Stock code
2301

Lite-On Technology Corporation

Annual General Meeting of Shareholders for 2024

Meeting Minutes

Date: May 27, 2024

Lite-On Technology Corporation
2024 Annual General Shareholders' Meeting Minutes

Date: 9:00 a.m., May 27, 2024

Location: 1F, No. 392, Ruey Kuang Road, Neihu Dist., Taipei City
(International Convention Center, Lite-On Technology Building)
Meeting format: Shareholders' meeting with video conferencing (held in-person with video conferencing support)

Video conferencing platform: Shareholders' meeting video conferencing platform of Taiwan Depository & Clearing Corporation Limited (TDCC) - Electronic voting platform for shareholders' meetings (website: https://www.stockvote.com.tw)

Attending shareholders and proxy representing:
1,856,464,761 shares (among them, 1,458,209,827 shares voted via electronic transmission), which accounts for 80.69% of total 2,300,542,142 outstanding shares (excluding 52,587,821 non-voting shares)

Director attendees:
Tom Soong, Anson Chiu (Representative of Ta-Sung Investment Co., Ltd.), Albert Hsueh (Chairman of Audit Committee), Harvey Chang (Independent Director), Mike Yang (Independent Director) and MK Lu (Independent Director). Six members of the Board of Directors are present, which is over half of the eight seats on the board.

Non-shareholding attendees:
Deloitte Touche Tohmatsu International Taiwan, Chiu, Meng-Chieh, CPA
Chen & Lin Attorneys-at-Law, Jennifer Wang, Attorney

Chairman: Tom Soong
Recorder: Yawen Yang

I. Chairperson Calls Meeting to Order

The aggregate shareholding of the shareholders presents in person or by proxy constituted a quorum. The Chairman called the meeting to order.

II. Opening Remarks by the Chairperson (omitted)

III. Report Items (The chairperson will invite the shareholders present to speak after all the report items have been announced.)

i. 2023 Business Report (See Attachment 1)

ii. Audit Committee's Review Report on 2023 Financial Statements (See Attachment 2~4)

iii. Audit Committee's Report on communications between audit committees and chief internal auditor. (Please refer to Meeting Agenda)

iv. Report on 2023 Employees' and Directors' Compensation. (Please refer to Meeting Agenda)

v. Cash Distribution to Shareholders from 2023 Earnings (Please refer to Meeting Agenda)

vi. Report on the Merger status. (Please refer to Meeting Agenda)

vii. Report on the Amendment to "Ethical Corporate Management Best Practice Principles". (See Attachment 5~6)

viii. Report on the Amendment to "Corporate Governance Best Practice Principles". (See Attachment 7~8)

ix. Report on Issue the First Domestic Unsecured Corporate Bonds. (Please refer to Meeting Agenda)

The proceedings of the meeting: The questions raised by the shareholders present are as follows.

Questions raised by the shareholders number 28356:
What is the timeline for the SBT 1.5°C target, along with short-term and long-term goals, and the planning for the proportion of renewable energy use in the short, medium, and long term?
The CSD manager replied:
In 2019, the SBT carbon reduction target of 39% by 2025 under a 2°C scenario was approved. Following the approval of the net-zero emissions by 2050 and the short-term target review, an announcement will be made to the public. The renewable energy usage rate has reached 28% in 2023, and the purchase of renewable energy will continue, with the goal of achieving 100% renewable energy by 2040.

Questions raised by the shareholders number 130397:
What strategies does the company have in balancing the rise in costs and corporate profits while achieving net zero carbon emissions by 2050?
The CSD manager replied:
In order to enhance low-carbon competitiveness, we will respond to the trend of future carbon tariffs by reducing material usage and improving product energy consumption. In the future, we will also develop a product portfolio that strengthens energy transformation, energy saving, and energy creation.

IV. Proposals Items

Proposed by the Board of Directors

i. Proposal: Adoption of 2023 Financial Statements.

Explanation:

1. 2023 consolidated and standalone financial statements have been audited by Certified Public Accountant Chiu, Meng-Chieh and Certified Public Accountant

Cheng, Shiuh-Ran of Deloitte Touche Tohmatsu International Taiwan and were discussed and resolved in the Board of Directors meeting convened on February 26, 2024.

2. The aforementioned financial statements and business report were reviewed by the Audit Committee.
3. For the 2023 business report, please refer to Attachment 1.
4. For the 2023 financial statements, please refer to Attachments 2 & Attachment 3.
5. Please proceed to adopt.

Resolution:

No questions raised by the shareholders. The above proposal was hereby approved as proposed.

Shares represented at the time of voting 1,850,404,618.

Item	Shares (include shares voted via electronic transmission)
Shares voted for the proposal	1,704,996,193 shares, 92.14% of total represented shares present.
Shares voted against the proposal	973,187 shares
Abstained shares	144,435,238 shares
Invalid shares	0 shares

Proposed by the Board of Directors

ii. Proposal: Adoption of 2023 Earnings Distribution.

Explanation:

1. In Fiscal Year 2023, the Company made a net profit of NT$14,570,615,940. By adding unallocated retained earnings of the previous year of NT$14,548,658,414 and adjustments on re-measurement on define benefit plans recognized in retained earnings of NT$31,662,400, less adjustments on the equity method investments recognized in retained earnings of NT$105,468,586, adding cumulative profit on investments in equity instruments designated as at fair value through other comprehensive income (FVTOCI) transferred directly to retained earnings due to disposal of NT$67,361,869, adding adjustments on employee restricted stock of NT$ 1,206,400元, setting aside 10% of net profit as legal reserve of NT$ 1,456,537,802 and reversing of special reserve of NT$701,297,536, total distributable earnings for the year end amounted to NT$26,956,201,099. For Earnings distribution table and descriptions, see Attachment 9.
2. Please proceed to adopt.

Resolution

No questions raised by the shareholders. The above proposal was hereby approved as proposed.

Shares represented at the time of voting: 1,850,404,618.

Item	Shares (include shares voted via electronic transmission)
Shares voted for the proposal	1,707,647,184 shares, 92.28% of total represented shares present.
Shares voted against the proposal	249,883 shares
Abstained shares	142,507,551 shares
Invalid shares	0 shares

V. Discussion Items

Proposed by the Board of Directors

Discussion of the Amendment to "Rules and Procedures of Shareholders' Meeting"

Explanation:

1. Pursuant to the amendment of sample template from competent authorities, an amendment to "Rules and Procedures of Shareholders' Meeting" is proposed.
2. Please refer to Attachment 10 for a comparison of the contents before and after amendment.
3. Please refer to Appendix 1 of meeting agenda for the full contents before amendment.

Please discuss and resolve.

Resolution:

No questions raised by the shareholders. The above proposal was hereby approved as proposed.

Shares represented at the time of voting: 1,850,404,618.

Item	Shares (include shares voted via electronic transmission)
Shares voted for the proposal	1,655,168,954 shares, 89.44% of total represented shares present.
Shares voted against the proposal	48,084,956 shares
Abstained shares	147,150,708 shares
Invalid shares	0 shares

The proceedings of the meeting: The questions raised by the shareholders present and via video conference are as follows.

Questions raised by the shareholders number 279890:

As biodiversity issues have gradually received attention from the United Nations and globally, will the company start planning and disclosing biodiversity and TNFD reports in the future? The 2022 sustainability report disclosed the carbon footprint inventory of all product categories and committed to reducing the carbon footprint of each product generation by 5%, and what is the current implementation status compared to the base year?

Questions raised by the shareholders number 502861:

Does the company have a plan for the annual adoption of the proportion of green electricity, and in what year will it fully adopt green electricity?

The CSD manager replied:

This year, the Sustainability Committee has specifically conducted a risk assessment on natural resources and TNFD, and the assessment results show relatively low risk. Regarding the carbon footprint, a comprehensive check of representative products began in 2022, and it has been roughly estimated that the carbon reduction potential performance can reach 6%, and it will continue to be optimized through the carbon management platform. A budget is allocated every year for the purchase of green electricity, and the usage rate of renewable energy has reached 28% in 2023. It is expected to increase by 5% every year and reach 100% renewable energy by 2040.

Questions raised by the shareholders number 145598:

The company has set a goal to reduce carbon emissions by 5% annually. In achieving this goal, what specific measures will the company take? Regarding the ESG sustainability risk assessment of the supply chain, how does the company assist suppliers who do not meet the standards to comply, and what is the current progress?

The CSD manager replied:

In operations, the factory proposes energy-saving plans, optimizes through process improvements, and continues to adopt renewable energy. We also conduct RBA-related audits through the sustainable supply chain management platform to strengthen supply chain risk management.

Questions raised by the shareholders number 679822:

The company has sufficient cash on hand, is it possible to provide the dividends distributed and the overall dividend policy of the company in the future?

The Accounting manager replied:

The overall dividend policy of the company can be referred to in Article 24 of the company's charter. It takes into account the company's current and future development plans, investment environment, capital needs, and domestic and international economic conditions, while also considering shareholder interests. The distribution of dividends will be considered and adjusted based on actual financial, business, and operational conditions.

Questions raised by the shareholders number 582877:

Is it possible to provide live streaming at future legal briefings so that non-legal person shareholders can also participate?

The IR manager replied:

The legal briefing will demo new business products and technologies, so shareholders are encouraged to interact with the management team on-site. However, if shareholders have this need, it will be evaluated and planned.

Questions raised by the shareholders number 503550:

What is the company’s development, strategy, and goals in the field of AI, and what is the direction of the dividend policy?

The General manager replied:
The company’s product strategy is to offer customers with complete systematic products.

VIII. Provisional Motions: None

IX. Adjournment: 9:49a.m. at the same day.

(The minutes of this shareholders' meeting shall state only the main subject of the meeting and the outcome of the motion; the content of the meeting and the shareholders' speech shall still be subject to the audio and video record of the meeting)

Chairman: Tom Soong
Recorder: Yawen Yang

LITE-ON Technology Corporation Business Report

Attachment 1

Dear Shareholders,

The global market and economy underwent unprecedented changes in 2023. The largest rate hike in the last 20 years, geopolitical situation, energy crisis and other events kept pushing the market towards high volatility and instability. Downward economic trends in certain regions and stagnant consumer demand also created huge challenges for the industry. The many different risks and unpredictability of the macroeconomy were brought to home again to LITEON and the rest of the world and inspired active efforts to build up operational resilience. We have always believed that every crisis is also an opportunity for transformation. LITEON will become better at coexisting with risks as a result and more adept at finding opportunities amid market changes and turning them into operational momentum and profit growth for the next step forward.

In 2023, LITEON's consolidated total revenue was NT$148.3 billion, which benefited from stronger high growth and high value businesses, optimized supply chain resilience, and centralized production and improved operational efficiency in recent years. The gross operating profit margin reached 22% and the operating profit margin 9.8%, up by 2.8 ppts and 1.1ppts, respectively, compared to the previous year. The net operating profit was NT$14.5 billion. The net profit after taxes was NT$14.6 billion. The EPS was NT$6.36, up by 3% compared to the previous year. The cash dividend per common share was NT$4.5 per share.

Business performance

Since taking office in 2020, LITEON's new management team has been focusing on increasing the company's overall value. The team set three key operational goals and embarked on a journey to transform LITEON's business operations.

The first operational goal is higher profitability. LITEON's gross profit margin has risen from 17.4% in 2020 to 22% in 2023. The operating profit margin has also risen from 6.5% to 9.8% with growing profitability. The EPS has risen from NT$4.31 to NT$6.36, which is a compound annual growth rate of 14%. Meanwhile, the return on invested capital (ROIC) has jumped to 54% from 28% in 2020. The sharp increase reflected LITEON's ongoing improvement of high growth and high value businesses, active management of working capital, and optimization of capital input and operational efficiency.

The second operational goal is increasing the weight of growth business to 60%. We plan to bring the weight of growth businesses, Cloud and AIoT, and Optoelectronics (including automotive electronics) departments, to 60% in terms of revenue. The other 40% will come from cash cow, IT and Consumer Electronics department. Contribution to revenue from growth businesses has risen from 49% in 2020 to 56% in 2023, which is the right direction towards the goal.

The third operational goal is transformation of business models that follows a growth strategy to move from OEM to market orientation and components manufacturer to solution provider. The effort is best demonstrated by LITEON's consistently strong growth in cloud power systems over recent years. LITEON builds on the existing power management business to expand the line of products to include data centers and other system solutions. LITEON is first in the market to introduce AI server power products and tap into liquid cooling system solutions. In particular, the key is to consistently increase R&D input and momentum, especially in software development and software/hardware integration. This allows LITEON to leverage its industry leading in-house R&D capabilities and collaborate with suppliers and customers in next generation product design and development and in setting industry regulations and specifications. LITEON is also able to propose systematic solutions to eliminate pain points for customers. In 2023, R&D expenditure was 5.5% of the total revenue, significantly higher than 3.2% in 2020, and invested primarily in cloud computing, automotive electronics, 5G, and new business development.

New products and technology development

LITEON's transformation covers strategic allocation to high growth and high value businesses, where data center power supply, EV energy, and 5G are important new businesses and one of major medium- and long-term growth drivers. 2023 marked the birth of Generative AI. Supercomputing sparked innovation and transformation in many industries and gave birth to brand new work models and approaches. The demand for AI server power supply products rose dramatically. Energy efficiency of power supply systems and thermal management that became necessary with supercomputing both provide an important basis for LITEON in developing data center business.

As one of the world's major power supply solution providers, LITEON helps customers improve efficiency, performance, and optimization sustainability of their data center power systems, thereby creating green data centers and achieving energy saving and carbon reduction. In 2023, LITEON not only introduced first power supply products for AI servers in the market, but also presented data center grade liquid cooling and power supply solutions at the OCP Global Summit. These products combine LITEON's power supply, mechanics, cooling, and software and firmware management technologies and effectively increase energy efficiency, facilitate high performance workload for data centers, and reduce energy and carbon footprint consumption. In addition, LITEON introduced power supply systems and solutions that complied with the latest open rack standard. These products included system products with 97.5% high energy conversion efficiency to support applications in next generation data centers.

Furthermore, LITEON has been expanding the product line in the automotive market for years. For automotive electronics, interior and exterior LED lighting, camera modules, and automotive optoelectronic semiconductors, LITEON continues to bring integrated products to increase technical specifications and added value. As more and more consumers switch to electric vehicles (EV) around the world, Power Innovations (Pii), LITEON's U.S. subsidiary, launched its innovative Level 3 DC fast chargers in 2023. These chargers offer 30kW to 180kW fast charging solutions, utilizing LITEON's core technology in energy conversion to give customers flexibility in a wide range of voltage. The technology makes it possible to integrate quickly with U.S. energy infrastructures and connect seamlessly with customers' software/hardware in order to provide a faster and more stable user experience. These solutions can be used for commercial or public purposes, including public infrastructures, fleet vehicles, car dealers, convenience stores, and many other commercial applications.

LITEON has been investing more in developing a full range of 5G network equipment in recent years while the 5G penetration rate increases. Launched successes so far include 5G small cells and O-RAN products and software solutions. LITEON has also worked with Taiwanese and international communications service providers as well as system integration suppliers and succeeded in breaking into the global communications market and reaching into three private 5G network applications, smart factory, smart healthcare, and smart architecture. LiteNetics, an integrated cloud network administration app developed in-house at LITEON, provides administrators with remote control of 5G network performance, maintenance and domain monitoring. The product is used among international customers and has received very positive feedback. In 2023, LITEON teamed up with FET 5G Laboratory to showcase innovative applications in environmental protection and worked with NYCU to use 5G mmWave in smart buildings. LITEON, meanwhile, also worked with international customers and completed international and interdomain projects such as smart hospitals in Europe and smart factories in Japan.

New corporate identity and ESG

Marking a new milestone, LITEON unveiled a brand new corporate identity in 2023. The new logo blends blue for technology and green for environmentally friendliness into a turquoise blue that represents a transformed LITEON and its philosophy of inclusion. The brand aims to be a force in the community for positive values.

Environmental commitments: 555 Carbon Reduction

LITEON became SBTi certified in 2019 and made the commitment to reduce carbon intensity per unit revenue by 39.3% by 2025. Having exceeded the target every year on its carbon reduction pathway, the company has taken one step further and launched 555 Carbon Reduction, an action plan to reduce LITEON's carbon intensity per unit revenue by 5% every year and carbon footprint by 5% for every new generation of product. With consistently falling carbon intensity and carbon footprint, LITEON expects to achieve net zero by 2050.

Launched in 2021, the Sustainable Supply Chain and Green Transition Plan grew and was working with 30 suppliers in promoting GHG inventory and carbon footprint inventory in 2023. Total carbon reduction across these suppliers reached 3,000 tons and exceeded the target. Furthermore, the effort to develop substitutes for carbon intensive raw materials continues. The benefit in carbon reduction compared to existing raw materials is expected to reach 70%. LITEON has developed in-house a digital carbon management platform to keep optimizing the internal carbon pricing system and make the company more competitive in a low carbon economy in the future.

Employee care: LITEON WoW Club

Putting people first is one of the key objectives in LITEON's transformation. LITEON was directly engaged with its employees around the world over the last three years and followed closely on topics that interested younger employees. We want to build a close partnership of mutual trust and meaningful connection with employees on the new vision and philosophy. Newly introduced remuneration and vacation rules, such as the implementation of Employee Stock Ownership Trust (ESOT) program, free food-court-style lunch for employees, a comprehensive family/child care policy to help employees take care of their families, flexible paid leaves and other benefits, establish LITEON as a company that shows respect and works with employees to achieve its vision.

LITEON WoW (Women of Wonders) Club was created in 2023 in support of diversity, equity, and inclusion (DEI) initiatives. This interagency platform brings together parties with different responsibilities to promote gender equality and a friendly workplace. A number of LITEON's outstanding female executives act as mentors to other employees by sharing their experience and passing on knowledge. These female executives provide care and support for other female employees facing challenges in different stages of their careers and help them grow professionally in the company. In addition, they assist other female employees in icebreaking and networking and in doing so increase job satisfaction and retention of female employees. LITEON WoW hosted several events in the first half year following its creation. The events, including seminars on successful female leadership stories from outside the company and internal mentor forums, offered a rich variety of topics ranging from workplace communication, technological innovation, self growth, relationship advice, and psychotherapy. All of these events proved popular with the employees.

