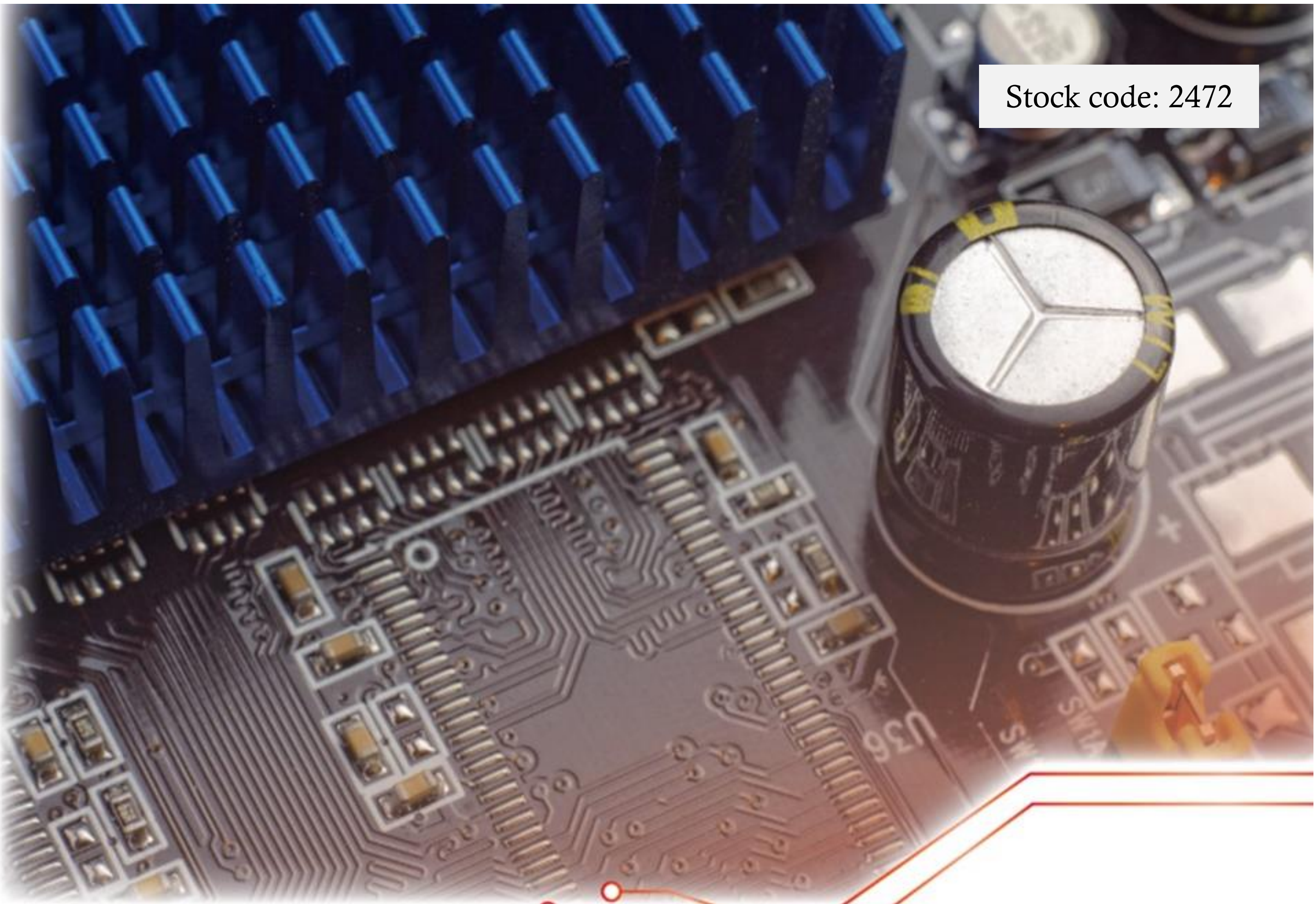
Stock code: 2472



Lelon Electronics Corp.

