meeting for the distribution of dividends in either cash or stock.

Chapter 7 Supplementary Provisions

Article 21: Regarding all matters not provided for in these Articles of Association, the Company Act of the Republic of China shall govern.

Article 22: This Articles of Association is stipulated on 14 October 1993, and its first amendment was on 20 March 1997, the second amendment was on 27 June 1997, the third amendment was on 13 March 1998, the fourth amendment was on 8 May 1999, the fifth amendment was on 3 April 2000, the sixth amendment was on 18 December 2000, the seventh amendment was on 28 May 2001 (First Time), the eighth amendment was on 28 May 2001 (Second Time), the ninth amendment was on 25 June 2002, the tenth amendment was on 27 June 2003, the eleventh amendment was on 25 June 2004, the twelfth amendment was on 24 June 2005, the thirteenth amendment was on 23 June 2006, the fourteenth amendment was on 19 June 2009, the fifteenth amendment was on 24 June 2010, the sixteenth amendment was on 21 June 2011, the seventeenth amendment was on 16 June 2014, the eighteenth amendment was on 6 January 2015, the nineteenth amendment was on 29 June 2016, the twentieth amendment was on 20 June 2017, the twenty-first amendment was on 24 June 2020, the twenty-second amendment was on 27 August 2021.

LITON TECHNOLOGY CORP.

Chairman: WU, TE-CHUAN

LITON TECHNOLOGY CORP.

Rules of Procedure for Shareholder Meetings

- Article 1 To establish a strong governance system and sound supervisory capabilities for the Company's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.
- Article 2 The rules of procedures for the Company's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.
- Article 3 **Convening shareholders meetings and shareholders meeting notices**
Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the Board of Directors.
The Company shall prepare electronic versions of the shareholders 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, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS 21 days before the date of the regular shareholders' meeting or before 15 days before the date of the special shareholders meeting. In addition, 15 days before the date of the shareholders' meeting, the Company shall also have prepared the shareholders' meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time.
The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby and to be distributed on-site at the meeting. The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in the electronic form.
Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company

Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

Where the re-election of all directors and supervisors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders' meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

Prior to the book closure date before a regular shareholders meeting is held. The Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders' meeting and take part in the discussion of the proposal. Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for the exclusion of any shareholder proposals not included in the agenda.

- Article 4 For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.
- A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company five days before the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.
- After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.
- Article 5 The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.
- Article 6 The Company shall specify in its shareholders' meeting notices the time during which attendance registrations for shareholders will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.
- Shareholders, solicitors and proxies (collectively "shareholders") shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.
- The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person is appointed to attend as a proxy, it may designate only one person to represent it in the meeting.

Article 7 If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.

It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders meeting is convened by a party with the power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.

Article 8 The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 9 Attendance at shareholders' meetings shall be calculated based on the

numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and the number of shares represented by shareholders attending the meeting.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one-third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one-third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month.

When, prior to the conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 10 If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation

and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

Article 11 Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 12 Voting at a shareholders' meeting shall be calculated based on the number of shares.

With respect to resolutions of shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares. When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as a proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as a proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is

exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13 A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When the Company holds a shareholder meeting, it shall adopt the exercise of voting rights by electronic means and may adopt the exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is, therefore, advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which it will be put to a vote. When any one

among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

Article 14 The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of directors not elected and the number of votes they received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15 Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of the Company.

Article 16 On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting.

If matters put to a resolution at a shareholders meeting constitute material

information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange Market) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

- Article 17 Staff handling administrative affairs of a shareholders meeting shall wear identification cards or armbands.
The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."
At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.
When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.
- Article 18 When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.
If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.
A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.
- Article 19 These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

LITON TECHNOLOGY CORP.

Procedures for Election of Directors

- Article 1 To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to Articles 21 and 41 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.
- Article 2 Except as otherwise provided by law and regulation or by the Company's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.
- Article 3 The overall composition of the board of directors shall be taken into consideration in the selection of the Company's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:
1. Basic requirements and values: Gender, age, nationality, and culture.
 2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.
- Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:
1. The ability to make judgments about operations.
 2. Accounting and financial analysis ability.
 3. Business management ability.
 4. Crisis management ability.
 5. Knowledge of the industry.
 6. An international market perspective.
 7. Leadership ability.
 8. Decision-making ability.
- Article 4 More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.
- The board of directors of the Company shall consider adjusting its

composition based on the results of the performance evaluation.

Article 5 The qualifications for the independent directors of the Company shall comply with Articles 2, 3, and 4 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”.

The election of independent directors of the Company shall comply with Articles 5, 6, 7, 8, and 9 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”, and shall be conducted in accordance with Article 24 of the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”.

Article 6 Elections of directors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. The Company shall review the qualifications, education, working experience, background, and the existence of any other matters set forth in Article 30 of the Company Act with respect to nominee directors and supervisors and may not arbitrarily add requirements for documentation of other qualifications. It shall further provide the results of the review to shareholders for their reference so that qualified directors and supervisors will be elected

When the number of directors falls below five due to the dismissal of a director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders' meeting. When the number of directors falls short by one-third of the total number prescribed in the Company's articles of incorporation, the Company shall call a special shareholder meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Article 7 The cumulative voting method shall be used for the election of the directors at the Company. Each share will have voting rights in number equal to the directors to be elected and may be cast for a single candidate or split among multiple candidates.

- Article 8 The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders' meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.
- Article 9 The number of directors will be as specified in the Company's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.
- Article 10 Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.
- Article 11 If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.
- Article 12 A ballot is invalid under any of the following circumstances:
1. The ballot was not prepared by a person with the right to convene.
 2. A blank ballot is placed in the ballot box.
 3. The writing is unclear and indecipherable or has been altered.
 4. The candidate whose name is entered in the ballot is a shareholder, but the

candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder and a cross-check shows that the candidate's name and identity card number do not match.

5. Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted.
6. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.

Article 13 The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 14 The board of directors of the Company shall issue notifications to the persons elected as directors.

Article 15 All matters not covered by the Procedures for Election of Directors shall be in accordance with the provisions of the relevant laws and regulations of the competent authorities.

Article 16 These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

LITON TECHNOLOGY CORP.
Shareholdings of Directors and Independent Directors

Book closure date: 2 May 2023

Title	Name	Date elected	Terms	Shareholding while elected		Shareholding as of book closure date	
				Shares	%	Shares	%
Chairman	LELON ELECTRONICS CORP. Representative: TE-CHUAN WU	27 August 2021	3years	43,731,598	30.58%	43,731,598	30.53%
Director	TSUN-HSIN KO	27 August 2021	3years	615,279	0.43%	635,309	0.44%
Director	CHIH-MING WU	27 August 2021	3years	470,701	0.33%	470,701	0.33%
Director	YUNG-CHANG CHU	27 August 2021	3years	1,060,092	0.74%	1,060,092	0.74%
Independent Director	YEN-CHUNG TSOU	27 August 2021	3years	0	0.00%	0	0.00%
Independent Director	YIN-TANG TSENG	27 August 2021	3years	0	0.00%	0	0.00%
Independent Director	CHENG-MING OU (resigned on 29 June 2023)	27 August 2021	3years	0	0.00%	0	0.00%
Total						45,897,700	32.04%

1. Types of shares: common shares
2. Total issued shares: 143,219,606 shares
3. The minimum required combined shareholding of all directors by law: 8,593,176 shares.
4. All directors of the Company have achieved the regulatory standard.
5. According to Article 2 of the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies”, when two or more independent directors are appointed, the shareholding percentage of all directors and supervisors, excluding independent directors, is reduced to 80 percent.