Social engagement: LITEON “-1111 EcoRevolve Shopping Fair” to promote sharing

In a time when consumption is one of the key drivers of global trends and changes, LITEON took the lead in creating a brand store, "LITEON Collection", and inviting employees and the public to take part in social inclusion through everyday consumption habits. As a platform in support of NGOs, the LITEON Collection provides solid goods that offer both quality and adequate use of resources, along with embodying the purpose of caring for employees, the community, and the environment and promoting CSR and green consumption.

Furthermore, LITEON also created the first-of-its-kind public welfare market , “-1111 EcoRevolve Shopping Fair” , to advocate a "less is more" lifestyle. The market tries to start a perpetual cycle of bringing idle items out of one home and passing them on to another who find them useful. All LITEON employees and their families came together and donated items from their homes. They were joined by suppliers, customers, media and other LITEON partners in this public welfare market t. The event was open to the public and everyone took part in redefining shopping for “Double Eleven Singles' Day”. All proceeds from the LITEON public welfare market were donated to NGOs working for care of new immigrant children, mentorship for indigenous teens in urban areas, care for sick/injured wild animals, and marine environmental monitoring and other citizen science programs. By contributing to worthy causes, LITEON hopes to extend the reach of sustainability and create an inclusive rippling effect throughout the community to benefit more people.

Outlook

Looking forward to 2024, inflation can be expected to slow as the world nears the end of the rate hike cycle. The economic outlook appears mildly positive. Ongoing geopolitical and regional conflicts and potential risks arising from supply chain fragmentation will be monitored closely. In the meantime, LITEON will step up the pace of global expansion and location diversification in order to give customers local access to an efficient business network while increasing operational resilience. Taking a broader view, we see clearly the urgency and necessity of climate adaptation for businesses around the world. LITEON implemented international standards and environmental regulations years ago, and performed GHG reduction, energy optimization, and switch to low carbon designs in production processes and product materials. LITEON also collaborated with the supply chain in preparation of competing in a low carbon world. In new business development, LITEON has been raising R&D investment every year in three key areas of Internet of Energy (IoE), which are green data centers, clean mobility, and efficient infrastructures. In short, energy transformation, energy conservation, energy management, and energy storage form the core development strategy for LITEON in targeting climate change and energy transition trends and opportunities and meeting the many different energy management needs in smart grids.

With its transformation progressing toward the next milestone, LITEON works to create organic growth in existing businesses while developing new businesses with potential for high growth and high value in the future. To this end, LITEON has created a transformation office to build the LITEON IoE ecosystem. A full-time team is tasked with reviewing the company's core competencies, technologies, resources and business models and setting the scope of new fields and businesses to enter in the future. The team is also responsible for devising a new business blueprint based on the long term vision and encouraging internal entrepreneurship. In addition, the team performs strategic classification of new businesses in development and sets clear milestones to ensure real progress.

Areas recently seeing fast business growth include data centers, EVs, 5G applications, and smart grids. In 2024, the revenue generated by LITEON's AI server power supply products, compared to all server power supply products, can be expected to see a double digit growth, rising sharply from the single digit growth in 2023. The data center liquid cooling system, developed in-house, is expected to enter the testing stage, while efforts continue in expanding the market share of traditional enterprise server power supplies and telecommunication power supplies. Regarding EVs, the newly launched DC fast chargers are supplied first to large markets supported by government policies in developed countries. As 5G technology becomes more developed around the world and gets implemented in emerging markets, sales of the LITEON 5G small cell series can be expected to start rising in major European and Asian markets. While the use of solar, wind and other renewable energies increases around the world, the demand for energy storage systems also grows. LITEON plans to develop household energy management solutions that combine software, hardware, and firmware management and provide customers with safe and highly reliable high performance products.

To accelerate progress towards the vision, LITEON focuses on the areas targeted by its strategies and conducts feasibility assessments of mergers and strategic alliances on an ongoing basis.

Meanwhile, a more flexible approach is also deployed. Created in 2023, the LITEON+ startup platform opens up a door to connect with startups around the world. It is a platform where startups can be nurtured in an organized manner and collaborate with relevant departments at LITEON or obtain investment from LITEON or its partners. In under a year since establishment, LITEON+ facilitated an MOU with Japanese startup Elephantech. Both parties will work together to push for commercial development and production application of innovative low carbon flexible printed circuit boards (FPCB). It is our belief that multifaceted collaboration and engagement with external startups will help LITEON's business divisions develop new innovative ideas and business models and achieve synergy for both LITEON and the startups.

LITEON undergoes a fundamental change in its transformation. It pushes the company to challenge and surpass its own achievements. The company has reached a certain milestone where a completely revamped look is presented to the world. We believe LITEON is a strong and innovative company with a positive outlook. Faced with new industry trends and technologies, LITEON will leverage core competencies in optoelectronics and power management and a global business network and work with more partners to create more forward-looking products and markets. We thank all our employees for their hard work and dedication and our shareholders for their trust and support. We invite all stakeholders to keep following our growth and stay engaged and supportive of our transformation.

Tom Soong	Anson Chiu	Michelle Hsiao
LITEON Chairman	LITEON President	Accounting Manager

Attachment 2

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Lite-On Technology Corporation

Opinion

We have audited the accompanying consolidated financial statements of LITE-ON TECHNOLOGY CORPORATION (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 the consolidated financial statements for the year ended December 31, 2023. 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.

The key audit matter identified in the audit of the Group's consolidated financial statements for the year ended December 31, 2023 is as follows:

<u>Allowance for Impairment Loss of Trade Receivables</u>

The allowance for impairment loss of trade receivables represents management's subjective judgment and determination of the recoverable amount of overdue receivables, which may give rise to credit risk. The key assumptions and inputs used in the evaluation process involved significant estimates made by management. Hence, we focused on assessing the reasonableness of management's estimates of allowance for impairment loss in our audit.

Refer to Note 4 to the consolidated financial statements for the summary of material accounting policy information. Refer to Note 11 to the consolidated financial statements for the carrying amount of trade receivables and impairment loss of trade receivables. In response to management's estimates mentioned above, we assessed the reasonableness and calculation accuracy of the allowance for impairment loss.

Other Matter

We have also audited the parent company only financial statements of LITE-ON TECHNOLOGY CORPORATION as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion.

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 Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS, IAS, IFRIC and SIC endorsed and issued into effect by the 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 Group's ability to continue as a going concern, 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 the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' 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 auditors' 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 Group's internal control.

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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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 disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the 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 the consolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Meng-Chieh Chiu and Shiuh-Ran Cheng.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 26, 2024

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance 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 applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES **Attachment 2-1**

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023		2022	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	$ 92,742,033	49	$ 91,065,529	46
Financial assets at fair value through profit or loss (Note 7)	577,330	-	2,799,938	1
Financial assets at amortized cost (Note 9)	21,625	-	-	-
Contract assets	196,129	-	484,791	-
Notes receivable, net (Note 11)	512,333	-	609,573	-
Trade receivables, net (Note 11)	31,586,425	17	38,127,682	19
Other receivables (Note 11)	2,068,586	1	1,562,769	1
Other receivables from related parties (Note 32)	-	-	17,710	-
Inventories, net (Note 12)	25,807,532	14	27,747,465	14
Other current assets (Note 19)	2,106,448	1	2,537,757	1
Total current assets	155,618,441	82	164,953,214	83
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss (Note 7)	993,837	1	1,462,668	1
Financial assets at fair value through other comprehensive income (Note 8)	1,961,421	1	1,985,324	1
Financial assets at amortized cost (Note 9)	516,140	-	465,790	-
Investments accounted for using the equity method (Note 14)	1,723,785	1	1,888,176	1
Property, plant and equipment, net (Notes 15 and 32)	18,392,467	10	19,078,678	10
Right-of-use assets, net (Note 16)	1,895,074	1	1,648,994	1
Investment properties, net (Note 17)	1,181,578	1	1,236,643	1
Intangible assets, net (Note 18)	2,837,525	2	3,692,521	2
Deferred tax assets (Note 26)	2,624,907	1	2,804,527	1
Refundable deposits	957,084	1	350,419	-
Net defined benefit assets (Note 22)	163,493	-	107,332	-
Other non-current assets (Note 19)	106,508	-	107,451	-
Total non-current assets	33,353,819	18	34,828,523	17
TOTAL	$ 188,972,260	100	$ 199,781,737	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 20)	$ 22,493,450	12	$ 32,628,984	16
Financial liabilities at fair value through profit or loss (Note 7)	376,452	-	253,441	-
Contract liabilities	69,807	-	79,782	-
Notes payable	30	-	59	-
Trade payables	40,917,667	22	44,883,340	22
Trade payables to related parties (Note 32)	491	-	15,842	-
Other payables	20,555,991	11	22,630,490	11
Other payables to related parties (Note 32)	281	-	19,378	-
Current tax liabilities	7,018,546	4	5,609,887	3
Provisions (Note 21)	1,011,515	1	1,125,550	1
Lease liabilities (Note 16)	358,238	-	359,221	-
Advances received	5,198,955	3	4,175,135	2
Total current liabilities	98,001,423	52	111,781,109	56
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 20)	3,000,000	2	3,000,000	2
Deferred tax liabilities (Note 26)	1,828,408	1	2,212,812	1
Lease liabilities (Note 16)	941,263	-	691,734	-
Guarantee deposits	133,754	-	108,955	-
Total non-current liabilities	5,903,425	3	6,013,501	3
Total liabilities	103,904,848	55	117,794,610	59
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital				
Ordinary shares	23,531,300	12	23,630,830	12
Capital surplus	22,734,080	12	22,706,153	11
Retained earnings				
Legal reserve	18,258,300	10	16,780,649	8
Special reserve	2,908,326	2	3,214,551	2
Unappropriated earnings	23,507,087	12	21,736,118	11
Total retained earnings	44,673,713	24	41,731,318	21
Other equity	(3,831,534)	(2)	(3,243,884)	(2)
Treasury shares	(2,726,963)	(1)	(3,468,412)	(2)
Total equity attributable to owners of the Company	84,380,596	45	81,356,005	41
NON-CONTROLLING INTERESTS	686,816	-	631,122	-
Total equity	85,067,412	45	81,987,127	41
TOTAL	$ 188,972,260	100	$ 199,781,737	100

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

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES **Attachment 2-2**

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE				
Sales (Notes 24 and 32)	$ 151,645,271	102	$ 177,083,524	102
Less: Sales allowance	2,856,602	2	3,274,121	2
Sales returns	455,214	-	353,187	-
Total operating revenue	148,333,455	100	173,456,216	100
COST OF GOODS SOLD (Notes 12, 25 and 32)	(115,665,373)	(78)	(140,193,784)	(81)
GROSS PROFIT	32,668,082	22	33,262,432	19
OPERATING EXPENSES (Notes 16, 25 and 32)				
Selling and marketing expenses	(5,760,540)	(4)	(6,138,249)	(4)
General and administrative expenses	(4,508,598)	(3)	(4,575,685)	(3)
Research and development expenses	(8,125,546)	(5)	(7,440,789)	(4)
Expected credit (loss) reversal (Notes 11 and 24)	242,878	-	(34,849)	-
Total operating expenses	(18,151,806)	(12)	(18,189,572)	(10)
OPERATING INCOME	14,516,276	10	15,072,860	9
NON-OPERATING INCOME AND EXPENSES				
Other income (Note 32)	2,041,755	1	1,705,903	1
Other gains and losses (Notes 15, 18 and 25)	454,084	-	594,253	-
Finance costs (Note 25)	(1,501,499)	(1)	(742,744)	-
Interest income	2,854,434	2	1,221,626	1
Share of profit (loss) of associates accounted for using the equity method	729	-	(6,109)	-
Total non-operating income and expenses	3,849,503	3	2,772,929	2
PROFIT BEFORE INCOME TAX	18,365,779	12	17,845,789	10
INCOME TAX EXPENSE (Note 26)	(3,766,992)	(3)	(3,658,386)	(2)
NET PROFIT FOR THE YEAR	14,598,787	10	14,187,403	8

(Continued)

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 23 and 26)				
Items not reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	$ 42,016	-	$ 108,835	-
Unrealized gain (loss) on investments in equity instruments designated as at fair value through other comprehensive income	77,852	-	(67,434)	-
Share of other comprehensive gain of associates accounted for using the equity method	(2,548)	-	989	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(8,624)	-	(23,458)	-
	108,696	-	18,932	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	(982,423)	(1)	4,338,757	3
Share of other comprehensive income (loss) of associates accounted for using the equity method	(19,856)	-	68,988	-
Income tax relating to items that may be reclassified subsequently to profit or loss	186,064	-	(849,696)	-
	(816,215)	(1)	3,558,049	2
Other comprehensive income (loss) for the year, net of income tax	(707,519)	-	3,576,981	2
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 13,891,268	9	$ 17,764,384	10
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	$ 14,570,616	10	$ 14,151,016	8
Non-controlling interests	28,171	-	36,387	-
	$ 14,598,787	10	$ 14,187,403	8
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	$ 13,846,160	9	$ 17,661,812	10
Non-controlling interests	45,108	-	102,572	-
	$ 13,891,268	9	$ 17,764,384	10

(Continued)

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	**%**	**Amount**	**%**
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 27)				
Basic	$6.36		$6.19	
Diluted	$6.29		$6.10	

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

Attachment 2-3

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company													
								Other Equity (Notes 23 and 28)						
	Issue of Share Capital (Note 23)			Retained Earnings (Note 23)										
	Shares (In Thousands)	Amount	Capital Surplus (Note 23)	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets Designated as Fair Value Through Other Comprehensive Income	Unearned Employees' Compensation	Total	Treasury Shares (Note 23)	Non-controlling Interests (Note 23)	Total Equity
BALANCE AT JANUARY 1, 2022	2,350,867	$ 23,508,670	$ 21,836,342	$ 15,613,679	$ 5,940,218	$ 15,199,955	$ 36,753,852	$ (5,820,080)	$ (236,908)	$ -	$ (6,056,988)	$ (3,700,808)	$ 532,459	$ 72,873,527
Appropriation of earnings														
Legal reserve	-	-	-	1,166,970	-	(1,166,970)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(9,241,620)	(9,241,620)	-	-	-	-	-	-	(9,241,620)
Special reserve	-	-	-	-	(2,725,667)	2,725,667	-	-	-	-	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(3,909)	(3,909)
Disposal of investments accounted for using the equity method	-	-	-	-	-	-	-	6,490	-	-	6,490	-	-	6,490
Difference between consideration and carrying amount of subsidiaries disposed of	-	-	30,549	-	-	-	-	-	-	-	-	-	-	30,549
Share-based payment transaction	12,216	122,160	622,447	-	-	-	-	-	-	(623,682)	(623,682)	-	-	120,925
Disposal of treasury stocks	-	-	88,015	-	-	-	-	-	-	-	-	232,396	-	320,411
Changes in percentage of ownership interests in subsidiaries	-	-	50,223	-	-	(12,430)	(12,430)	-	-	-	-	-	-	37,793
Restructuring	-	-	(29,824)	-	-	-	-	-	-	-	-	-	-	(29,824)
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	10,843	-	-	-	-	-	-	-	-	-	-	10,843
Changes in capital surplus from cash dividends of the Company paid to subsidiaries	-	-	97,517	-	-	-	-	-	-	-	-	-	-	97,517
Other changes in equity	-	-	41	-	-	-	-	-	-	-	-	-	-	41
Net profit for the year ended December 31, 2022	-	-	-	-	-	14,151,016	14,151,016	-	-	-	-	-	36,387	14,187,403
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	80,500	80,500	3,497,853	(67,557)	-	3,430,296	-	66,185	3,576,981
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	14,231,516	14,231,516	3,497,853	(67,557)	-	3,430,296	-	102,572	17,764,384
BALANCE AT DECEMBER 31, 2022	2,363,083	23,630,830	22,706,153	16,780,649	3,214,551	21,736,118	41,731,318	(2,315,737)	(304,465)	(623,682)	(3,243,884)	(3,468,412)	631,122	81,987,127
Appropriation of earnings														
Legal reserve	-	-	-	1,477,651	-	(1,477,651)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(11,622,983)	(11,622,983)	-	-	-	-	-	-	(11,622,983)
Special reserve	-	-	-	-	(306,225)	306,225	-	-	-	-	-	-	-	-
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	(1,334)	-	-	-	-	-	-	-	-	-	-	(1,334)
Cancellation of treasury shares	(15,578)	(155,778)	(585,671)	-	-	-	-	-	-	-	-	741,449	-	-
Changes in capital surplus from cash dividends of the Company paid to subsidiaries	-	-	103,246	-	-	-	-	-	-	-	-	-	-	103,246
Disposal of investments accounted for using equity method or subsidiaries	-	-	-	-	-	-	-	122,895	-	-	122,895	-	(3,151)	119,744
Disposal of partial interests of subsidiaries	-	-	45,697	-	-	-	-	-	-	-	-	-	45,229	90,926
Changes in percentage of ownership interests in subsidiaries	-	-	88,652	-	-	(106,181)	(106,181)	-	-	-	-	-	6,700	(10,829)
Share-based payment transaction	5,625	56,248	377,337	-	-	1,206	1,206	-	-	113,648	113,648	-	-	548,439
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(38,192)	(38,192)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	67,362	67,362	-	(67,362)	-	(67,362)	-	-	-
Net profit for the year ended December 31, 2023	-	-	-	-	-	14,570,616	14,570,616	-	-	-	-	-	28,171	14,598,787
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	32,375	32,375	(832,182)	75,351	-	(756,831)	-	16,937	(707,519)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	14,602,991	14,602,991	(832,182)	75,351	-	(756,831)	-	45,108	13,891,268
BALANCE AT DECEMBER 31, 2023	2,353,130	$ 23,531,300	$ 22,734,080	$ 18,258,300	$ 2,908,326	$ 23,507,087	$ 44,673,713	$ (3,025,024)	$ (296,476)	$ (510,034)	$ (3,831,534)	$ (2,726,963)	$ 686,816	$ 85,067,412