2024 Annual Report

Website for Annual Report: mops.twse.com.tw
Company website: www. lelon.com.tw

Printed on 30 April 2024

I. Name, title, contact numbers and email addresses of the spokesperson and acting spokesperson of the Company

Spokesperson: Mr. Peter Chang
Occupational title: Special Assistant to President
Acting spokesperson: Mr. Ethan Lin
Occupational title: Sr. Marketing Assistant General Manager
Telephone: +886-4-2418-1856
Email address: service@lelon.com.tw

II. Addresses and contact numbers of head Office, branches and factories

Head Office:

Address: No. 147, Sec. 1, Guoguang Rd., Dali Dist., Taichung City
Telephone: +886-4-2418-1856

Huizhou factory, China:

Address: Taiyang Industrial Zone, Baihua Town, Huidong County, Huizhou City, Guangdong, China
Telephone: +86-752-8768-222

Suzhou factory, China:

Address:788, Xinzi Rd., Wujiang Economic and Technological Development Zone, Suzhou City, Jiangsu, China
Telephone:+86-512-6356-7588

III. Name, address, website and contact number of share transfer agent

Stock Transfer Agency Department of Taishin Securities Co., Ltd.
Address: B1F, 96, Sec. 1, Jianguo N. Rd., Zhongshan Dist., Taipei
Website: https://www.tssco.com.tw
Telephone: +886-2-2504-8125

IV. Name, firm name, address, website and contact number of the CPA for the annual report for the most recent year

CPAs: Ching-Yuan Tu and Wen-Chen Lo
Accounting Firm: Ernst & Young, Taiwan
Address: 26F, No. 186 Shizheng N. 7th Rd., Xitun Dist., Taichung City
Website: www.ey.com/tw
Telephone: +886-4-2259-8999

V. The name of the marketplace where the overseas securities are listed for trading and information on overseas securities: N/A.

VI. Company website: www.lelon.com

Table of Contents

Chapter I. A Letter to Shareholders

Lelon Electronics Corp.

2024 Business Report

Dear Shareholders:

In the past year, with the full support of our shareholders and directors, and the concerted efforts of all employees, Lelon Electronics actively responded to rapid market changes and seized first-mover advantages in key application sectors. As the global demand for 5G, AIoT, and electric vehicles continued to grow in 2024, the electronics industry embraced a new wave of prosperity. Lelon Group achieved remarkable results, with annual revenue exceeding NT$10 billion. We will continue to work hard to repay the support and trust of our shareholders.

In response to growing demand in high-end application markets and to expand the production capacity of solid-state capacitors and aluminum electrolytic capacitors, the Company has completed the expansion project of its new plant in Suzhou, which has now officially commenced mass production. In addition, to meet customer requirements and increase the proportion of automotive electronic applications, construction of the new plant in Thailand officially began in 2024. We firmly believe that with the dedication of all employees and by leveraging the Company’s strengths to seize market opportunities, we will achieve our operational goals.

I. **2024** operating results

1. Implementation of the **2024** Business Plan

In 2024, the Company’s consolidated revenue amounted to NT$10,486,953 thousand, representing an increase of NT$1,488,688 thousand, or 16.5%, compared to the consolidated revenue of NT$8,998,265 thousand in 2023. Net income attributable to owners of the parent amounted to NT$1,155,486 thousand in 2024, an increase of NT$233,153 thousand compared to NT$922,333 thousand in 2023.

2. **2024** Budget Implementation

The Company did not disclose a financial forecast for 2024. The actual operating results for the year are presented in the following table:

Unit: NT$ thousand

Item	2024 Actual Amount (Consolidated)	2023 Actual Amount (Consolidated)
Operating Revenue	10,486,953	8,998,265
Cost of Goods Sold	(7,252,189)	(6,417,467)
Gross Profit	3,234,764	2,580,798
Operating Expenses	(1,360,700)	(1,107,742)
Operating Income	1,874,064	1,473,056
Net Non-Operating Incomes and Expenses	364,100	117,782
Income before Tax	2,238,164	1,590,838
Income Tax Expense	(528,594)	(342,454)
Net Income	1,709,570	1,248,384
Other Comprehensive Income	363,642	(194,971)
Total Comprehensive Income	2,073,212	1,053,413
Profit After Tax Attributable to The Parent Company	1,155,486	922,333
Basic Earnings per Share (NT$)	7.01	5.60
Diluted Earnings per Share (NT$)	6.98	5.58