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

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 18,365,779	$ 17,845,789
Adjustments for:		
Depreciation expenses	4,186,998	4,360,303
Amortization expenses	168,797	154,063
Expected credit loss (reversal)	(242,878)	34,849
Net gain on fair value changes of financial assets as at fair value through profit or loss	(1,953,628)	(2,801,124)
Finance costs	1,501,499	742,744
Interest income	(2,854,434)	(1,221,626)
Dividend income	(5,997)	(6,985)
Share-based payments	547,232	120,925
Share of loss (profit) of associates accounted for using the equity method	(729)	6,109
Net loss (gain) on disposal of property, plant and equipment	18,264	(15,871)
Net loss on disposal of intangible assets	-	84
Gain on lease modification	(24,187)	-
Net loss on disposal of investments	9,897	6,489
Impairment loss recognized on non-financial assets	661,318	697,279
Net unrealized gain on foreign currency exchange	(614,996)	(13,265)
Recognition of provisions	81,403	135,787
Net loss on disposal of the subsidiary	45,698	-
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	3,645,540	889,237
Contract assets	676,841	452,798
Notes receivable	78,320	(143,808)
Trade receivables	6,510,079	4,528,999
Trade receivables from related parties	-	12,139
Other receivables	(310,786)	(627,508)
Other receivables from related parties	17,710	(14,445)
Inventories	2,007,498	5,403,868
Other current assets	414,417	104,159
Notes payable	(29)	15
Trade payables	(3,600,122)	(4,666,792)
Trade payables to related parties	(15,351)	(22,500)
Other payables	(1,562,615)	2,015,541
Other payables to related parties	(19,097)	17,673
Contract liabilities	(9,975)	79,684
Provisions	(153,910)	(173,364)
Advance receipts	1,051,473	1,137,060
Net defined benefit assets	(13,082)	39,435
Cash generated from operations	28,606,947	29,077,741
Interest received	2,635,735	1,117,330
Dividends received	5,997	6,985

(Continued)

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
Interest paid	$ (1,552,502)	$ (573,894)
Income tax paid	(2,430,619)	(4,471,274)
Net cash generated from operating activities	27,265,558	25,156,888
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of financial assets at fair value through other comprehensive income	(47,108)	(195,347)
Proceeds from disposal of financial assets at fair value through other comprehensive income	109,827	-
Purchases of financial assets at amortized cost	(137,741)	(234,732)
Proceeds from disposal of financial assets at amortized costs	65,538	65,632
Purchases of financial assets at fair value through profit or loss	(33,438,535)	(33,897,475)
Proceeds from disposal of financial assets at fair value through profit or loss	34,485,259	34,143,161
Acquisition of property, plant and equipment	(3,703,048)	(4,249,324)
Proceeds from disposal of property, plant and equipment	5,479	41,685
Increase in refundable deposits	(602,990)	(61,713)
Acquisition of intangible assets	(105,544)	(165,176)
Proceeds from disposal of intangible assets	-	3,209
Increase in other non-current assets	(34)	-
Decrease in other non-current assets	-	4
Dividend from associates	28,993	31,865
Net cash used in investing activities	(3,339,904)	(4,518,211)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	-	4,038,922
Repayments of short-term borrowings	(10,119,968)	-
Proceeds from long-term borrowings	-	3,000,000
Proceeds from guarantee deposits received	26,880	-
Decrease in guarantee deposits received	-	(32,053)
Repayments of the principal portion of lease liabilities	(502,591)	(444,974)
Cash dividends paid	(11,519,737)	(9,144,103)
Disposal of treasury shares	-	320,411
Proceeds from disposal of partial interests in subsidiaries without a loss of control	90,926	54,840
Changes in non-controlling interests	(21,931)	(20,275)
Restricted share dividends returned	1,206	-
Net cash used in financing activities	(22,045,215)	(2,227,232)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	(203,935)	4,378,249

(Continued)

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
NET INCREASE IN CASH AND CASH EQUIVALENTS	$ 1,676,504	$ 22,789,694
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	91,065,529	68,275,835
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 92,742,033	$ 91,065,529

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

Attachment 3

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Lite-On Technology Corporation

Opinion

We have audited the accompanying financial statements of LITE-ON TECHNOLOGY CORPORATION (the "Company"), which comprise the balance sheets as of December 31, 2023 and 2022, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 the financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the audit of the Company's financial statements for the year ended December 31, 2023 is as follows:

<u>Allowance for Impairment Loss of Trade Receivables</u>

The allowance for impairment loss of trade receivables represents management's subjective judgment and determination of the recoverable amount of overdue receivables may give rise to credit risk. The key assumptions and inputs used in the evaluation process involved significant estimates made by management. Hence, we focused on assessing the reasonableness of management's estimates of allowance for impairment loss in our audit.

Refer to Note 4 to the consolidated financial statements for the summary of material accounting policy information. Refer to Note 11 to the consolidated financial statements for the carrying amount of trade receivables and impairment loss of trade receivables. In response to management's estimates mentioned above, we assessed the reasonableness and the calculation accuracy of allowance for impairment loss.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, 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 Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 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 Company's internal control.

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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

We also provide 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 the financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Meng-Chieh Chiu and Shiuh-Ran Cheng.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 26, 2024

Notice to Readers

The accompanying financial statements are intended only to present the financial position, financial performance 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 financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

Attachment 3-1

LITE-ON TECHNOLOGY CORPORATION

BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023		2022	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	$ 4,176,144	3	$ 7,418,633	4
Financial assets at fair value through profit or loss (Note 7)	568,509	-	2,653,305	2
Financial assets at amortized cost (Notes 9 and 31)	21,625	-	-	-
Contract assets	111,187	-	102,194	-
Trade receivables, net (Note 11)	16,722,598	10	22,815,140	13
Trade receivables from related parties (Note 30)	7,385,726	5	8,012,686	5
Other receivables	1,452,976	1	1,126,609	1
Other receivables from related parties (Note 30)	4,499,487	3	190,320	-
Inventories, net (Note 12)	5,963,002	4	5,751,382	3
Prepayments	808,438	-	1,194,160	1
Total current assets	41,709,692	26	49,264,429	29
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss (Note 7)	549,201	-	507,325	-
Financial assets at fair value through other comprehensive income (Note 8)	731,747	1	727,700	1
Financial assets at amortized cost (Notes 9 and 31)	446,149	-	398,394	-
Investments accounted for using the equity method (Notes 13 and 30)	100,023,491	62	101,569,154	60
Property, plant and equipment, net (Notes 14 and 30)	10,750,740	7	9,794,480	6
Right-of-use assets, net (Note 15)	403,160	-	567,588	1
Investment properties, net (Note 16)	26,468	-	-	-
Intangible assets, net (Note 17)	2,725,363	2	3,580,319	2
Deferred tax assets (Note 24)	1,880,923	1	2,021,745	1
Refundable deposits	793,517	1	154,232	-
Net defined benefit assets (Note 20)	198,016	-	146,607	-
Other non-current assets	6,471	-	6,471	-
Total non-current assets	118,535,246	74	119,474,015	71
TOTAL	$ 160,244,938	100	$ 168,738,444	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 18)	$ 20,425,595	13	$ 26,759,770	16
Financial liabilities at fair value through profit or loss (Note 7)	376,452	-	243,387	-
Contract liabilities	69,807	-	79,782	-
Notes payable	30	-	32	-
Trade payables	6,042,109	4	5,034,229	3
Trade payables to related parties (Note 30)	21,257,717	13	27,733,148	17
Other payables	13,727,721	9	14,950,106	9
Other payables to related parties (Note 30)	36,598	-	573,248	-
Current tax liabilities	4,653,289	3	3,002,064	2
Provisions (Note 19)	522,119	-	628,867	-
Lease liabilities (Note 15)	128,506	-	189,387	-
Advances received	3,926,398	2	2,859,275	2
Total current liabilities	71,166,341	44	82,053,295	49
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 18)	3,000,000	2	3,000,000	2
Deferred tax liabilities (Note 24)	1,405,450	1	1,919,736	1
Lease liabilities (Note 15)	272,962	-	389,911	-
Guarantee deposits	19,589	-	19,497	-
Total non-current liabilities	4,698,001	3	5,329,144	3
Total liabilities	75,864,342	47	87,382,439	52
EQUITY				
Share capital				
Ordinary shares	23,531,300	15	23,630,830	14
Capital surplus	22,734,080	14	22,706,153	13
Retained earnings				
Legal reserve	18,258,300	11	16,780,649	10
Special reserve	2,908,326	2	3,214,551	2
Unappropriated earnings	23,507,087	15	21,736,118	13
Total retained earnings	44,673,713	28	41,731,318	25
Other equity	(3,831,534)	(2)	(3,243,884)	(2)
Treasury shares	(2,726,963)	(2)	(3,468,412)	(2)
Total equity	84,380,596	53	81,356,005	48
TOTAL	$ 160,244,938	100	$ 168,738,444	100

The accompanying notes are an integral part of the financial statements.

LITE-ON TECHNOLOGY CORPORATION

Attachment 3-2

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE				
Sales (Notes 22 and 30)	$ 98,845,121	102	$ 118,231,667	102
Less: Sales returns	235,573	-	184,748	-
Sales allowance	2,271,364	2	2,477,605	2
Total operating revenue	96,338,184	100	115,569,314	100
COST OF GOODS SOLD (Notes 12, 23 and 30)	(77,370,040)	(80)	(98,434,771)	(85)
GROSS PROFIT	18,968,144	20	17,134,543	15
UNREALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES AND ASSOCIATES	-	-	49,724	-
REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES AND ASSOCIATES	34,494	-	-	-
REALIZED GROSS PROFIT	19,002,638	20	17,084,819	15
OPERATING EXPENSES (Notes 23 and 30)				
Selling and marketing expenses	(2,430,234)	(3)	(2,729,803)	(3)
General and administrative expenses	(3,383,757)	(3)	(3,520,107)	(3)
Research and development expenses	(5,518,230)	(6)	(4,946,621)	(4)
Expected credit loss (Notes 11 and 22)	(60,152)	-	(31,404)	-
Total operating expenses	(11,392,373)	(12)	(11,227,935)	(10)
OPERATING INCOME	7,610,265	8	5,856,884	5
NON-OPERATING INCOME AND EXPENSES				
Other income (Note 30)	1,872,159	2	1,905,978	2
Other gains and losses (Notes 14, 17 and 23)	(527,872)	(1)	704,877	1
Finance costs (Note 23)	(1,318,405)	(1)	(563,270)	(1)
Interest income	72,644	-	30,965	-
Share of profit of subsidiaries and associates accounted for using the equity method	9,001,878	9	6,450,425	5
Total non-operating income and expenses	9,100,404	9	8,528,975	7

(Continued)

LITE-ON TECHNOLOGY CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	**%**	**Amount**	**%**
PROFIT BEFORE INCOME TAX	$ 16,710,669	17	$ 14,385,859	12
INCOME TAX EXPENSE (Note 24)	(2,140,053)	(2)	(234,843)	-
NET PROFIT FOR THE YEAR	14,570,616	15	14,151,016	12
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 20, 21 and 24)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	39,578	-	92,036	-
Unrealized gain (loss) on investments in equity instruments designated as at fair value through other comprehensive income	64,388	-	(68,772)	-
Share of other comprehensive income of subsidiaries and associates accounted for using the equity method	11,676	-	8,086	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(7,916)	-	(18,407)	-
	107,726	-	12,943	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	(1,059,334)	(1)	4,229,179	4
Share of other comprehensive income of subsidiaries and associates accounted for using the equity method	41,088	-	118,370	-
Income tax relating to items that may be reclassified subsequently to profit or loss	186,064	-	(849,696)	(1)
	(832,182)	(1)	3,497,853	3
Other comprehensive income (loss) for the year, net of income tax	(724,456)	(1)	3,510,796	3
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 13,846,160	14	$ 17,661,812	15
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 25)				
Basic	$6.36		$6.19	
Diluted	$6.29		$6.10	

The accompanying notes are an integral part of the financial statements. (Concluded)

LITE-ON TECHNOLOGY CORPORATION **Attachment 3-3**

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	Issue of Share Capital (Note 21)			Retained Earnings (Note 21)				Other Equity (Notes 21 and 26)					
	Shares (In Thousands)	Amount	Capital Surplus (Note 21)	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Unearned Employees' Compensation	Total	Treasury Shares (Note 21)	Total Equity
BALANCE AT JANUARY 1, 2022	2,350,867	$ 23,508,670	$ 21,836,342	$ 15,613,679	$ 5,940,218	$ 15,199,955	$ 36,753,852	$ (5,820,080)	$ (236,908)	$ -	$ (6,056,988)	$ (3,700,808)	$ 72,341,068
Appropriation of earnings													
Legal reserve	-	-	-	1,166,970	-	(1,166,970)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(9,241,620)	(9,241,620)	-	-	-	-	-	(9,241,620)
Special reserve	-	-	-	-	(2,725,667)	2,725,667	-	-	-	-	-	-	-
Disposal of investments accounted for using the equity method	-	-	-	-	-	-	-	6,490	-	-	6,490	-	6,490
Difference between subsidiaries' disposal of consideration and carrying amount	-	-	30,549	-	-	-	-	-	-	-	-	-	30,549
Share-based payment transaction	12,216	122,160	622,447	-	-	-	-	-	-	(623,682)	(623,682)	-	120,925
Disposal of treasury stocks	-	-	88,015	-	-	-	-	-	-	-	-	232,396	320,411
Changes in percentage of ownership interests in subsidiaries	-	-	50,223	-	-	(12,430)	(12,430)	-	-	-	-	-	37,793
Restructuring	-	-	(29,824)	-	-	-	-	-	-	-	-	-	(29,824)
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	10,843	-	-	-	-	-	-	-	-	-	10,843
Changes in capital surplus from cash dividends of the Company paid to subsidiaries	-	-	97,517	-	-	-	-	-	-	-	-	-	97,517
Other changes in equity	-	-	41	-	-	-	-	-	-	-	-	-	41
Net profit for the year ended December 31, 2022	-	-	-	-	-	14,151,016	14,151,016	-	-	-	-	-	14,151,016
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	80,500	80,500	3,497,853	(67,557)	-	3,430,296	-	3,510,796
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	14,231,516	14,231,516	3,497,853	(67,557)	-	3,430,296	-	17,661,812
BALANCE AT DECEMBER 31, 2022	2,363,083	23,630,830	22,706,153	16,780,649	3,214,551	21,736,118	41,731,318	(2,315,737)	(304,465)	(623,682)	(3,243,884)	(3,468,412)	81,356,005
Appropriation of earnings													
Legal reserve	-	-	-	1,477,651	-	(1,477,651)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(11,622,983)	(11,622,983)	-	-	-	-	-	(11,622,983)
Special reserve	-	-	-	-	(306,225)	306,225	-	-	-	-	-	-	-
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	(1,334)	-	-	-	-	-	-	-	-	-	(1,334)
Cancellation of treasury shares	(15,578)	(155,778)	(585,671)	-	-	-	-	-	-	-	-	741,449	-
Changes in capital surplus from cash dividends of the Company paid to subsidiaries	-	-	103,246	-	-	-	-	-	-	-	-	-	103,246
Disposal of investments accounted for using equity method or subsidiaries	-	-	-	-	-	-	-	122,895	-	-	122,895	-	122,895
Disposal of partial interests of subsidiaries	-	-	45,697	-	-	-	-	-	-	-	-	-	45,697
Changes in percentage of ownership interests in subsidiaries	-	-	88,652	-	-	(106,181)	(106,181)	-	-	-	-	-	(17,529)
Share-based payment transaction	5,625	56,248	377,337	-	-	1,206	1,206	-	-	113,648	113,648	-	548,439
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	67,362	67,362	-	(67,362)	-	(67,362)	-	-
Net profit for the year ended December 31, 2023	-	-	-	-	-	14,570,616	14,570,616	-	-	-	-	-	14,570,616
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	32,375	32,375	(832,182)	75,351	-	(756,831)	-	(724,456)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	14,602,991	14,602,991	(832,182)	75,351	-	(756,831)	-	13,846,160
BALANCE AT DECEMBER 31, 2023	2,353,130	$ 23,531,300	$ 22,734,080	$ 18,258,300	$ 2,908,326	$ 23,507,087	$ 44,673,713	$ (3,025,024)	$ (296,476)	$ (510,034)	$ (3,831,534)	$ (2,726,963)	$ 84,380,596

The accompanying notes are an integral part of the financial statements.

LITE-ON TECHNOLOGY CORPORATION

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 16,710,669	$ 14,385,859
Adjustments for:		
Depreciation expenses	1,268,589	1,098,681
Amortization expenses	128,889	119,072
Expected credit loss	60,152	31,404
Net gain on fair value changes of financial instruments as at fair value through profit or loss	(456,712)	(3,295,859)
Finance costs	1,318,405	563,270
Interest income	(72,644)	(30,965)
Dividend income	(3,870)	(3,721)
Share-based payments	517,511	115,543
Share of profit of subsidiaries and associates accounted for using the equity method	(9,001,878)	(6,450,425)
Net gain on disposal of property, plant and equipment	(15,362)	(13,847)
Net loss on disposal of investments	55,595	-
Impairment loss recognized on non-financial assets	959,819	137,099
Unrealized gain on transactions with subsidiaries and associates	-	49,724
Realized gain on transactions with subsidiaries and associates	(34,494)	-
Unrealized net loss (gain) on foreign currency exchange	(566,339)	328,453
Recognition of provisions	9,241	105,271
Gain on lease modification	(128)	-
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	2,632,697	1,041,832
Contract assets	(7,774)	11,601
Trade receivables	5,880,791	1,483,350
Trade receivables from related parties	626,960	(1,233,622)
Other receivables	534,937	(604,975)
Other receivables from related parties	(50,883)	14,591
Inventories	(332,584)	1,163,097
Prepayments	300,398	(464,913)
Contract liabilities	(9,975)	79,684
Notes payable	(2)	30
Trade payables	1,456,468	925,495
Trade payables to related parties	(6,475,431)	(2,246,915)
Other payables	(698,670)	2,325,875
Other payables to related parties	(536,650)	426,934
Provisions	(115,989)	(140,138)
Advance receipts	1,172,369	1,062,913
Net defined benefit assets	(11,831)	(11,441)
Cash generated from operations	15,242,274	10,972,957
Interest received	72,025	30,580
Dividends received	3,870	3,721

(Continued)

LITE-ON TECHNOLOGY CORPORATION

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
Interest paid	$ (1,361,799)	$ (415,934)
Income tax paid	(684,144)	(565,010)
Net cash generated from operating activities	13,272,226	10,026,314
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of financial assets at fair value through other comprehensive income	(47,108)	(195,347)
Proceeds from disposal of financial assets at fair value through other comprehensive income	109,827	-
Purchases of financial assets at amortized costs	(69,380)	(171,642)
Proceeds from disposal of financial assets at amortized costs	-	3,213
Net cash outflow on acquisition of subsidiary	(32,395)	-
Net cash inflow on disposal of subsidiary	-	48,052
Proceeds from the capital reduction on investments accounted for using the equity method	4,157,455	-
Acquisition of property, plant and equipment	(2,131,363)	(1,595,901)
Proceeds from disposal of property, plant and equipment	20,086	14,340
Increase in refundable deposits	(639,285)	(79,661)
Acquisition of intangible assets	(75,724)	(146,584)
Proceeds from disposal of intangible assets	-	2,969
Net cash inflows from business combination	527,703	-
Dividends received from subsidiaries and associates	1,263,086	134,871
Net cash outflow on Spin-off	-	(689,587)
Net cash generated from (used in) investing activities	3,082,902	(2,675,277)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	-	1,569,407
Repayments of short-term borrowings	(6,507,725)	-
Proceeds from long-term borrowings	-	3,000,000
Proceeds from guarantee deposits received	92	-
Decrease in guarantee deposits received	-	(1,339)
Repayments of the principal portion of lease liabilities	(230,945)	(199,449)
Cash dividends paid	(11,622,983)	(9,241,620)
Acquisition of subsidiaries	(1,328,188)	(188,759)
Proceeds from disposal of partial interests in subsidiary without a loss of control	90,926	54,840
Restricted share dividends returned	1,206	-
Net cash used in financing activities	(19,597,617)	(5,006,920)

(Continued)

LITE-ON TECHNOLOGY CORPORATION

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	$ (3,242,489)	$ 2,344,117
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	7,418,633	5,074,516
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 4,176,144	$ 7,418,633

The accompanying notes are an integral part of the financial statements. (Concluded)

Attachment 4

AUDIT COMMITTEE REPORT

To: Shareholders' Annual General Meeting for Year 2024, Lite-On Technology Corporation

The Board of Directors has prepared and submitted to the undersigned, Audit Committee of Lite-On Technology Corporation the 2023 Business Report, Financial Statements (consolidated and standalone) and the proposal of distribution of earnings. The Financial Statements have been duly audited by Certified Public Accountants Meng-Chieh Chiu and Shiuh-Ran Cheng of Deloitte Touche Tohmatsu International Taiwan. The above Business Report, Financial Statements and the proposal of distribution of earnings have been examined and determined to be correct by the undersigned. This Report is duly submitted in accordance with Article 14-4 of Securities and Exchange Law and Article 219 of the Company Law.

The Audit Committee, Chairman:

Mr. Albert Hsueh
February 26, 2024

Lite-On Technology Corporation **Attachment 5**

Comparison Table of Amendments to the Ethical Corporate Management Best Practice Principles

Contents after Amendment		Contents before Amendment		Explanation
Article 5	The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and obtain approval from the board of directors, and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.	Article 5	The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.	According to the Article 5 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" amendment the content.
Article 6	In order to realize the operational philosophies and policies of the previous Article, the Company has, in its "Work Rules" and "Practitioner Code of Conduct", established specific ethical management practices and the programs to forestall unethical conduct ("prevention programs"), including operational procedures, guidelines, and training. In the course of developing the prevention programs, the Company are advised to negotiate with staff, labor unions members, important trading counterparties, or other stakeholders.	Article 6	In order to realize the operational philosophies and policies of the previous Article, the Company has, in its "Employee Code of Practice" and "Practitioner Code of Conduct", established specific ethical management practices and the programs to forestall unethical conduct ("prevention programs"), including operational procedures, guidelines, and training. Prevention programs established by the Company shall comply with relevant laws and regulations of the territories where the Company and Business Group are operating.	1. The company's "Employee Code of Practice" have been renamed "Work Rules", and the text of this article has been revised accordingly. 2. According to the Article 6 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" amendment the content.
Article 7	The Company shall establish a risk assessment mechanism against unethical conduct,	Article 7	When establishing the prevention programs, the Company shall analyze the	According to the Article 7 of the "Ethical Corporate Management

Contents after Amendment	Contents before Amendment	Explanation
analyze and assess on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly and review their adequacy and effectiveness on a regular basis. The prevention programs adopted by the Company shall include preventive measures as the following: 1. Offering and acceptance of bribes. 2. Illegal political donations. 3. Improper charitable donations or sponsorship. 4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits. 5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights. 6. Engaging in unfair competitive practices. 7. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.	business activities within its business scope which are possibly at a higher risk of being involved in an unethical conduct, and strengthen the preventive measures. The prevention programs adopted by the Company shall include preventive measures as the following: 1. Offering and acceptance of bribes. 2. Illegal political donations. 3. Improper charitable donations or sponsorship. 4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits. 5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights. 6. Engaging in unfair competitive practices. 7. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.	Best Practice Principles for TWSE/TPEx Listed Companies" amendment the content.

Contents after Amendment		Contents before Amendment		Explanation
Article 8	The Company shall request their directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy. The Company and their respective business group shall clearly specify in their rules and external documents and on the company website the ethical corporate management policies and the commitment by the board of directors and senior management on rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities. The Company shall compile documented information on the ethical management policy, statement, commitment and implementation mentioned in the first and second paragraphs and retain said information properly.	Article 8	The Company and Business Group shall clearly specify in its rules and external documents the ethical corporate management policies and the commitment by the board of directors and the management on rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities.	According to the Article 8 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" amendment the content.
Article 17	The directors, managers, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the company to prevent unethical conduct, always review the	Article 17	The directors, managers, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the company to prevent unethical conduct, always review the	According to the Article 17 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" amendment the content.

Contents after Amendment		Contents before Amendment		Explanation
	results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies. To achieve sound ethical corporate management, the company shall establish a dedicated unit that is under the board of directors and avail itself of adequate resources and staff itself with competent personnel, responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. The dedicated unit shall be in charge of the following matters, and shall report to the board of directors on a regular basis (at least once a year): 1. Assisting in incorporating ethics and moral values into the Company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations. 2. Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business		results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies. To achieve sound ethical corporate management, the company shall establish a dedicated unit responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. The dedicated unit shall be in charge of the following matters: 1. Assisting in incorporating ethics and moral values into the Company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations. 2. Adopting programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to the Company's operations and business. 3. Planning the internal organization, structure, and allocation of responsibilities and setting up	

Contents after Amendment		Contents before Amendment		Explanation
	scope, adopting accordingly programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the company's operations and business. 3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct. 4. Promoting and coordinating awareness and educational activities with respect to ethics policy. 5. Developing a whistle-blowing system and ensuring its operating effectiveness. 6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.		check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct. 4. Promoting and coordinating awareness and educational activities with respect to ethics policy. 5. Developing a whistle-blowing system and ensuring its operating effectiveness. 6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.	
Article	The Company shall establish	Article	The Company shall establish	According to the

Contents after Amendment		Contents before Amendment		Explanation
20	effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results. The internal audit unit of the Company shall, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans, including auditees, audit scope, audit items, audit frequency, etc., and examine accordingly the compliance with the prevention programs. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary. The results of examination in the preceding paragraph shall be reported to senior management and the ethical management dedicated unit and put down in writing in the form of an audit report to be submitted to the board of directors.	20	effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results. The internal audit unit of the Company shall periodically examine the Company's compliance with the foregoing systems and prepare audit reports and submit the same to the board of directors. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.	Article 20 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" amendment the content.
Article 23	The Company shall adopt a concrete whistle-blowing system and scrupulously	Article 23	The Company shall adopt a concrete whistle-blowing system and scrupulously	According to the Article 23 of the “Ethical Corporate

Contents after Amendment		Contents before Amendment		Explanation
	operate the system. The whistle-blowing system shall include at least the following: 1.An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow company insiders and outsiders to submit reports. 2.Dedicated personnel or unit appointed to handle the whistle-blowing system. Any tip involving a director or senior management shall be reported to the independent directors. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted. 3.Follow-up measures to be adopted depending on the severity of the circumstances after investigations of cases reported are completed. Where necessary, a case shall be reported to the competent authority or referred to the judicial authority. 4.Documentation of case acceptance, investigation processes, investigation results, and relevant documents. 5.Confidentiality of the identity of whistle-blowers and the content of reported cases,		operate the system. The whistle-blowing system shall include at least the following: 1. An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow company insiders and outsiders to submit reports. 2. Dedicated personnel or unit appointed to handle whistle-blowing system. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted. 3. Documentation of case acceptance, investigation processes, investigation results, and relevant documents. 4. Confidentiality of the identity of whistle-blowers and the content of reported cases. 5. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing. When material misconduct or likelihood of material impairment to the Company comes to its awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall	Management Best Practice Principles for TWSE/TPEx Listed Companies" amendment the content.

Contents after Amendment		Contents before Amendment		Explanation
	and an undertaking regarding anonymous reporting. 6. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing. 7. Whistle-blowing incentive measures. When material misconduct or likelihood of material impairment to the Company comes to its awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and comply with relevant procedures for notification.		immediately prepare a report and comply with relevant procedures for notification.	
Article 27	The ethical corporate management best practice principles of the Company shall be implemented after the board of directors grants the approval, and shall be reported at a shareholders' meeting. The same procedure shall be followed when the principles have been amended. When the Company's ethical corporate management best practice principles are submitted for discussion by the board of directors, the board shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter,	Article 27	The ethical corporate management best practice principles of the Company shall be implemented after the board of directors grants approval. The same procedure shall be followed when the principles have been amended. When the Company's ethical corporate management best practice principles are submitted for discussion by the board of directors, the board shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of	According to the Article 27 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" amendment the content.

Contents after Amendment		Contents before Amendment		Explanation
	it shall be recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objection or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.		directors meeting. An independent director that cannot attend the board meeting in person to express objection or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.	
Article 28	These Principles were established on November 12, 2015. Revised on April 27, 2023 for the first time.	Article 28	These Principles were established on November 12, 2015.	The revision date adjusted based on the approval date.

Attachment 6

Lite-On Technology Corporation
Ethical Corporate Management Best Practice Principles

Article 1

LITE-ON Technology Corporation (hereinafter referred to as "the Company") adopts these Principles to foster a corporate culture of ethical management and sound development, and to establish a framework for good commercial practices.

These Principles are applicable to the Company's business groups and organizations, which comprise its subsidiaries, any foundation to which the Company's direct or indirect contribution of funds exceeds 50 percent of the total funds received, and other institutions or juridical persons over which the Company holds substantial control ("Business Group").

Article 2

When engaging in commercial activities, directors, managers, employees, and mandataries of the Company or persons having substantial control over the Company ("substantial controllers") shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty ("unethical conduct") for purposes of acquiring or maintaining benefits.

Parties referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and their directors, supervisors, managers, employees or substantial controllers or other stakeholders.

Article 3

"Benefits" in these Principles means any valuable things, including money, endowments, commissions, positions, services, preferential treatment or rebates of any type or in any name. Benefits received or given occasionally in accordance with accepted social customs and that do not adversely affect specific rights and obligations shall be excluded.

Article 4

The Company shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE/GTSM listing rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.

Article 5

The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and obtain approval from the board of directors, and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.

Article 6

In order to realize the operational philosophies and policies of the previous Article, the Company has, in its "Work Rules" and "Practitioner Code of Conduct", established specific ethical management practices and the programs to forestall unethical conduct ("prevention programs"), including operational procedures, guidelines, and training.

In the course of developing the prevention programs, the Company are advised to negotiate with staff, labor unions members, important trading counterparties, or other stakeholders.

Article 7

The Company shall establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly and review their adequacy and effectiveness on a regular basis.

The prevention programs adopted by the Company shall include preventive measures as the following:

1. Offering and acceptance of bribes.
2. Illegal political donations.
3. Improper charitable donations or sponsorship.
4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits.
5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights.
6. Engaging in unfair competitive practices.
7. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.

Article 8

The Company shall request their directors and senior management to issue a statement of compliance with the

ethical management policy and require in the terms of employment that employees comply with such policy.
The Company and their respective business group shall clearly specify in their rules and external documents and on the company website the ethical corporate management policies and the commitment by the board of directors and senior management on rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities.
The Company shall compile documented information on the ethical management policy, statement, commitment and implementation mentioned in the first and second paragraphs and retain said information properly.

Article 9

The Company shall engage in commercial activities in a fair and transparent manner based on the principle of ethical management. Prior to any commercial transactions, the Company shall take into consideration the legality of its agents, suppliers, clients, or other trading counterparties and whether any of them are involved in unethical conduct, and shall avoid any dealings with persons so involved.

When entering into contracts with its agents, suppliers, clients, or other trading counterparties, the Company shall include in such contracts terms requiring compliance with ethical corporate management policy and that in the event the trading counterparties are involved in unethical conduct, the Company may at any time terminate or rescind the contracts.

Article 10

When conducting business, the Company and its directors, managers, employees, mandataries, and substantial controllers, may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders.

Article 11

When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company and its directors, managers, employees, mandataries, and substantial controllers, shall comply with the Political Donations Act and relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.

Article 12

When making or offering donations and sponsorship, the Company and its directors, managers, employees, mandataries, and substantial controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.

Article 13

The Company and its directors, managers, employees, mandataries, and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.

Article 14

The Company and its directors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations, the Company's internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.

Article 15

The Company shall engage in business activities in accordance with applicable competition laws and regulations, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.

Article 16

In the course of research and development, procurement, manufacture, provision, or sale of products and services, the Company and its directors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, its products and services, and implement these in its operations, with a view to preventing its products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. Where there are sufficient facts to determine that the Company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the Company shall, in principle, recall those products or suspend the services immediately.

Article 17

The directors, managers, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.

To achieve sound ethical corporate management, the company shall establish a dedicated unit that is under the board of directors and avail itself of adequate resources and staff itself with competent personnel, responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. The dedicated unit shall be in charge of the following matters, and shall report to the board of directors on a regular basis (at least once a year):

1. Assisting in incorporating ethics and moral values into the Company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.
2. Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business scope, adopting accordingly programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the company's operations and business.
3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.
4. Promoting and coordinating awareness and educational activities with respect to ethics policy.
5. Developing a whistle-blowing system and ensuring its operating effectiveness.
6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.

Article 18

The Company and its directors, managers, employees, mandataries, and substantial controllers shall comply with laws and regulations and the prevention programs when conducting business.

Article 19

The Company shall adopt policies for preventing conflicts of interest to identify, monitor, and manage risks possibly resulting from unethical conduct, and shall also offer appropriate means for directors, managers, and other stakeholders attending or present at board meetings to voluntarily explain whether their interests would potentially conflict with those of the Company.

When a proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, managers, and other stakeholders attending or present at board meetings of the Company, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the Company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.

The Company's directors, managers, employees, mandataries, and substantial controllers shall not take advantage of their positions or influence in the companies to obtain improper benefits for themselves, their spouses, parents, children or any other person.

Article 20

The Company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results.

The internal audit unit of the Company shall, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans, including auditees, audit scope, audit items, audit frequency, etc., and examine accordingly the compliance with the prevention programs. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.

The results of examination in the preceding paragraph shall be reported to senior management and the ethical management dedicated unit and put down in writing in the form of an audit report to be submitted to the board of directors.

Article 21

The Company shall establish operational procedures and guidelines in accordance with Article 6 hereof to guide directors, managers, employees, and substantial controllers on how to conduct business. The procedures and guidelines should contain the following matters:

1. Standards for determining whether improper benefits have been offered or accepted.
2. Procedures for offering legitimate political donations.
3. Procedures and the standard rates for offering charitable donations or sponsorship.
4. Rules for avoiding work-related conflicts of interests and how they should be reported and handled.
5. Rules for keeping confidential trade secrets and sensitive business information obtained in the ordinary course of business.
6. Regulations and procedures for dealing with suppliers, clients and business transaction counterparties suspected of unethical conduct.
7. Handling procedures for violations of these Principles.
8. Disciplinary measures on offenders.

Article 22

The chairperson, general manager, or senior management of the Company shall communicate the importance of corporate ethics to its directors, employees, and mandataries on a regular basis.

The Company shall periodically organize training and awareness programs for directors, managers, employees, mandataries, and substantial controllers and invite the Company's commercial transaction counterparties so they understand the Company's resolve to implement ethical corporate management, the related policies, prevention programs and the consequences of committing unethical conduct.

The Company shall apply the policies of ethical corporate management when creating its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.

Article 23

The Company shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following:

1. An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow company insiders and outsiders to submit reports.
2. Dedicated personnel or unit appointed to handle the whistle-blowing system. Any tip involving a director or senior management shall be reported to the independent directors. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.
3. Follow-up measures to be adopted depending on the severity of the circumstances after investigations of cases reported are completed. Where necessary, a case shall be reported to the competent authority or referred to the judicial authority.
4. Documentation of case acceptance, investigation processes, investigation results, and relevant documents.
5. Confidentiality of the identity of whistle-blowers and the content of reported cases, and an undertaking regarding anonymous reporting.
6. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.
7. Whistle-blowing incentive measures.

When material misconduct or likelihood of material impairment to the Company comes to its awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and comply with relevant procedures for notification.

Article 24

The Company shall adopt and publish a well-defined disciplinary and appeal system for handling violations of the ethical corporate management rules.