3. Analysis of receipts, expenditures, and profitability for **2024**

Consolidated

Unit: NT$ thousands

Item	2024	2023
Net Cash Provided by Operating Activities	2,176,265	1,261,288
Net Cash Used in Investing Activities	(480,920)	(544,227)
Net Cash Used in Financing Activities	(574,114)	(563,778)
Return on Assets	11.1%	8.7%
Return on Equity	15.0%	12.0%
Net Profit Margin	16.3%	13.9%

4. 2024 Research and Development Work

In 2024, the Company has completed the development of the following new products, which have contributed significantly to the business expansion:

① SMD capacitors (VZR series: 105°C, Ø5~10mm, 3000 hours life expectancy).

II. The Summary of the Business Plan for the Current Year (**2025**)

1. 2025 Business Policy

(1) Continuing and sustaining the implementation of the established long-term strategic development plan.

※ Lelon has achieved an excellent result in the high-end electronic products sector and will continue to promote various long-term plans to strengthen its competitiveness.

※ Expanding production capacity for niche products and launching new stacked polymer capacitors to strengthen Lelon’s market competitiveness.

(2) Continuing to cultivate the fundamental market and demonstrating the value of Lelon to customers.

※ Deepening strategic partnerships with customers, gaining market insights, creating market opportunities together, and creating more value for shareholders.

(3) Continuously improving service and operational efficiency.

※ To improve organizational efficiency and customer service through resource integration and process improvement to enhance the overall profitability of the company.

※ Increase production efficiency through production automation.

(4) Continuous development of niche products

※ Focusing on applications in automotive electronics, telecommunications, medical, green energy, industrial automation, and cloud computing, the Company will develop high value-added products based on customers’ product development directions to meet market demand. In addition to in-house R&D, the Company will also collaborate with ITRI and materials/equipment suppliers to jointly develop new materials and process technologies.

(5) Introducing strategic investors at the appropriate time

※ Considering introducing strategic investors who can bring benefits to the company's future operations at the appropriate time to enhance Lelon's overall competitiveness in the market.

(6) Fulfilling corporate social responsibility

※ Lelon is committed to improving its product manufacturing processes and using environmentally friendly materials to meet the requirements of energy conservation and waste reduction, thereby meeting the expectations of society for green enterprises. Lelon values product safety and employee work safety, and place importance on employee health and environmental cleanliness, actively improving epidemic prevention measures. With a sustainable management approach, Lelon contributes to the progress and safety of society.

2. Sales Volume Forecast and the Basis Thereof for **2025**

The markets for automotive electronics and AI applications are expected to maintain positive growth momentum, which is anticipated to drive demand for aluminum electrolytic capacitors.

3. Important Production and Sales Policies for **2025**

① Continuously adjusting product and customer structures, avoiding red sea markets and deepening in high-end electronic products, improving the selling price, and enlarging the gap with competitors through market segmentation.

② Continuously expanding the high value-added product lines and production capacity.

③ Striving to become a strategic partner supplier to international manufacturers.

④ Improving the cost structure to increase product gross margin.

⑤ Investing in a manufacturing facility in Thailand to meet customer demands and facilitate international expansion, with mass production expected to commence in the second half of 2025.

III. The Company's Future Development Strategy

1. Product Strategy:

① Expanding the market share of niche products, such as stacked polymer capacitors, chip-type aluminum electrolytic capacitors, solid capacitors, and hybrid capacitors, all of which offer high gross margins.

② Developing high value-added products for niche markets and providing customers with the best solutions.