Article 25

The Company shall collect quantitative data about the promotion of ethical management and continuously analyze and assess the effectiveness of the promotion of ethical management policy. The Company shall also disclose the measures taken for implementing ethical corporate management, and the status of implementation on its company websites, annual reports, and prospectuses, and shall disclose its ethical corporate management best practice principles on the Market Observation Post System.

Article 26

The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage its directors, managers, and employees to make suggestions, based on which the adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.

Article 27

The ethical corporate management best practice principles of the Company shall be implemented after the board of directors grants the approval, and shall be reported at a shareholders' meeting. The same procedure shall be followed when the principles have been amended.

When the Company’s ethical corporate management best practice principles are submitted for discussion by the board of directors, the board shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objection or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.

Article 28

These Principles were established on November 12, 2015.
Revised on April 27, 2023 for the first time.

LITE-ON Technology Corporation Attachment 7		
Comparison Table of Amendments to the "Corporate Governance Best Practice Principles".		
Amended provisions	Current provisions	Explanation
Article 3 (Establishment of internal control system) The first and second items are omitted. The Company shall perform full self-assessments of its internal control system. Its board of directors and management shall review the results of the self-assessments by each department at least annually and the reports of the internal audit department on a quarterly basis. The Audit Committee shall also attend to and supervise these matters. Directors and independent directors should regularly hold discussions with internal auditors regarding deficiencies in the internal control system. These discussions should be documented, and follow-up actions should be tracked and implemented. Additionally, a report should be presented to the board of directors. The Company establishes channels and mechanisms of communication between the independent directors, the Audit Committee, and the chief internal auditor. The convener or members of the Audit Committee may report their communication with the independent directors and the chief internal auditor at the shareholders meeting as needed. The following is omitted.	Article 3 (Establishment of internal control system) The first and second items are omitted. The Company shall perform full self-assessments of its internal control system. Its board of directors and management shall review the results of the self-assessments by each department at least annually and the reports of the internal audit department on a quarterly basis. The Audit Committee shall also attend to and supervise these matters. The Company establishes channels and mechanisms of communication between the independent directors, the Audit Committee, and the chief internal auditor. The convener or members of the Audit Committee may report their communication with the independent directors and the chief internal auditor at the shareholders meeting as needed. The following is omitted.	Revised in accordance with practical company operations and the second item of Article 3 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

Article 3-1 (Personnel responsible for corporate governance affairs) The Company has an adequate number of corporate governance personnel with appropriate qualifications based on the size of the company, business situations and management needs, and appoints a chief corporate governance officer as the most senior officer to be in charge of corporate governance affairs. Said officer shall be a qualified, practice-eligible lawyer or accountant or have been in a managerial position for at least three years in a securities, financial, or futures related institution or a public company in handling legal affairs, financial affairs, stock affairs, or corporate governance affairs. It is required that the corporate governance affairs mentioned in the preceding paragraph include at least the following items: 1. Handling matters relating to board meetings and shareholders meetings according to laws. 2. Producing minutes of board meetings and shareholders meetings. 3. Assisting in onboarding and continuous development of directors. 4. Furnishing information required for business execution by directors. 5. Assisting directors with legal compliance. <u>6. The board of directors should report on the examination results regarding the qualifications of independent directors during their nomination, election, and tenure.</u> <u>7. Handling matters related to changes in directors.</u> <u>8</u>. Other matters set out in the articles or corporation or contracts.	Article 3-1 (Personnel responsible for corporate governance affairs) The Company has an adequate number of corporate governance personnel with appropriate qualifications based on the size of the company, business situations and management needs, and appoints a chief corporate governance officer as the most senior officer to be in charge of corporate governance affairs. Said officer shall be a qualified, practice-eligible lawyer or accountant or have been in a managerial position for at least three years in a securities, financial, or futures related institution or a public company in handling legal affairs, financial affairs, stock affairs, or corporate governance affairs. It is required that the corporate governance affairs mentioned in the preceding paragraph include at least the following items: 1. Handling matters relating to board meetings and shareholders meetings according to laws. 2. Producing minutes of board meetings and shareholders meetings. 3. Assisting in onboarding and continuous development of directors. 4. Furnishing information required for business execution by directors. 5. Assisting directors with legal compliance. 6. Other matters set out in the articles or corporation or contracts.	Revised in accordance with practical company operations and the second item of Article 3-1 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

Article 12 (Material financial and business transactions being subject to shareholders meeting approval) In entering into material financial and business transactions such as acquisition or disposal of assets, lending funds, and making endorsements or providing guarantees, the Company shall proceed in accordance with the applicable laws and/or regulations and establish operating procedures in relation to these material financial and business transactions which shall be reported to and approved by the shareholders meeting so as to protect the interests of the shareholders. When the company undergoes mergers or public acquisitions, in addition to complying with relevant legal requirements, it is crucial to consider the fairness and reasonableness of the merger or acquisition plan and transaction. Furthermore, attention should be given to information disclosure and the soundness of the post-transaction financial structure of the company. When the management or a major shareholder of the company is involved in a merger or acquisition, a legal opinion by independent lawyer should be issued to review if members of the audit committee to review the merger and acquisition in the preceding paragraph have met the regulations of Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, to ensure they are not a related party to a counterparty of the merger and acquisition transaction or do not have such interest that would influence their independence, whether the design and implementation of the relevant procedure meet the applicable laws, and if a full disclosure has been made in accordance with the applicable laws. Qualifications of the lawyer in the preceding paragraph shall meet the requirements in Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and the lawyer should not be a related party to a counterparty of the merger and acquisition transaction or should not have such interest that would influence their independence. The relevant personnel of the Company handling the matters in the preceding paragraph shall pay attention to the occurrence of any conflicts of interest and the need for recusal.	Article 12 (Material financial and business transactions being subject to shareholders meeting approval) In entering into material financial and business transactions such as acquisition or disposal of assets, lending funds, and making endorsements or providing guarantees, the Company shall proceed in accordance with the applicable laws and/or regulations and establish operating procedures in relation to these material financial and business transactions which shall be reported to and approved by the shareholders meeting so as to protect the interests of the shareholders. In the case of a management buyout (MBO), in addition to following the applicable laws and regulations, the Company is advised to assemble an independent and impartial review committee to review the buyout price and reasonableness of the buyout plan. The Company should also pay attention to information disclosure requirements. The relevant personnel of the Company handling the matters in the preceding paragraph shall pay attention to the occurrence of any conflicts of interest and the need for recusal.	Revised in accordance with practical company operations and the Article 12 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

Article 13-1 (The board of directors is responsible for establishing a mechanism for interaction with shareholders) The board of directors of the company is responsible for establishing a mechanism for interaction with shareholders to enhance mutual understanding of the development of company's objectives.	–	1.This provision is newly added. 2.Revised according to Article 13-1 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
Article 13-2 (Efficient communication with shareholders to gain their support) In addition to communicating with shareholders through shareholders meetings and encouraging shareholders to participate in such meetings, the board of directors of the company together with officers and independent directors shall engage with shareholders in an efficient manner to ascertain shareholders' views and concerns, and expound company policies explicitly, in order to gain shareholders' support.	–	1.This provision is newly added. 2.Revised according to Article 13-2 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

Article 17 (Principle of fair dealing and reasonableness in business transactions with affiliated enterprises) When the Company and its affiliated enterprises enter into inter-company business transactions, a written agreement governing the relevant financial and business operations between them shall be made in accordance with the principle of fair dealing and reasonableness. Price and payment terms shall be definitively stipulated when contracts are signed, and non-arm's length transactions and improper benefit transfers shall be prohibited. The aforementioned written guidelines should include management procedures for transactions related to purchases and sales of goods, acquisition or disposal of assets, lending of funds, and endorsement guarantees. Additionally, significant transactions in this context should be approved by the board of directors, agreed upon by the shareholders’ meeting, or reported. ~~All transactions or contracts made by and between the Company and its affiliated persons and shareholders shall follow the principles set forth in the preceding paragraph, and improper channeling of profits is strictly prohibited.~~	Article 17 (Principle of fair dealing and reasonableness in business transactions with affiliated enterprises) When the Company and its affiliated enterprises enter into inter-company business transactions, a written agreement governing the relevant financial and business operations between them shall be made in accordance with the principle of fair dealing and reasonableness. Price and payment terms shall be definitively stipulated when contracts are signed, and non-arm's length transactions shall be prohibited. All transactions or contracts made by and between the Company and its affiliated persons and shareholders shall follow the principles set forth in the preceding paragraph, and improper channeling of profits is strictly prohibited.	Revised according to Article 37 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

Article 20 (Board competencies) The first and second items are omitted. The structure of the Company's board of directors shall be determined by choosing an appropriate number of board members, not less than five, in consideration of its business scale, the shareholdings of its major shareholders, and practical operational needs. The composition of the board of directors shall be determined by taking diversity into consideration. It is advisable that directors concurrently serving as company officers not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards: The following is omitted.	Article 20 (Board competencies) The first and second items are omitted. The structure of the Company's board of directors shall be determined by choosing an appropriate number of board members, not less than five, in consideration of its business scale, the shareholdings of its major shareholders, and practical operational needs. The composition of the board of directors shall be determined by taking diversity into consideration. It is advisable that an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards: The following is omitted.	Revised in accordance with practical company operations and the third item of Article 20 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
Article 24 (Appointing independent directors according to articles of incorporation) The first item is omitted. Independent directors shall possess professional knowledge and there shall be restrictions on their shareholdings and concurrent positions held. Applicable laws and regulations shall be observed and, in addition, it is not advisable for an independent director to hold office concurrently as a director (including independent director) or supervisor of more than five other listed companies. Independent directors shall also maintain independence within the scope of their directorial duties, and may not have any direct or indirect interest in the Company. ~~The election of independent directors of the Company is subject to the provisions of Article 192-1 of the Company Act in that a candidate nomination system shall be adopted, that such system shall be expressly stated in the Articles of Incorporation of the Company, and that shareholders shall elect independent directors from among the those listed in the slate of candidates. Independent and non-independent~~	Article 24 (Appointing independent directors according to articles of incorporation) The first item is omitted. Independent directors shall possess professional knowledge and there shall be restrictions on their shareholdings and concurrent positions held. Independent directors shall also maintain independence within the scope of their directorial duties, and may not have any direct or indirect interest in the Company. The election of independent directors of the Company is subject to the provisions of Article 192-1 of the Company Act in that a candidate nomination system shall be adopted, that such system shall be expressly stated in the Articles of Incorporation of the Company, and that	Revised in accordance with practical company operations and Article 24 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

~~directors shall be elected at the same time in accordance with Article 198 of the Company Act, but the numbers of independent or non-independent directors to be elected shall be counted separately.~~ If the Company and its group enterprises and organizations, and another company and its group enterprises and organizations nominate for each other any director, supervisor or managerial officer as a candidate for an independent director of the other, the Company shall, at the time it receives the nominations for independent directors, disclose the fact and explain the suitability of the candidate for independent director. If the candidate is elected as an independent director, the Company shall disclose the number of votes cast in favor of the elected independent director. The "group enterprises and organizations" in the preceding paragraph comprise the subsidiaries of the Company, any foundation to which the Company's cumulative direct or indirect contribution of funds exceeds 50 percent of its endowment, and other institutions or juristic persons that are effectively controlled by the Company. Change of status between independent directors and non-independent directors during their term of office is prohibited. ~~When the number of independent directors falls below the minimum in the first paragraph or the articles of incorporation due to the discharge of an independent director for any reason,~~ ~~the Company shall hold a by-election for independent director at the following shareholders meeting. When all independent directors are discharged, the Company shall convene a special shareholders meeting within 60 days of the occurrence of that fact for a by-election for independent directors.~~ The professional qualifications, restrictions on both shareholding and concurrent positions held, determination of independence, method of nomination and other requirements with	shareholders shall elect independent directors from among the those listed in the slate of candidates. Independent and non-independent directors shall be elected at the same time in accordance with Article 198 of the Company Act, but the numbers of independent or non-independent directors to be elected shall be counted separately. If the Company and its group enterprises and organizations, and another company and its group enterprises and organizations nominate for each other any director, supervisor or managerial officer as a candidate for an independent director of the other, the Company shall, at the time it receives the nominations for independent directors, disclose the fact and explain the suitability of the candidate for independent director. If the candidate is elected as an independent director, the Company shall disclose the number of votes cast in favor of the elected independent director. The "group enterprises and organizations" in the preceding paragraph comprise the subsidiaries of the Company, any foundation to which the Company's cumulative direct or indirect contribution of funds exceeds 50 percent of its endowment, and other institutions or juristic persons that are effectively controlled by the Company. Change of status between independent directors and non-independent directors during their term of office is	

regard to the independent directors shall be set forth in accordance with the Securities and Exchange Act, the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and the rules and regulations of the TWSE.	prohibited. When the number of independent directors falls below the minimum in the first paragraph or the articles of incorporation due to the discharge of an independent director for any reason, the Company shall hold a by-election for independent director at the following shareholders meeting. When all independent directors are discharged, the Company shall convene a special shareholders meeting within 60 days of the occurrence of that fact for a by-election for independent directors. The professional qualifications, restrictions on both shareholding and concurrent positions held, determination of independence, method of nomination and other requirements with regard to the independent directors shall be set forth in accordance with the Securities and Exchange Act, the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and the rules and regulations of the TWSE.	
Article 25-1 A TWSE/TPEx listed company shall submit the following matters to the board of directors for approval by resolution as provided in the Securities and Exchange Act. When an independent director has a dissenting opinion or qualified opinion, it shall be noted in the minutes of the directors meeting:	Article 25-1 A TWSE/TPEx listed company shall submit the following matters to the board of directors for approval by resolution as provided in the Securities and Exchange Act. When an independent director has a dissenting opinion or qualified	In response to the Financial Supervisory Commission’s requirement that Taiwanese listed and

1. Adoption or amendment of the internal control system pursuant to Article 14-1 of the Securities and Exchange Act. 2. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others. 3. A matter bearing on the personal interest of a director ~~or a supervisor~~. 4. A material asset or derivatives transaction. 5. A material monetary loan, endorsement, or provision of guarantee. 6. The offering, issuance, or private placement of any equity-type securities. 7. The hiring, discharge, or compensation of an attesting CPA. 8. The appointment or discharge of a financial, accounting, or internal auditing officer. 9. Any other material matter so required by the competent authority.	opinion, it shall be noted in the minutes of the directors meeting: 1. Adoption or amendment of the internal control system pursuant to Article 14-1 of the Securities and Exchange Act. 2. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others. 3. A matter bearing on the personal interest of a director or a supervisor. 4. A material asset or derivatives transaction. 5. A material monetary loan, endorsement, or provision of guarantee. 6. The offering, issuance, or private placement of any equity-type securities. 7. The hiring, discharge, or compensation of an attesting CPA. 8. The appointment or discharge of a financial, accounting, or internal auditing officer. 9. Any other material matter so required by the competent authority.	OTC companies should fully establish audit committees to replace supervisors by the end of 2022, the phrase “supervisors” has been removed from this principles.
Article 27 (Establishing the Audit Committee) The Company establishes an audit committee. The Audit Committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be convener, and at least one of whom shall have accounting or financial expertise.	Article 27 (Establishing the Audit Committee) The Company establishes an audit committee. The Audit Committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be convener, and at	Revised the third item of this article according to the company “Audit Committee Organizational Rules”

The Company has established an audit committee. The provisions regarding supervisors in the Securities and Exchange Act, the Company Act, and other laws and regulations apply mutatis mutandis to the Audit Committee. The following matters shall be subject to the consent of one-half or more of all Audit Committee members and be submitted to the board of directors for a resolution: 1. Adoption or amendment, pursuant to Article 14-1 of the Securities and Exchange Act, of an internal control system. 2. Assessment of the effectiveness of the internal control system. 3. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, to the handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others. 4. Any matter bearing on the personal interest of a director. 5. Any material asset or derivatives transaction. 6. Any material monetary loan, endorsement, or provision of a guarantee. 7. The offering, issuance, or private placement of equity-type securities. 8. The hiring or dismissal of an attesting CPA, or the compensation given thereto. 9. The appointment or discharge of a financial, accounting, or internal audit officer. 10. The annual financial report which are signed or sealed by the chairperson, managerial officer, and accounting officer ~~and semi-annual financial~~	least one of whom shall have accounting or financial expertise. The Company has established an audit committee. The provisions regarding supervisors in the Securities and Exchange Act, the Company Act, and other laws and regulations apply mutatis mutandis to the Audit Committee. The following matters shall be subject to the consent of one-half or more of all Audit Committee members and be submitted to the board of directors for a resolution: 1. Adoption or amendment, pursuant to Article 14-1 of the Securities and Exchange Act, of an internal control system. 2. Assessment of the effectiveness of the internal control system. 3. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, to the handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others. 4. Any matter bearing on the personal interest of a director. 5. Any material asset or derivatives transaction.	

~~report~~. 11. Proposals regarding business reports and profit distribution or loss replenishment. 12. Other material matters as provide by the Company or the competent authority. The exercise of power by the Audit Committee and independent directors and related matters shall be set forth in accordance with the Securities and Exchange Act, the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies, and the rules and regulations of the TWSE.	6. Any material monetary loan, endorsement, or provision of a guarantee. 7. The offering, issuance, or private placement of equity-type securities. 8. The hiring or dismissal of an attesting CPA, or the compensation given thereto. 9. The appointment or discharge of a financial, accounting, or internal audit officer. 10. The annual financial report and semi-annual financial report. 11. Other material matters as provide by the Company or the competent authority. The exercise of power by the Audit Committee and independent directors and related matters shall be set forth in accordance with the Securities and Exchange Act, the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies, and the rules and regulations of the TWSE.	
Article 28-4 (A whistleblowing system) The company is advised to establish and announce channels for internal and external whistleblowers and have whistleblower protection mechanisms in place. The unit that handles whistleblowers' reporting shall be independent, provide encrypted protection for the files furnished by whistleblowers, and appropriately restrict access to such files. It shall also formulate internal procedures and incorporate those	-	Revised in accordance with practical company operations and Article 28-3 of the Corporate Governance Best Practice Principles for

procedures into the company's internal control system for management purposes.		TWSE/TPEx Listed Companies.
Article 29 (Improving quality of financial reports) The first and second items are omitted. Accounting personnel handling the preparation of financial reports shall also participate in relevant professional development courses ~~as needed~~ for 6 hours or more each year. Those courses may be company internal training activities or may be professional courses offered by professional development institutions for principal accounting officers. The Company shall select as its external auditor a professional, responsible, and independent attesting CPA, who shall perform regular reviews of the financial conditions and internal control measures of the Company as needed. With regard to any irregularity or deficiency discovered and disclosed in a timely manner by the auditor during the review, and concrete measures for improvement or prevention suggested by the auditor, the Company shall faithfully implement improvement actions. It is advisable that the Company establish channels and mechanisms of communication between the independent directors or Audit Committee and the attesting CPA, and to incorporate procedures for that purpose into the company's internal control system for management purposes. The Company shall evaluate the independence and suitability of the CPA engaged by the Company regularly (at least once a year) refer to the Audit Quality Indicators (AQIs). In the event that the Company engages the same CPA without replacement for 7 years consecutively, or if the CPA is subject to disciplinary action or other circumstances prejudicial to the CPA's independence, the Company shall evaluate the necessity of replacing the CPA and submit its conclusion to the board of directors.	Article 29 (Improving quality of financial reports) The first and second items are omitted. Accounting personnel handling the preparation of financial reports shall also participate in relevant professional development courses as needed each year. Those courses may be company internal training activities or may be professional courses offered by professional development institutions for principal accounting officers. The Company shall select as its external auditor a professional, responsible, and independent attesting CPA, who shall perform reviews of the financial conditions and internal control measures of the Company as needed. With regard to any irregularity or deficiency discovered and disclosed in a timely manner by the auditor during the review, and concrete measures for improvement or prevention suggested by the auditor, the Company shall faithfully implement improvement actions. It is advisable that the Company establish channels and mechanisms of communication between the independent directors or Audit Committee and the attesting CPA. The Company shall evaluate the independence and suitability of the CPA engaged by the Company regularly (at least once a year). In the event that the Company engages the same CPA without replacement for 7 years	Revised in accordance with practical company operations and the third to fifth item of Article 29 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

	consecutively, or if the CPA is subject to disciplinary action or other circumstances prejudicial to the CPA's independence, the Company shall evaluate the necessity of replacing the CPA and submit its conclusion to the board of directors.	
Article 35 (Issues subject to discussion in board meetings) The Company shall submit the following matters to its board of directors for discussion: 1. Corporate business plans. 2. Annual ~~and semi-annual~~ financial reports which are signed or sealed by the chairperson, managerial officer, and accounting officer~~, with the exception of semi-annual financial reports which, under relevant laws and regulations, need not be CPA audited and attested~~. 3. Adoption or amendment to an internal control system pursuant to Article 14-1 of the Securities and Exchange Act, and evaluation of effectiveness of an internal control system. 4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, to the handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others. 5. The offering, issuance, or private placement of equity-type securities. 6. The performance assessment and the standard of remuneration of the managerial officers.	Article 35 (Issues subject to discussion in board meetings) The Company shall submit the following matters to its board of directors for discussion: 1. Corporate business plans. 2. Annual and semi-annual financial reports, with the exception of semi-annual financial reports which, under relevant laws and regulations, need not be CPA audited and attested. 3. Adoption or amendment to an internal control system pursuant to Article 14-1 of the Securities and Exchange Act, and evaluation of effectiveness of an internal control system. 4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, to the handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others. 5. The offering, issuance, or private placement of	Revised the first item of Article 35 in accordance with practical company operations and the first item of Article 35 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the regulation and procedure for Board of Directors Meetings.

7. <u>The structure and system of director's remuneration.</u> <u>8</u>~~6~~. The appointment or discharge of a financial, accounting, or internal audit officer. <u>9</u>~~7~~. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition. <u>10</u>~~8~~. Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders meeting or to be approved by resolution at a meeting of the board of directors, or any such significant matter as may be prescribed by the competent authority. The second item is omitted.	equity-type securities. 6. The appointment or discharge of a financial, accounting, or internal audit officer. 7. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition. 8. Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders meeting or to be approved by resolution at a meeting of the board of directors, or any such significant matter as may be prescribed by the competent authority. The second item is omitted.	
Article 37 (Board members to conduct duties faithfully and fulfill the obligations of a prudent director) Members of the board of directors shall faithfully conduct corporate affairs and perform the duty of care of a good administrator. In conducting the affairs of the Company, they shall exercise their powers with a high level of self-discipline and prudence. Unless matters are otherwise reserved by law for approval in shareholders meetings or in the articles of incorporation, they shall ensure that all matters are handled according to the resolutions of board of directors.	Article 37 (Board members to conduct duties faithfully and fulfill the obligations of a prudent director) Members of the board of directors shall faithfully conduct corporate affairs and perform the duty of care of a good administrator. In conducting the affairs of the Company, they shall exercise their powers with a high level of self-discipline and prudence. Unless matters are otherwise reserved by law for approval in shareholders meetings or in the articles of	Revised in accordance with practical company operations and Article 37 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed

~~Board resolutions involving corporate management and development or the direction of major policies shall be considered with great care, and shall not be allowed to influence the promotion or implementation of corporate governance. Independent directors shall perform their duties as required by law or the articles of incorporation in order to protect the rights and equity of the Company and its shareholders.~~ The Company formulates rules and procedures for board of directors performance assessments~~, and that each year it conduct performance assessments of the board of directors and functional committees in an appropriate manner~~. Each year, in respect of the board of directors and individual directors, it shall conduct regularly scheduled performance assessments through self-assessments or peer-to-peer assessments, and may also do so through outside professional institutions or in any other appropriate manner. A performance assessment of the board of directors shall include the following aspects, and appropriate assessment indicators shall be developed in consideration of the company's needs: 1. The degree of participation in the company's operations. 2. Improvement in the quality of decision making by the board of directors. 3. The composition and structure of the board of directors. 4. The election of the directors and their continuing professional education. 5. Internal controls. The performance assessments of board members (self-assessments or peer-to-peer assessments) shall include the following aspects, with appropriate adjustments made on the basis of the company's needs: 1. Their grasp of the company's goals and missions. 2. Their recognition of director's duties. 3. Their degree of participation in the company's operations. 4. Their management of internal relationships and communication.	incorporation, they shall ensure that all matters are handled according to the resolutions of board of directors. Board resolutions involving corporate management and development or the direction of major policies shall be considered with great care, and shall not be allowed to influence the promotion or implementation of corporate governance. Independent directors shall perform their duties as required by law or the articles of incorporation in order to protect the rights and equity of the Company and its shareholders. The Company formulates rules and procedures for board of directors performance assessments, and that each year it conduct performance assessments of the board of directors and functional committees in an appropriate manner.	Companies.

5. Their professionalism and continuing professional education. 6. Internal controls. The company conduct performance assessments of a functional committee, covering the following aspects, with appropriate adjustments made on the basis of the company's needs: 1. Their degree of participation in the company's operations. 2. Their recognition of the duties of the functional committee. 3. Improvement in the quality of decision making by the functional committee. 4. The composition of the functional committee, and election and appointment of committee members. 5. Internal control. The company submit the results of performance assessments to the board of directors and use them as reference in determining compensation for individual directors, their nomination and additional office term.		
Article 38 (Succession plan for the management) It is advisable for the Company to establish a succession plan for the management ~~to ensure sustainable operation~~. The development and implementation of such plan shall be periodically evaluated by the board of directors to ensure sustainable operation.	Article 38 (Succession plan for the management) It is advisable for the Company to establish a succession plan for the management to ensure sustainable operation.	Revised in accordance with practical company operations and Article 37-1 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

Article 38-1 (Establishment of an intellectual property regulatory system) The board of directors is advised to evaluate and monitor the following aspects of the company's direction of operation and performance in connection with intellectual properties, to ensure the company develops an intellectual property regulatory system in accordance with the Plan-Do-Check-Act cycle: 1. Formulate intellectual property regulatory policies, objectives and systems that are slightly associated with the operational strategies. 2. Develop, implement and maintain on the basis of scale and form its regulatory systems governing the procurement, protection, maintenance and utilization of intellectual properties. 3. Identify and provide the necessary resources sufficient to ensure effective implementation and maintenance of the intellectual property regulatory system. 4. Observe internally and externally the risks and opportunities that intellectual property regulation may present and adopt corresponding measures. 5. Plan for and implement a continuous improvement mechanism to ensure the operation and effects of the intellectual property regulatory regime meet the company's expectations.	–	1.This provision is newly added. 2.Revised according to Article 37-2 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

Article 52 (Enforcement) These Principles shall take effect after the approval of the board of directors. The same applies to all subsequent amendments. These Best Practice Principles are established on November 12, 2015. First amendment of these Best Practice Principles passed on July 14, 2017. Second amendment of these Best Practice Principles passed on April 26, 2019. Third amendment of these Best Practice Principles passed on October 30, 2020. Fourth amendment of these Best Practice Principles passed on February 25, 2021. Fifth amendment of these Best Practice Principles passed on October 28, 2022. Sixth amendment of these Best Practice Principles passed on October 30, 2023.	Article 52 (Enforcement) These Principles shall take effect after the approval of the board of directors. The same applies to all subsequent amendments. These Best Practice Principles are established on November 12, 2015. First amendment of these Best Practice Principles passed on July 14, 2017. Second amendment of these Best Practice Principles passed on April 26, 2019. Third amendment of these Best Practice Principles passed on October 30, 2020. Fourth amendment of these Best Practice Principles passed on February 25, 2021. Fifth amendment of these Best Practice Principles passed on October 28, 2022.	Add this revision date

Lite-On Technology Corporation **Attachment 8**

Corporate Governance Best Practice Principles

Chapter 1 General Principles

Article 1 (Purpose)

To establish a sound corporate governance system, Lite-On Technology Corporation ("the Company") has implemented the Lite-On Technology Corporation Corporate Governance Best Practice Principles based on the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies adopted jointly by the Taiwan Stock Exchange Corporation (TWSE) and the Taipei Exchange (TPEx).

Article 2 (Principles)

When setting up the corporate governance system, in addition to complying with relevant laws, regulations, and articles of incorporation, the Company follows the following principles:

1. Establish an effective corporate governance structure.
2. Protect the rights and interests of shareholders.
3. Strengthen the powers of the board of directors.
4. Respect the rights and interests of stakeholders.
5. Enhance information transparency.

Article 3 (Establishment of internal control system)

The Company follows the Regulations Governing Establishment of Internal Control Systems by Public Companies and takes into consideration the overall operational activities of itself and its subsidiaries to design and fully implement an internal control system, and conducts continuing reviews of the system, in order to ensure the continued effectiveness of its design and implementation in light of changes in the Company's internal and external environment.

Adoption or amendment of the internal control system shall require a majority vote from the Audit Committee, and be submitted to the board of directors for approval. All objections or reservations expressed by independent directors, if any, shall be recorded in the board meeting minutes.

The Company shall perform full self-assessments of its internal control system. Its board of directors and management shall review the results of the self-assessments by each department at least annually and the reports of the internal audit department on a quarterly basis. The Audit Committee shall also attend to and supervise these matters. Directors and independent directors should regularly hold discussions with internal auditors regarding deficiencies in the internal control system. These discussions should be documented, and follow-up actions should be tracked and implemented. Additionally, a report should be presented to the board of directors. The Company establishes channels and mechanisms of communication between the independent directors, the Audit Committee, and the chief internal auditor. The convener or members of the Audit Committee may report their communication with the independent directors and the chief internal auditor at the shareholders meeting as needed.

The management of the Company shall pay special attention to the internal audit department and its personnel, fully empower them and urge them to conduct audits effectively, to evaluate problems of the internal control system and assess the efficiency of its operations to ensure that the system can operate effectively on an ongoing basis, and to assist the board of directors and the management to perform their duties effectively so as to ensure a sound corporate governance system.

To put the internal control system into effect, strengthen the professional abilities of the deputies of the internal auditors and to further improve and maintain the quality and implementing result of the audit, the Company shall have deputies in place for the duties of the internal auditing personnel.

The requirements for qualified internal auditors under Article 11, Paragraph 6 of the Regulations Governing Establishment of Internal Control Systems by Public Companies and the provisions under Articles 16, 17 and 18 of the same regulations shall apply to the deputies in the preceding paragraph.

Appointment, dismissal, evaluation and review, salary and compensation of internal auditors of the Company shall be reported to the board of directors or shall be submitted by the chief auditor to the board chairperson for approval.

Article 3-1 (Personnel responsible for corporate governance affairs)

The Company has an adequate number of corporate governance personnel with appropriate qualifications based on the size of the company, business situations and management needs,
and appoints a chief corporate governance officer as the most senior officer to be in charge
of corporate governance affairs. Said officer shall be a qualified, practice-eligible lawyer or
accountant or have been in a managerial position for at least three years in a securities,
financial, or futures related institution or a public company in handling legal affairs, financial
affairs, stock affairs, or corporate governance affairs.

It is required that the corporate governance affairs mentioned in the preceding paragraph
include at least the following items:

1. Handling matters relating to board meetings and shareholders meetings according to laws.
2. Producing minutes of board meetings and shareholders meetings.
3. Assisting in onboarding and continuous development of directors.
4. Furnishing information required for business execution by directors.
5. Assisting directors with legal compliance.
6. The board of directors should report on the examination results regarding the qualifications of independent directors during their nomination, election, and tenure.
7. Handling matters related to changes in directors.
8. Other matters set out in the articles or corporation or contracts.

Chapter 2 Protection of Shareholders' Rights and Interests

Section 1 Encouraging Shareholders to Participate in Corporate Governance

Article 4 (Protection of shareholders as ultimate objective)

The ultimate objective of the Company's corporate governance system shall be to protect shareholder rights and interests and treat all shareholders equitably.

The Company shall establish a corporate governance system which ensures shareholders' rights of being fully informed of, participating in and making decisions over important matters of the Company.

Article 5 (Convening shareholders meetings and establishing comprehensive meeting rules)

The Company shall convene shareholders meetings in accordance with the Company Act and relevant laws and regulations, and provide comprehensive rules for such meetings. The Company shall faithfully implement resolutions adopted by shareholders meetings in accordance with the rules for the meetings.

Resolutions adopted by shareholders meetings of the Company shall comply with laws and regulations and articles of incorporation.

Article 6 (The board of directors shall properly arrange the agenda items and procedures for shareholders meetings)

The board of directors of the Company shall properly arrange the agenda items and procedures for shareholders meetings. The board shall also properly handle the proposals duly submitted by shareholders. Arrangements shall be made to hold shareholders meetings at a convenient location, advisably with videoconferencing_available and sufficient time allowed and sufficient numbers of suitable personnel assigned to handle attendance registrations. No arbitrary requirements shall be imposed on shareholders to provide additional evidentiary documents beyond those showing eligibility to attend. Shareholders shall be granted reasonable time to deliberate each proposal and an appropriate opportunity to make statements.

For a shareholders meeting called by the board of directors, it is advisable that the board chairperson chair the meeting and that a majority of the directors (including at least one independent director) and convener of the Audit Committee attend in person. Attendance details should be recorded in the shareholders meeting minutes.

Article 7 (Encouraging shareholders to participate in corporate governance)

The Company shall encourage its shareholders to actively participate in corporate governance, and enable shareholders meetings to proceed on a legal, effective and secure basis.

The Company shall seek all ways and means, including fully exploiting technologies for information disclosure, to disclose information, and shall adopt electronic voting, in order to enhance shareholders' attendance rates at shareholders meetings and ensure their exercise of rights at such meetings in accordance with laws.

The Company is advised to arrange for its shareholders to vote on each separate proposal in the shareholders meeting agenda, and following conclusion of the meeting, to enter the voting results the same day, namely the numbers of votes cast for and against and the number of abstentions, on the online reporting system specified by TWSE.

When the Company offers shareholder meeting souvenirs to shareholders, it shall not have preferential or discriminating treatment towards shareholders.

Article 8 (Shareholders meeting minutes)

The Company, in accordance with the Company Act and other applicable laws and regulations, shall record in the shareholders meeting minutes the date and place of the meeting, the name of the chairperson, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. With respect to the election of directors, the meeting minutes shall record the method of voting adopted therefore and the total number of votes for the elected directors.

The shareholders meeting minutes shall be properly and perpetually kept by the Company during its legal existence, and should be sufficiently disclosed on the Company's website.

Article 9 (Chairperson of the shareholders meetings to be fully familiar and comply with the rules governing the proceedings of the shareholders meetings established by the Company)

The chairperson of the shareholders meetings shall be fully familiar and comply with the rules governing the proceedings of the shareholders meetings established by the Company.

The chairperson shall ensure the proper progress of the proceedings of the meetings and may not adjourn the meetings at will.

In order to protect the interests of most shareholders, if the chairperson declares the adjournment of the meeting in a manner in violation of rules governing the proceedings of the shareholders meetings, it is advisable for the members of the board of directors other than the chairperson of the shareholders meeting to promptly assist the attending shareholders at the shareholders meeting in electing a new chairperson of the shareholders meeting to continue the proceedings of the meeting, by a resolution to be adopted by a majority of the votes represented by the shareholders attending the said meeting in accordance with the legal procedures.

Article 10 (Placing importance on the shareholder right to know)

The Company shall place high importance on the shareholder right to know, and shall faithfully comply with applicable regulations regarding information disclosure in order to provide shareholders with regular and timely information on company financial conditions and operations, insider shareholdings, and corporate governance status through the Market Observation Post System (MOPS) or the website established by the Company.

To protect its shareholders' rights and interests and ensure their equal treatment, the Company shall adopt internal rules prohibiting company insiders from trading securities using information not disclosed to the market.

The rules mentioned in the preceding paragraph include stock trading control measures from the date insiders of the Company become aware of the contents of the Company's financial reports or relevant results.

Measures include, without limitation, those prohibiting a director from trading its shares during the closed period of 30 days prior to the publication of the annual financial reports and 15 days prior to the publication of the quarterly financial reports.