③ Adjusting product sales structure and continuously developing towards high-end applications to increase profit margin.

2. Marketing Strategy:

① Strengthening the image of Lelon as an industrial brand through high-quality products and services.

② Strengthening the global sales and service network and working closely with the customers.

③ Forming strategic alliances with international manufacturers to seize market opportunities.

IV. The Effect of External Competition, the Legal Environment, and the Overall Business Environment

1. The Effect of External Competition

- ✸ Clear demand for automotive electrification and electric vehicles is driving an increase in demand for aluminum capacitors.
- ✸ The trend of industrial automation is driving strong demand for robotics, which in turn is boosting the demand for aluminum electrolytic capacitors.

2. The Effect of Legal Environment

- ✸ Geopolitical factors influence the global supply chain layout.

3. The Effect of the Overall Business Environment

- ✸ High uncertainty in political and economic conditions.
- ✸ Change in exchange rate.

Established for over 48 years, Lelon is now the largest aluminum electrolytic capacitor manufacturer in Taiwan. With high-quality and stable capacitor products, the brand has been recognized and adopted by world-renowned manufacturers. In the passive components industry, the trend of "the big getting bigger" is becoming more pronounced. Enhancing competitiveness through upgraded management systems and equipment remains a key factor in earning customer trust. This year, Lelon has continued to secure orders from international manufacturers, actively developed new customers, and adjusted its product mix to enhance competitiveness and gross profit. In terms of research and development and manufacturing, Lelon will continue to develop new and niche products, with established achievements in the areas of automotive electronics, telecommunications, medical devices, green energy, smart grids, and cloud IoT equipment. The anticipated growth in AI applications is expected to continue driving demand for capacitors, thereby contributing positively to Lelon's business performance and profitability.

Wishing all the best to our valued shareholders.

Chairman

Chapter II. Corporate Governance Report

I. Information on Directors, Supervisors, President, Vice President, Associates, Heads of Departments and Divisions

(I) Directors and Supervisors

1. Profiles of Directors and Supervisors

Title	Nationality or place of registration	Name	Gender Age	Date of election / appointment to current term	Term of office	Commencement date of first term	No. of shares held at time of election: Share	No. of shares held at time of election: %	No. of shares currently held: Share	No. of shares currently held: %	Shares currently held by spouse and minor children: Share	Shares currently held by spouse and minor children: %	Shares held through nominees: Share	Shares held through nominees: %	Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree: Title	Name	Relation	Remark
Chairman	R.O.C	Jimmy Wu	Male 61-70	29 June 2022	3 years	15 June 2004	7,624,929	4.66%	7,624,929	4.63%	856,432	0.52 %	0	0.00 %	Master of Engineering Management, LAMAR UNIVERSITY (TEXAS), USA Manager of Production Division, Lelon Electronics Corp.	Note 1	Director	T.C.Wu	Father and son	Note 10
																	Senior Manager	C.M. Wu	Brothers	
Corporate Director	R.O.C	ChiFa Enterprise Co., Ltd.	-	29 June 2022	3 years	29 June 2022	25,486,291	15.59%	25,619,291	15.55%	0	0.00 %	0	0.00 %		None	None	None	None	
Corporate Director Representative	R.O.C	T.C.Wu	Male 81-90	29 June 2022	3 years	12 February 1976	0	0.00 %	13,252	0.01%	3,237,465	1.97 %	0	0.00 %	Electrical Engineering graduate, National Cheng Kung University Head of Engineering (Engineering Section Manager), Taiwan Power Company	Note 2	Chairman and President	Jimmy Wu	Father and son	
																	Senior Manager	C.M. Wu	Father and son	