Article 11 (Shareholders being entitled to profit distributions)

The shareholders shall be entitled to profit distributions by the company. In order to ensure the investment interests of shareholders, the shareholders meeting may, pursuant to Article 184 of the Company Act, examine the statements and books prepared and submitted by the board of directors and the reports submitted by the Audit Committee, and may decide profit distributions and deficit off-setting plans by resolution. In order to proceed with the above examination, the shareholders meeting may appoint an inspector. The shareholders may, pursuant to Article 245 of the Company Act, apply with the court to select an inspector in examining the accounting records, assets, particulars, documents and records of specific transaction of the Company.

The board of directors, Audit Committee, and managers of the Company shall fully
cooperate in the examination conducted by the inspectors in the aforesaid two paragraphs
without any circumvention, obstruction or rejection.

Article 12 (Material financial and business transactions being subject to shareholders meeting approval)

In entering into material financial and business transactions such as acquisition or disposal of assets, lending funds, and making endorsements or providing guarantees, the Company shall proceed in accordance with the applicable laws and/or regulations and establish operating procedures in relation to these material financial and business transactions which shall be reported to and approved by the shareholders meeting so as to protect the interests of the shareholders.

When the company undergoes mergers or public acquisitions, in addition to complying with relevant legal requirements, it is crucial to consider the fairness and reasonableness of the merger or acquisition plan and transaction. Furthermore, attention should be given to information disclosure and the soundness of the post-transaction financial structure of the company.

When the management or a major shareholder of the company is involved in a merger or acquisition, a legal opinion by independent lawyer should be issued to review if members of the audit committee to review the merger and acquisition in the preceding paragraph have met the regulations of Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, to ensure they are not a related party to a counterparty of the merger and acquisition transaction or do not have such interest that would influence their independence, whether the design and implementation of the relevant procedure meet the applicable laws, and if a full disclosure has been made in accordance with the applicable laws.

Qualifications of the lawyer in the preceding paragraph shall meet the requirements in Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and the lawyer should not be a related party to a counterparty of the merger and acquisition transaction or should not have such interest that would influence their independence.

The relevant personnel of the Company handling the matters in the preceding paragraph shall pay attention to the occurrence of any conflicts of interest and the need for recusal.

Article 13 (Dedicated personnel to handle shareholder proposals)

In order to protect the interests of the shareholders, it is advisable that the Company designate personnel exclusively dedicated to handling shareholder proposals, inquiries, and disputes.

The Company shall properly deal with any legal action duly instituted by shareholders in which it is claimed that shareholder rights and interests were damaged by a resolution adopted at a shareholders meeting or a board of directors meeting in violation of applicable laws, regulations, or the Company's articles of incorporation, or that such damage was caused by a breach of applicable laws, regulations or the Company's articles of incorporation by any directors or managers in performing their duties.

Article 13-1 (The board of directors is responsible for establishing a mechanism for interaction with shareholders)

The board of directors of the company is responsible for establishing a mechanism for interaction with shareholders to enhance mutual understanding of the development of company's objectives.

Article 13-2 (Efficient communication with shareholders to gain their support)

In addition to communicating with shareholders through shareholders meetings and encouraging shareholders to participate in such meetings, the board of directors of the company together with officers and independent directors shall engage with shareholders in an efficient manner to ascertain shareholders' views and concerns, and expound company policies explicitly, in order to gain shareholders' support.

Section 2 Corporate Governance Relationships Between the Company and Its Affiliated Enterprises

Article 14 (Establishing firewalls)

The Company shall clearly identify the objectives and the division of authority and responsibility between it and its affiliated enterprises with respect to management of personnel, assets, and financial matters, and shall properly carry out risk assessments and establish appropriate firewalls.

Article 15 (Managers to not serve as managers of affiliated enterprises)

Unless otherwise provided by the laws and regulations, a manager of the Company may not serve as a manager of its affiliated enterprises. A director who engages in any transaction for himself or on behalf of another person that is within the scope of the Company's operations shall explain the major content of such actions to the shareholders meeting and obtain its consent.

Article 16 (Establishing sound financial, operational and accounting management systems)

The Company shall establish sound objectives and systems for management of finance, operations, and accounting in accordance with applicable laws and regulations. It shall further, together with its affiliated enterprises, properly conduct an overall risk assessment of major banks they deal with and customers and suppliers, and implement the necessary control mechanisms to reduce credit risk.

Article 17 (Principle of fair dealing and reasonableness in business transactions with affiliated enterprises)

When the Company and its affiliated enterprises enter into inter-company business transactions, a written agreement governing the relevant financial and business operations between them shall be made in accordance with the principle of fair dealing and reasonableness. Price and payment terms shall be definitively stipulated when contracts are signed, and non-arm's length transactions and improper benefit transfers shall be prohibited.

The aforementioned written guidelines should include management procedures for transactions related to purchases and sales of goods, acquisition or disposal of assets, lending of funds, and endorsement guarantees. Additionally, significant transactions in this context should be approved by the board of directors, agreed upon by the shareholders' meeting, or reported.

Article 18 (Provisions for corporate shareholders with controlling power)

A corporate shareholder having controlling power over the Company shall comply with the following provisions:

1. It shall bear a duty of good faith to other shareholders and shall not directly or indirectly cause the company to conduct any business which is contrary to normal business practice or not profitable.
2. Its representative shall follow the rules implemented by the Company with respect to the exercise of rights and participation of resolution, so that at a shareholders meeting, the representative shall exercise his/her voting right in good faith and for the best interest of all shareholders and shall exercise the fiduciary duty and duty of care of a director.
3. It shall comply with relevant laws, regulations and the articles of incorporation of the Company in nominating directors and shall not act beyond the authority granted by the shareholders meeting or board meeting.
4. It shall not improperly intervene in corporate policy making or obstruct corporate management activities.
5. It shall not restrict or impede the management or production of the Company by methods of unfair competition such as monopolizing corporate procurement or foreclosing sales channels.
6. The representative that is designated when a corporate shareholder has been elected as a director or shall meet the Company's requirements for professional qualifications.
   Arbitrary replacement of the corporate shareholder's representative is inappropriate.

Article 19 (List of major shareholders and ultimate owners of major shareholders)

The Company shall retain at all times a register of major shareholders who own a relatively high percentage of shares and have controlling power, and of the persons with ultimate control over those major shareholders.

The Company shall disclose periodically important information about its shareholding more than ten percent of the outstanding shares of the Company relating to the pledge, increase or decrease of share ownership, or other matters that may possibly trigger a change in the ownership of their shares.

Chapter 3 Enhancing the Functions of the Board of Directors

Section 1 Structure of the Board of Directors

Article 20 (Board competencies)

The board of directors of the Company shall be responsible to the shareholders. The various procedures and arrangements of its corporate governance system shall ensure that, in exercising its authority, the board of directors complies with laws, regulations, its articles of incorporation, and the resolutions of its shareholders meetings.

The structure of the Company's board of directors shall be determined by choosing an appropriate number of board members, not less than five, in consideration of its business scale, the shareholdings of its major shareholders, and practical operational needs.

The composition of the board of directors shall be determined by taking diversity into consideration. It is advisable that directors concurrently serving as company officers not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, race or ethnicity, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

1. Ability to make operational judgments.
2. Ability to perform accounting and financial analysis.
3. Ability to conduct management administration.
4. Ability to conduct crisis management.
5. Knowledge of the industry.
6. An international market perspective.
7. Ability to lead.
8. Ability to make policy decisions.

Article 21 (Establishing fair, just, and open procedure for Procedure for the Election of Directors)

The Company shall establish a fair, just, and open procedure for the election of directors, encourage shareholder participation, and adopt the cumulative voting mechanism pursuant to the Company Act in order to fully reflect shareholders' views.

Unless the competent authority otherwise grants an approval, a spousal relationship or a familial relationship within the second degree of kinship may not exist among more than half of the directors of the Company.

When the number of directors falls below five due to the discharge of a director for any reason, the Company shall hold a by-election for director at the following shareholders meeting. When the number of directors falls short by one-third of the total number prescribed by the articles of incorporation, the Company shall convene a special shareholders meeting within 60 days of the occurrence of that fact for a by-election for directors.

The aggregate shareholding ratio of all of the directors of the Company shall comply with the laws and regulations. Restrictions on the share transfer of each director and the creation, release, or changes of any pledges over the shares held by each director shall be subject to the relevant laws and regulations, and the relevant information shall be fully disclosed.

Article 22 (Candidate nomination system to be specified in articles of incorporation)

The Company is advised to specify in its articles of incorporation that it adopts the candidate nomination system for elections of directors, carefully review the qualifications of a nominated candidate and the existence of any other matters set forth in Article 30 of the Company Act, and act in accordance with Article 192-1 of the Company Act.

Article 23 (Clear distinctions shall be drawn between the responsibilities and duties of the chairperson and those of its general manager)

Clear distinctions shall be drawn between the responsibilities and duties of the chairperson of the board of the Company and those of its general manager.

It is inappropriate for the chairperson to also act as the general manager or other equivalent position (highest managerial position). If the chairperson also acts as the general manager or other equivalent position (highest managerial position) or the chairperson and general manager or other equivalent position (highest managerial position) are spouses or relatives within one degree of consanguinity, it is advisable that the number of independent directors be increased and there be a majority of the members of the board of directors who are not employees or managers.

The Company has functional committees in place and shall clearly define the responsibilities and duties of the committees.

Section 2 Independent Director System

Article 24 (Appointing independent directors according to articles of incorporation)

The Company shall appoint independent directors in accordance with its articles of incorporation. They shall be not less than three in number and not less than one-fifth of the total number of directors.

Independent directors shall possess professional knowledge and there shall be restrictions on their shareholdings and concurrent positions held. Applicable laws and regulations shall be observed and, in addition, it is not advisable for an independent director to hold office concurrently as a director (including independent director) or supervisor of more than five other TWSE/TPEx listed companies. Independent directors shall also maintain independence within the scope of their directorial duties, and may not have any direct or indirect interest in the Company.

If the Company and its group enterprises and organizations, and another company and its group enterprises and organizations nominate for each other any director, supervisor or managerial officer as a candidate for an independent director of the other, the Company shall, at the time it receives the nominations for independent directors, disclose the fact and explain the suitability of the candidate for independent director. If the candidate is elected as an independent director, the Company shall disclose the number of votes cast in favor of the elected independent director.

The "group enterprises and organizations" in the preceding paragraph comprise the
subsidiaries of the Company, any foundation to which the Company's cumulative direct or indirect contribution of funds exceeds 50 percent of its endowment, and other institutions or juristic persons that are effectively controlled by the Company.

Change of status between independent directors and non-independent directors during their term of office is prohibited.

The professional qualifications, restrictions on both shareholding and concurrent positions held, determination of independence, method of nomination and other requirements with regard to the independent directors shall be set forth in accordance with the Securities and Exchange Act, the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and the rules and regulations of the TWSE.

Article 25 (Responsibility of independent directors)

The Company shall stipulate the scope of duties of the independent directors and empower them with manpower and physical support related to the exercise of their power. The Company or other board members shall not obstruct, reject or circumvent the performance of duties by the independent directors.

The Company shall stipulate the remuneration of the directors according to the company charter and the decision of the shareholders' meeting. The remuneration of the directors shall fully reflect the personal performance and the long-term management performance of the company, and shall also take the overall operational risks of the Company into consideration.
Different but reasonable remuneration from that of other directors may be set forth for the independent directors.

Article 25-1

A TWSE/TPEx listed company shall submit the following matters to the board of directors for approval by resolution as provided in the Securities and Exchange Act. When an independent director has a dissenting opinion or qualified opinion, it shall be noted in the minutes of the directors meeting:

10. Adoption or amendment of the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
11. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
12. A matter bearing on the personal interest of a director.

13. A material asset or derivatives transaction.
14. A material monetary loan, endorsement, or provision of guarantee.
15. The offering, issuance, or private placement of any equity-type securities.
16. The hiring, discharge, or compensation of an attesting CPA.
17. The appointment or discharge of a financial, accounting, or internal auditing officer.
18. Any other material matter so required by the competent authority.

Section 3 Functional Committees

Article 26 (Establishing functional committees)

For the purpose of developing supervisory functions and strengthening management mechanisms, the Company, in consideration of the board's size and the number of independent directors, may set up functional committees for auditing or any other functions.
Functional committees shall be responsible to the board of directors and submit their proposals to the board of directors for approval, Functional committees shall be responsible to the board of directors and submit their proposals to the board of directors for approval, provided that the performance of supervisor's duties by the audit committee pursuant to Article 14-4, paragraph 4 of the Securities and Exchange Act shall be excluded.

Functional committees shall adopt an organizational charter to be approved by the board of directors. The organizational charter shall contain the numbers, terms of office, and powers of committee members, as well as the meeting rules and resources to be provided by the Company for exercise of power by the committee.

Article 27 (Establishing the Audit Committee)

The Company establishes an audit committee. The Audit Committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be convener, and at least one of whom shall have accounting or financial expertise.

The Company has established an audit committee. The provisions regarding supervisors in the Securities and Exchange Act, the Company Act, and other laws and regulations apply mutatis mutandis to the Audit Committee.

The following matters shall be subject to the consent of one-half or more of all Audit Committee members and be submitted to the board of directors for a resolution:

1. Adoption or amendment, pursuant to Article 14-1 of the Securities and Exchange Act, of an internal control system.
2. Assessment of the effectiveness of the internal control system.
3. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, to the handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading,

extension of monetary loans to others, and endorsements or guarantees for others.

4. Any matter bearing on the personal interest of a director.

5. Any material asset or derivatives transaction.

6. Any material monetary loan, endorsement, or provision of a guarantee.

7. The offering, issuance, or private placement of equity-type securities.

8. The hiring or dismissal of an attesting CPA, or the compensation given thereto.

9. The appointment or discharge of a financial, accounting, or internal audit officer.

10. The annual financial report which are signed or sealed by the chairperson, managerial officer, and accounting officer.

11. Proposals regarding business reports and profit distribution or loss replenishment.

12. Other material matters as provide by the Company or the competent authority.

The exercise of power by the Audit Committee and independent directors and related matters shall be set forth in accordance with the Securities and Exchange Act, the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies, and the rules and regulations of the TWSE.

Article 28 (Establishing the Remuneration Committee)

The Company establishes a remuneration committee. It is advisable that more than half of the committee members be independent directors. The professional qualifications for the committee members, the exercise of their powers of office, the adoption of the organizational charter, and related matters shall be handled pursuant to the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter.

Article 28-1 (Establishing the Growth Strategy Committee)

The Company establishes a growth strategy committee. The Growth Strategy Committee shall be composed of the directors of the Company. The convener and committee members shall be appointed by the board of directors.

The committee is authorized by the board of directors to direct and review the Company and the Group's overall growth strategies, to preview important investment projects, and to periodically report its resolutions to the board of directors.Article 28-2 (Establishing the Corporate Sustainable Committee)

The company establishes a Corporate Sustainability Committee and formulates organizational regulations. The committee is composed of at least three company members appointed by the board of directors, with over half of them being independent directors. Additionally, one member is designated as the convener and meeting chairperson.

Article 28-3 (Establishing the Nomination Committee)

The company establishes a Nomination Committee and formulates organizational regulations. Over half of the members are appointed by independent directors, with an independent director serving as the chairperson.

Article 28-4 (A whistleblowing system)

The company is advised to establish and announce channels for internal and external whistleblowers and have whistleblower protection mechanisms in place. The unit that handles whistleblowers' reporting shall be independent, provide encrypted protection for the files furnished by whistleblowers, and appropriately restrict access to such files. It shall also formulate internal procedures and incorporate those procedures into the company's internal control system for management purposes.

Article 29 (Improving quality of financial reports)

To improve the quality of its financial reports, the Company shall establish the position of deputy to its principal accounting officer.

To enhance the professional abilities of the deputy accounting officer of the preceding paragraph, the deputy's continuing education shall proceed following the schedule of the principal accounting officer as needed.

Accounting personnel handling the preparation of financial reports shall also participate in relevant professional development courses for 6 hours or more each year. Those courses may be company internal training activities or may be professional courses offered by professional development institutions for principal accounting officers.

The Company shall select as its external auditor a professional, responsible, and independent attesting CPA, who shall perform regular reviews of the financial conditions and internal control measures of the Company as needed. With regard to any irregularity or deficiency discovered and disclosed in a timely manner by the auditor during the review, and concrete measures for improvement or prevention suggested by the auditor, the Company shall faithfully implement improvement actions. It is advisable that the Company establish channels and mechanisms of communication between the independent directors or Audit Committee and the attesting CPA, and to incorporate procedures for that purpose into the company's internal control system for management purposes.

The Company shall evaluate the independence and suitability of the CPA engaged by the Company regularly (at least once a year) refer to the Audit Quality Indicators (AQIs). In the event that the Company engages the same CPA without replacement for 7 years consecutively, or if the CPA is subject to disciplinary action or other circumstances prejudicial to the CPA's independence, the Company shall evaluate the necessity of replacing the CPA and submit its conclusion to the board of directors.

Article 30 (Providing adequate legal consultation services)

It is advisable that the Company engage a professional and competent legal counsel to provide adequate legal consultation services to the Company, or to assist the board of directors and the management to improve their knowledge of the law, for the purposes of preventing any infraction of laws or regulations by the Company or its staff and ensuring that corporate governance matters proceed pursuant to the relevant legal framework and the prescribed procedures.

When, as a result of performing their lawful duties, directors or the management are involved in litigation or a dispute with shareholders, the Company shall retain a legal counsel to provide assistance as circumstances require.

The audit committee or an independent director may retain the service of legal counsel, CPA, or other professionals on behalf of the company to conduct a necessary audit or provide consultation on matters in relation to the exercise of their power, at the expense of the company.

Section 4 Rules for the Proceedings and Decision-Making Procedures of Board Meetings

Article 31 (Convention of board meetings)

The board of directors of the Company shall meet at least once every quarter, or convene at any time in case of emergency. To convene a board meeting, a meeting notice which specifies the purposes of the meeting shall be sent to each director no later than 7 days before the scheduled date. Sufficient meeting materials shall also be prepared and enclosed in the meeting notice. If the meeting materials are deemed inadequate, a director may ask the unit in charge to provide more information or request a postponement of the meeting with the consent of the board of directors.