Director	R.O.C	Cheng-Hung Chang	Male 71-80	29 June 2022	3 years	12 February 1976	3,086,493	1.89%	3,072,493	1.87%	681,494	0.41 %	0	0.00 %	Graduate, Kuang-Hwa Vocational Senior High School of Technology in Taichung Vice President, Lelon Electronic Corp.	Note 3	None	None	None	
Director	R.O.C	Xing-Shu Ke	Male 71-80	29 June 2022	3 years	15 May 2001	211,188	0.13%	211,188	0.13%	0	0.00 %	0	0.00 %	Business Administration graduate, National Chung Hsing University Graduate, National Hsinchu University of Education Chairman, Sweeten(Sweeten Real Estate Development Co., Ltd.)	Note 4	None	None	None	
Director	R.O.C	Lien-Heng Liao	Male 71-80	29 June 2022	3 years	04 June 2002	0	0.00 %	0	0.00 %	0	0.00 %	0	0.00 %	International Business graduate, Feng Chia University Deputy Chairman, Sinon Corporation	Note 5	None	None	None	
Independent Director	R.O.C	Jimmy Ou	Male 71-80	29 June 2022	3 years	22 June 2016	0	0.00 %	0	0.00 %	0	0.00 %	0	0.00 %	Electrical Engineering graduate, National Cheng Kung University Chairman, Universal Microelectronics Co., Ltd.	Note 6	None	None	None	Note 6
Independent Director	R.O.C	Chi-Wei Lin	Male 71-80	29 June 2022	3 years	22 June 2016	0	0.00 %	0	0.00 %	0	0.00 %	0	0.00 %	Accounting graduate, National Cheng Kung University Partner, Ernst & Young (Formerly known as Diwan)	Note 7	None	None	None	
Independent Director	R.O.C	C. Y. Wei	Male 61-70	29 June 2022	3 years	29 June 2022	0	0.00 %	0	0.00 %	0	0.00 %	0	0.00 %	Communication Engineering, National Chiao Tung University Chairman/ President, Universal Global Scientific Industrial Co., Ltd.)	Note 8	None	None	None	
Independent Director	R.O.C	Samuel Kuo	Male 61-70	29 June 2022	3 years	29 June 2022	0	0.00 %	0	0.00 %	4,000	0.00 %	0	0.00 %	Electronics Engineering, Tokyo Electronics College Chairman, Ty-Ohm Electronic Works Co., Ltd.	Note 9	None	None	None	

Note 1: President of Lelon Electronics Corp.; Chairman of Lelon Electronics (Huizhou) Co., Ltd., Lelon Electronics (Suzhou) Co., Ltd., Lelon Electronics Technology (Suzhou) Co., Ltd., Lelon Electronics (Thailand) Co., Ltd., LIRO (BVI), Lelon International Industrial Co., Ltd., Dongguan Lihong Trading Co., Ltd., Liton Technology Corp., Liton Electronics Technology (Huizhou) Co., Ltd., Liton Electronics Technology (Abazhou) Co., Ltd., LITON (BVI), V-TECH CO., LTD., FOREVER CO., LTD., Lifu Machinery Industrial Co., Ltd., Supervisor of Ruyuan Lidon Electronic Technology Co., Ltd., Director of Chyi Fa Co., Ltd., and Chairman of Feng Jie investment Co. Ltd.

Note 2: Chairman of EVERTECH CAPA CO., LTD., Liyang Construction Co., Ltd.; Director of Lelon Electronics (Huizhou) Co., Ltd.; Chairman of ANCKU-TAICHUNG CORP.; Independent Director of UNIVERSAL MICROELECTRONICS CO., LTD.; and Chairman of Chuan Fu investment Co. Ltd.

Note 3: Director of Lelon Electronics (Huizhou) Co., Ltd., Director of Lelon Electronics (Suzhou) Co., Ltd., Supervisor of Lifu Machinery Industrial Co., Ltd., Director of Regent Rich (Hong Kong) Co., Ltd., Chairman of Lijing Real Estate Development (Huizhou) Co., Ltd., and Chairman of Huizhou Liquan Property Management Co., Ltd.