The Company shall adopt rules of procedure for board meetings, which shall follow the Regulations Governing Procedure for Board of Directors Meetings of Public Companies with regard to the content of deliberations, procedures, matters to be recorded in the meeting minutes, public announcements, and other matters for compliance.

Article 32 (Directors to exercise high degree of self-discipline)

Company directors shall exercise a high degree of self-discipline. If a director or a juristic person represented by the director is an interested party with respect to any proposal for a board meeting, the director shall state the important aspects of the interested party relationship at the meeting. When the relationship is likely to prejudice the interests of the company, the director may not participate in discussion or voting on that proposal and shall enter recusal during the discussion and voting. The director also may not act as another director's proxy to exercise voting rights on that matter.

Matters requiring the voluntary recusal of a director shall be clearly set forth in the rules of procedure for board meetings.

Article 33 (Independent directors and the board of directors)

When a board meeting is convened to consider any matter submitted to it pursuant to Article 14-3 of the Securities and Exchange Act, an independent director of the Company shall attend the board meeting in person, and may not be represented by a non-independent director via proxy. When an independent director has a dissenting or qualified opinion, it shall be noted in the minutes of the board of directors meeting; if the independent director cannot attend the board meeting in person to voice his or her dissenting or qualified opinion, he or she should provide a written opinion before the board meeting unless there are justifiable reasons for failure to do so, and the opinion shall be noted in the minutes of the board of directors meeting. In any of the following circumstances, decisions made by the board of directors shall be noted in the meeting minutes, and in addition, publicly announced and filed on the MOPS two hours before the beginning of trading hours on the first business day after the date of the board meeting:

1. An independent director has a dissenting or qualified opinion which is stated in a written statement.
2. The matter was not approved by the Audit Committee, but had the consent of more than two-thirds of all directors.

During a board meeting, managers from relevant departments who are not directors may, in view of the meeting agenda, sit in at the meetings, make reports on the current business conditions of the company and respond to inquiries raised by the directors. Where necessary, a CPA, legal counsel, or other professional may be invited to sit in at the meetings to assist the directors in understanding the conditions of the company for the purpose of adopting an appropriate resolution, provided that they shall leave the meeting when deliberation or voting takes place.

Article 34 (Board meeting minutes)

Staff personnel of the Company attending board meetings shall collect and correctly record the meeting minutes in detail, as well as a summary, the method of resolution, and voting results of all the proposals submitted to the board meeting in accordance with relevant regulations.

The minutes of the board of directors meetings shall be signed by the chairperson and
secretary of the meeting and sent to each director within 20 days after the meeting. The director attendance records shall be made part of the meeting minutes, treated as important corporate records, and kept safe permanently during the life of the Company.

Meeting minutes may be produced, distributed, and preserved by electronic means.

The Company shall record on audio or video tape the entire proceedings of a board of
directors meeting and preserve the recordings for at least 5 years, in electronic form or otherwise.

If before the end of the preservation period referred to in the preceding paragraph a lawsuit arises with respect to a resolution of a board of directors meeting, the relevant audio or video recordings shall be preserved for a further period, in which case the preceding paragraph does not apply.

Where a board of directors meeting is held via teleconference or video conference, the audio or video recordings of the meeting form a part of the meeting minutes and shall be preserved permanently.

When a resolution of the board of directors violates laws, regulations, the articles of
incorporation, or resolutions adopted in the shareholders meeting, and thus causes an injury to the Company, dissenting directors whose dissent can be proven by minutes or written statements will not be liable for damages.

Article 35 (Issues subject to discussion in board meetings)

The Company shall submit the following matters to its board of directors for discussion:

1. Corporate business plans.
2. Annual financial reports which are signed or sealed by the chairperson, managerial officer, and accounting officer.
3. Adoption or amendment to an internal control system pursuant to Article 14-1 of the
Securities and Exchange Act, and evaluation of effectiveness of an internal control system.
4. Adoption or amendment, pursuant to Article 36-1 of the Securities and

Exchange Act, to the handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.

5. The offering, issuance, or private placement of equity-type securities.

6. The performance assessment and the standard of remuneration of the managerial officers.

7. The structure and system of director's remuneration.

8. The appointment or discharge of a financial, accounting, or internal audit officer.

9. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.

10. Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders meeting or to be approved by resolution at a meeting of the board of directors, or any such significant matter as may be prescribed by the competent authority.

Except for matters that must be submitted to the board of directors for discussion under the preceding paragraph, when the board of directors is in recess, it may delegate the exercise of its power to others in accordance with law, regulations, or its articles of incorporation.
However, the level of delegation or the content or matters to be delegated shall be clearly specified, and general authorization is not permitted.

Article 36 (Asking appropriate departments or personnel to execute board resolutions)

The Company shall ask the appropriate corporate department or personnel to execute matters pursuant to board of directors' resolutions in a manner consistent with the planned schedule and objectives. It shall also follow up on those matters and faithfully review their implementation.

The board of directors shall remain informed of the progress of implementation and receive reports in subsequent meetings to ensure the actual implementation of the board's management decisions.

Section 5 Fiduciary Duty, Duty of Care and Responsibility of Directors

Article 37 (Board members to conduct duties faithfully and fulfill the obligations of a prudent director)

Members of the board of directors shall faithfully conduct corporate affairs and perform the duty of care of a good administrator. In conducting the affairs of the Company, they shall exercise their powers with a high level of self-discipline and prudence. Unless matters are otherwise reserved by law for approval in shareholders meetings or in the articles of incorporation, they shall ensure that all matters are handled according to the resolutions of board of directors.

The Company formulates rules and procedures for board of directors performance
assessments. Each year, in respect of the board of directors and individual directors, it shall conduct regularly scheduled performance assessments through self-assessments or peer-to-peer assessments, and may also do so through outside

professional institutions or in any other appropriate manner. A performance assessment of the board of directors shall include the following aspects, and appropriate assessment indicators shall be developed in consideration of the company's needs:

1. The degree of participation in the company's operations.
2. Improvement in the quality of decision making by the board of directors.
3. The composition and structure of the board of directors.
4. The election of the directors and their continuing professional education.
5. Internal controls.

The performance assessments of board members (self-assessments or peer-to-peer assessments) shall include the following aspects, with appropriate adjustments made on the basis of the company's needs:

1. Their grasp of the company's goals and missions.
2. Their recognition of director's duties.
3. Their degree of participation in the company's operations.
4. Their management of internal relationships and communication.
5. Their professionalism and continuing professional education.
6. Internal controls.

The company conduct performance assessments of a functional committee, covering the following aspects, with appropriate adjustments made on the basis of the company's needs:

1. Their degree of participation in the company's operations.
2. Their recognition of the duties of the functional committee.
3. Improvement in the quality of decision making by the functional committee.
4. The composition of the functional committee, and election and appointment of committee members.
5. Internal control.

The company submit the results of performance assessments to the board of directors and use them as reference in determining compensation for individual directors, their nomination and additional office term.

Article 38 (Succession plan for the management)

It is advisable for the Company to establish a succession plan for the management. The development and implementation of such plan shall be periodically evaluated by the board of directors to ensure sustainable operation.

Article 38-1 (Establishment of an intellectual property regulatory system)

The board of directors is advised to evaluate and monitor the following aspects of the company’s direction of operation and performance in connection with intellectual properties, to ensure the company develops an intellectual property regulatory system in accordance with the Plan-Do-Check-Act cycle:

1. Formulate intellectual property regulatory policies, objectives and systems that are slightly associated with the operational strategies.
2. Develop, implement and maintain on the basis of scale and form its regulatory systems governing the procurement, protection, maintenance and utilization of intellectual properties.
3. Identify and provide the necessary resources sufficient to ensure effective implementation and maintenance of the intellectual property regulatory system.
4. Observe internally and externally the risks and opportunities that intellectual property regulation may present and adopt corresponding measures.

5. Plan for and implement a continuous improvement mechanism to ensure the operation and effects of the intellectual property regulatory regime meet the company’s expectations.

Article 39 (Shareholders or independent directors requesting the board to discontinue implementation of resolutions)

If a resolution of the board of directors violates law, regulations or the Company's articles of incorporation, then at the request of shareholders holding shares continuously for a year or an independent director to discontinue the implementation of the resolution, members of the board shall take appropriate measures or discontinue the implementation of such resolution as soon as possible.

Upon discovering a likelihood that the Company would suffer material injury, members of the board of directors shall immediately report to the Audit Committee or an independent director member of the Audit Committee in accordance with the foregoing paragraph.

Article 40 (Director liability insurance)

If required by the articles of incorporation or a shareholders meeting resolution, the Company shall take out directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of occupancy so as to reduce and spread the risk of material harm to the Company and shareholders arising from the wrongdoings or negligence of a director.

The Company shall report the insured amount, coverage, premium rate, and other major contents of the liability insurance it has taken out or renewed for directors, at the next board meeting.

Article 41 (Board member participation in training courses)

Members of the board of directors are advised to participate in training courses on finance, risk management, business, commerce, accounting, law or corporate social responsibility offered by institutions designated in the Rules Governing Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEx Listed Companies, which cover subjects relating to corporate governance upon becoming directors and throughout their terms of occupancy. They shall also ensure that company employees at all levels will enhance their professionalism and knowledge of the law.

Chapter 4 Respecting Stakeholders' Rights

Article 42 (Maintaining communication with stakeholders and safeguard their rights and interests)

The Company shall maintain channels of communication with its banks, other creditors, employees, consumers, suppliers, community, or other stakeholders of the Company, respect and safeguard their legal rights and interests, and designate a stakeholders section on its website.

When the Company is involved in an MBO, it shall pay attention to the soundness of the Company's financial structure thereafter.

When any of a stakeholder's legal rights or interests is harmed, the Company shall handle the matter in a proper manner and in good faith.

Article 43 (Providing sufficient information to banks and other creditors)

The Company shall provide sufficient information to banks and its other creditors to facilitate their evaluation of the operational and financial conditions of the company and its decision-making process. When any of their legal rights or interest is harmed, the Company shall respond with a responsible attitude and assist creditors in obtaining compensation through proper means.

Article 44 (Establishing employee communications channels)

The Company shall establish channels of communication with employees and encourage employees to communicate directly with the management or directors so as to reflect employees' opinions about the management, financial conditions, and material decisions of the Company concerning employee welfare.

Article 45 (Corporate social responsibility)

In developing its normal business and maximizing the shareholders' interest, the Company shall pay attention to consumers' interests, environmental protection of the community, and public interest issues, and shall give serious regard to the Company's corporate social responsibility.

Chapter 5 Improving Information Transparency

Section 1 Enhancing Information Disclosure

Article 46 (Disclosure and Internet-based reporting system)

Disclosure of information is a major responsibility of the Company. The Company shall perform its obligations faithfully in accordance with the relevant laws and the related TWSE rules.

The Company shall establish an Internet-based reporting system for public information, appoint personnel responsible for gathering and disclosing the information, and establish a spokesperson system so as to ensure the proper and timely disclosure of information about policies that might affect the decisions of shareholders and stakeholders.

Article 47 (Establishing a spokesperson system)

In order to enhance the accuracy and timeliness of the material information disclosed, the Company shall appoint a spokesperson and acting spokesperson(s) who understand thoroughly the Company's financial and business conditions and who are capable of coordinating among departments for gathering relevant information and representing the Company in making statements independently.

The Company shall appoint acting spokesperson(s) who shall represent the Company, when the spokesperson cannot perform his/her duties, in making statements independently.

To ensure effective use of the spokesperson system, the Company shall establish a clearly defined standard disclosure procedure and require that management and employees comply with duties of confidentiality regarding financial data and not make any unauthorized external disclosure of information.

The Company shall disclose the relevant information immediately whenever there is any change to the position of a spokesperson or acting spokesperson.

Article 48 (Building a corporate governance website)

In order to keep shareholders and stakeholders fully informed, the Company shall utilize the convenience of the Internet and set up a website containing the information regarding the Company's finances, operations, and corporate governance.

To avoid misleading information, the aforesaid website shall be maintained by specified personnel, and the recorded information shall be accurate, detailed and updated on a timely basis.

Article 49 (Forms of investor seminars)

The Company shall hold an investor seminars in compliance with the regulations of the TWSE, and shall keep an audio or video record of the meeting.

The financial and business information disclosed in the investor seminar shall be disclosed on the designated online reporting system and provided for inquiry through the website established by the company, or through other channels as appropriate.

Section 2 Disclosure of Information on Corporate Governance

Article 50 (Disclosure of information on corporate governance)

The Company shall dedicate a space on its website to disclose and update from time to time the following information regarding corporate governance:

1. Board of directors: such as resumes and authorities and responsibilities of board members, board member diversification policy and the implementation thereof.
2. Functional committees: such as resumes and authorities and responsibilities of members of each functional committee.
3. Corporate governance bylaws: such as articles of incorporation, procedure of board of directors meetings, charter of each functional committee, and other relevant corporate governance bylaws.
4. Important corporate governance information: such as information of establishment of corporate governance executive officers.

Chapter 6 Supplementary Provisions

Article 51 (Monitoring domestic and international developments)

The Company shall at all times monitor domestic and international developments in corporate governance as a basis for review and improvement of the Company's own
corporate governance mechanisms, so as to enhance their effectiveness.

Article 52 (Enforcement)

These Principles shall take effect after the approval of the board of directors. The same applies to all subsequent amendments.

These Best Practice Principles are established on November 12, 2015.

First amendment of these Best Practice Principles passed on July 14, 2017.

Second amendment of these Best Practice Principles passed on April 26, 2019.

Third amendment of these Best Practice Principles passed on October 30, 2020.

Fourth amendment of these Best Practice Principles passed on February 25, 2021.

Fifth amendment of these Best Practice Principles passed on October 28, 2022.

Sixth amendment of these Best Practice Principles passed on October 30, 2023.

LITEON Technology Corporation
Earnings Distribution Table
Year 2023

Attachment 9

		Amount (NT$)
Unallocated earnings, beginning of this year		**$14,548,658,414**
Net profit of this year	**$ 14,570,615,940**	
Add: adjustments on re-measurement on define benefit plans recognized in retained earnings	**31,662,400**	
Less: adjustments on equity method investments	**(105,468,582)**	
Add: cumulative profit on investments in equity instruments designated as at fair value through other comprehensive income (FVTOCI) transferred directly to retained earnings due to disposal	**67,361,869**	
Add: adjustments on employee restricted stock	**1,206,400**	
Unappropriated earnings taken into consideration profit before income tax and items other than profit before income tax.		**14,565,378,023**
Less: 10% legal reserve		**(1,456,537,802)**
Add: Reverse of special reserve		**(701,297,536)**
Distributable earnings		**26,956,201,099**
Distribution:		
(1) Second Quarter Cash dividends: (NT$2.0/per share)		**(4,656,704,464)**
(2) Fourth Quarter Cash dividends: (NT$2.5/per share)		**(5,782,824,908)**
Unallocated earnings, end of year		**$16,516,671,727**

note:
The distribution principle of the company's earnings for the fiscal year 2023 is to allocate the earnings of the fiscal year 2023 first.

Chairman President Accounting Manager

Explanation: The board of directors resolved to distribute a cash dividend of NT$2.5 per share for the fourth quarter. Additionally, the board authorized the chairman to adjust the cash dividend per share to NT$2.50604928 based on the actual number of outstanding common shares on the dividend distribution record date.

Attachment 10

LITEON Technology Corporation

Comparison Table of Amendments to the Rules and Procedures of Shareholders' Meeting

Contents after Amendment	Contents before Amendment	Explanation
3： Paragraph 1 omitted. Unless otherwise provided in Regulations Governing the Administration of Shareholder Services of Public Companies, a company that will convene a shareholders' meeting with video conferencing shall expressly provide for such meetings in its Articles of Incorporation and obtain a resolution of its board of directors. Furthermore, convening of a virtual-only shareholders' meeting shall require a resolution adopted by a majority vote at a meeting of the board of directors attended by at least two-thirds of the total number of directors. Omitted.	3： Paragraph 1 omitted.	Duly amended in accordance with Article 3 of the law "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings".
6-1： To convene a virtual shareholders meeting, this Corporation shall include the follow particulars in the shareholders meeting notice: (Paragraph 1、2 omitted.) 3.To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified. Except in the circumstances set out in Article 44-9, paragraph 6, of Regulations Governing the Administration of Shareholder Services of Public Companies, it shall at least provide the shareholders with connection facilities and necessary assistance, and specify the period during which shareholders may apply to the company and other related matters requiring attention.	6-1： To convene a virtual shareholders meeting, this Corporation shall include the follow particulars in the shareholders meeting notice: (Paragraph 1、2 omitted.) 3.To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.	Duly amended in accordance with Article 6-1 of the law "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings".

Contents after Amendment	Contents before Amendment	Explanation
22: When convening a virtual-only shareholders meeting, this Corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online. Except in the circumstances set out in Article 44-9, paragraph 6, of Regulations Governing the Administration of Shareholder Services of Public Companies, it shall at least provide the shareholders with connection facilities and necessary assistance, and specify the period during which shareholders may apply to the company and other related matters requiring attention.	22: When convening a virtual-only shareholders meeting, this Corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.	Duly amended in accordance with Article 22 of the law “Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings”.
24： The Measures were established on March 13, 1989. The 1st Amendment was made on May 19, 1998. The 2nd Amendment was made on May 21, 2002. The 3rd Amendment was made on June 19, 2013. The 4th Amendment was made on June 24, 2015. The 5th Amendment was made on June 15, 2020. The 6th Amendment was made on August 26, 2021. The 7th Amendment was made on May 20, 2022. The 8th Amendment was made on May 27, 2024.	24： The Measures were established on March 13, 1989. The 1st Amendment was made on May 19, 1998. The 2nd Amendment was made on May 21, 2002. The 3rd Amendment was made on June 19, 2013. The 4th Amendment was made on June 24, 2015. The 5th Amendment was made on June 15, 2020. The 6th Amendment was made on August 26, 2021. The 7th Amendment was made on May 20, 2022.	Addition of date of amendment