Note 4: Chairman of Sweeten (Sweeten Real Estate Development Co., Ltd.), Chairman of Jingle Construction Co., Ltd., Director of China Electric Mfg. Corp., Director of Tanking Investment Co., Ltd., Director of Tiansheng Investment Co., Ltd., Chairman of Taidaxing Industrial Co., Ltd., Chairman of Tianqi Investment Co., Ltd., Chairman of (StunTing Estate Development Co., Ltd., Chairman of Sweeten Huanhui Enterprise Co., Ltd. and Independent Director of Universal Microelectronics Co., Ltd.

Note 5: Deputy Chairman of Sinon Corporation, Director of Taiwan Fresh Supermarket Corporation, Director of Yumei Biotec Corporation, Director of Shing Nung Trading Co., Ltd., Independent Director of Sweeten Real Estate Development Co., Ltd.) and Director of Shing Nung Trading Co., Ltd.

Note 6: Deceased on 20 February 2025.

Note 7: Independent Director of Nien Made Enterprise Co., Ltd.

Note 8: Director of USI Inc., Director of Huntingtons Holdings International Co., Ltd., Director of Unitech Holdings International Co., Ltd., Director of Real Tech Holdings Limited, Director, Director of USI Enterprise Limited, Director and President of Universal Scientific Industrial (Shanghai) Co., Ltd., Director of Universal Global Technology Co., Ltd., Director of Universal Global Technology (Kunshan) Co., Ltd., Director of Universal Global Technology (Shanghai) Co., Ltd., Director/Legal Representative/ President,Director of Universal Global Electronics (Shanghai) Co., Ltd., Chairman/Legal Representative of USI Electronics (Shenzhen) Co., Ltd., Director of Universal Global Industrial Co., Limited, Chairman/Legal Representativeof Universal Global Scientific Industrial Co., Ltd., Director/CEO of USI America Inc., Director/Representative Director of USI Japan Co., Ltd., Director/President of Universal Scientific Industrial De Mexico S. A. De C. V., Director of Universal Global Electronics Co., Ltd., Chairman/Legal Representative of Universal Scientific Industrial Co., Ltd, Director of Universal Global Technology (Huizhou) Co., Ltd., Chairman/ President of Universal Scientific Industrial (France) , Chairman of Universal Scientific Industrial Vietnam Co., Ltd., Director of Financiere AFG, Chairman/Legal Representative/President of USI Science and Technology (Shenzhen) Co., Ltd., Director of Memtech International PTD. Ltd. and Director of MUtek Electronics Co.,Ltd..

Note 9: Representative of the institutional shareholder and president of Ty-Ohm Electronic Works Co., Ltd., Chairman and President of Ty-Ohm (Suzhou) Electronic Works Co., Ltd., Chairman and President of Asia Akita Electronic Technology Company, Chairman and President of,Asia Akita Electronic Technology (Shenzhen) Co.,Ltd., Chairman of Asia Akita (BVI) Co., Ltd., Chairman of TY-OHM (Samoa) Electronic Works Co., Ltd., and Director of Ty-Ohm (Thailand) Electronic Works Co., Ltd

Note 10: If the Chairman also holds the position of president or position of relevant function (e.g., the top manager), or these positions were held by a spouse or next of kin, explain and justify the necessity and responses:

(1) The Chairman and President of the company are the same person. Chairman Jimmy Wu was appointed by the Board of Directors in 2023. With over 35 years of service at the company, Chairman Wu is well-acquainted with the company's operations and has successfully led the company to steady growth year after year.

(2) In the current term, the number of independent director positions has increased to four, bringing the total number of board seats to nine. Apart from the aforementioned Chairman and General Manager being the same person, the other eight directors do not hold positions as company employees, ensuring that more than half of the board members are independent of management roles. This structure enhances the independence of the Board of Directors.

2. Major Shareholders of Directors and Supervisors Acting as the Representatives of Corporate Shareholders:

Major Shareholders of Corporate Shareholders

30 April 2025

Name of corporate shareholder	Major shareholders of the corporate shareholder
Chyi Fa Co., Ltd.	Jen-Ming Wu (29.43%), C.M. Wu (29.43%), Peggy Lo (17.73%), Jimmy Wu (11.69%), Yu-Jie Wu (1.95%), Yu-Fong Wu (1.95%), Yu-Je Wu (1.95%), Yu-Shiue Wu (1.95%) and Yu-Ching Wu (3.91%)

3. Major Shareholders of Directors and Supervisors Acting as the Representatives of Corporate Shareholders who are Corporate/Juristic Person:

N/A.

4. Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and the Independence of Independent Directors:

30 April 2025

Qualification / Name	Professional qualifications and experience	Independence analysis	No. of other public companies at which the person concurrently serves as an independent director
Jimmy Wu (Chairman)	Experience of over five years in business, legal, financial, accounting or business operations. Currently Chairman of Lelon Electronics. There are no circumstances under the provisions of Article 30 of the Company Act.	N/A	0
Representative, ChiFa Enterprise Co., Ltd. T.C.Wu Chairman	Experience of over five years in business, legal, financial, accounting or business operations. Currently Director of Lelon Electronics. There are no circumstances under the provisions of Article 30 of the Company Act.		1
Cheng-Hung Chang (Director)	Experience of over five years in business, legal, financial, accounting or business operations. Formerly Vice President of Lelon Electronics. There are no circumstances under the provisions of Article 30 of the Company Act.		0
Xing-Shu Ke (Director)	Experience of over five years in business, legal, financial, accounting or business operations. Currently Chairman of Sweeten Construction. There are no circumstances under the provisions of Article 30 of the Company Act.		1
Lien-Heng Liao (Director)	Experience of over five years in business, legal, financial, accounting or business operations. Currently Vice Chairman of Sinon Corporation. There are no circumstances under the provisions of Article 30 of the Company Act.		1
Jimmy Ou (Independent Director)	Experience of over five years in business, legal, financial, accounting or business operations. Former Chairman of Universal Microelectronics. There are no circumstances under the provisions of Article 30 of the Company Act.	1. All Independent Directors comply with the relevant provisions of the “ Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” (Note 1) relevant regulations	1
Chi-Wei Lin (Independent Director)	Experience of over five years in business, legal, financial, accounting or business operations. Certified professional and technical accountant who has passed the national examination for accountants. Formerly a Certified Public Accountant at Diwan & Company (now known as Ernst & Young). There are no circumstances under the provisions of Article 30 of the Company Act.		1

C. Y. Wei (Independent Director)	Experience of over five years in business, legal, financial, accounting or business operations. Currently the Chairman of Universal Global Scientific Industrial Co., Ltd. There are no circumstances under the provisions of Article 30 of the Company Act.		0
Samuel Kuo (Independent Director)	Experience of at least five years in business, legal, financial, accounting or business operations. Currently the Chairman of Ty-Ohm Electronic Works Co., Ltd. There are no circumstances under the provisions of Article 30 of the Company Act.		0

Note 1: During the two years preceding the election and during the term of office, none of the following has occurred:

(1) Not employed by the Company or its affiliates.

(2) Not a director or supervisor of the Company or its affiliates. (Except where the company and its parent company, subsidiary or subsidiary of the same parent company are serving concurrently as Independent Directors in accordance with the Act or the laws of the country in which they are established).

(3) An individual shareholder who does not hold more than 1% of the total number of issued shares or the top 10 shareholdings in the name of himself/herself, his/her spouse, minor children or in the name of another person.

(4) Not a manager listed in (1) or a spouse, a relative within the second degree of consanguinity or a relative within the third degree of consanguinity listed in (2) or (3).

(5) A director, supervisor or employee of a institutional shareholder who does not directly hold more than 5% of the total number of issued shares of the company, or who is not one of the top five holders of shares or who has appointed a representative to act as a director or supervisor of the company in accordance with Article 27 (1) or (2) of the Companies Act (except where the company and its parent company, subsidiary or subsidiary of the same parent company are serving concurrently as Independent Directors in accordance with the Act or the laws of the country in which they are established).

(6) A director, supervisor or employee of another company who is not controlled by the same person as more than half of the directorships or voting shares of the company (except where the company and its parent company, subsidiary or subsidiary of the same parent company are serving concurrently as Independent Directors in accordance with the Act or the laws of the country in which they are established).

(7) A director, supervisor or employee or its spouse of any other company or organization who is not the same person as the chairman, president or equivalent of the company (except where the company and its parent company, subsidiary or subsidiary of the same parent company are serving concurrently as Independent Directors in accordance with the Act or the laws of the country in which they are established).

(8) Directors, supervisors, Managerial Personnels or shareholders holding more than 5% of the shares of a particular company or organization that does not have financial or business relations with the Company (where a particular company or institution holds more than 20% but not more than 50% of the total number of issued shares of the company, and where the company and its parent company, subsidiary or subsidiary of the same parent company serve concurrently as independent directors in accordance with this Law or the laws of the country in which they are established, there shall be no such limitation).

(9) Professionals, sole proprietors, partners, directors, supervisors, Managerial Personnels, and their spouses who do not provide audit services or receive remuneration from the Company or its affiliates for business, legal, financial, accounting, or other related services that have not exceeded NT$500,000 in the last two years. However, this does not apply to members of the Remuneration Committee, the Public Takeover Review Committee () or the Special Committee on Mergers and Acquisitions who perform their duties and responsibilities in accordance with the Securities and Exchange Act or the relevant provisions of the Mergers and Acquisitions Act.

5. Diversity and Independence of the Board of Directors:

(1) Diversity of the board:

A. Diversity policy for board members

① In accordance with the Article 20 of "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies", which states that the functions of the Board should be strengthened, and the composition of the Board should be diversified and to develop an appropriate diversity approach to its operations, business model, and development, which includes but is not limited to the following two broad criteria:

I Fundamental condition and value: gender, age, nationality and education.

II Professional designation and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills, and industry experience.

② Members of the Board shall be disciplined with the knowledge, skills, and accomplishment in their respective areas of expertise. For achieving the objective of corporate governance, the Board in general shall be capable of the following:

I Judgement in operation.

II Accounting and financial analysis.

III Corporate management

IV Crisis management.

V Industry knowledge

VI International view of the market

VII Leadership

VIII Decision-making

B. Management Objectives of the Company's Diversity Policy

① The Board of Directors of the Company values operational judgment, management and crisis management skills, and at least two-thirds of the Board members should be competent in the relevant core areas.

② The number of directors who concurrently act as Managerial Personnels of the Company shall not exceed one-third of the number of Directors in order to achieve the purpose of supervision.

C. Implementation of the Company's diversity policy

① The Company's current board of directors consists of nine directors (including four independent directors), that are professionals with diverse backgrounds, extensive industry experience, expertise and outstanding insight.

② One director who is also Managerial Personnels of the Company represents 11% of the total number of directors, which is not more than one-third of the total number of directors, and the directors have supervisory purposes.

③ The Company is committed to operational judgment, business management and crisis management skills, and all Board members have the ability to meet the management objectives.

D. Reasons for not reaching one-third representation of either gender on the Board of Directors and measures adopted to improve gender diversity on the Board

① A total of 9 directors were elected at the extraordinary shareholders' meeting on

25 March 2025, including 2 female independent directors, accounting for 22% of the board.

②The composition of the Board of Directors is primarily based on candidates' professional background, experience, and their potential contributions to the Company's development. While there is currently no specific requirement regarding gender ratio, the Company will continue to promote gender equality within the board and has set the goal of having directors of either gender comprise at least one-third of the board as a long-term objective.

④ The relevant implementation status is set out in the table below:

Item / Name of Director	Concurrently serves as an employee of the Company	Age		Years of service as Independent Directors	Business experience	Accounting and finance profession	Electronic industry experience	Operation management
		60~70	71 and above					
Jimmy Wu	V	V			V		V	V
Representative, ChiFa Enterprise Co., Ltd. T.C.Wu			V		V		V	V
Cheng-Hung Chang			V		V		V	V
Xing-Shu Ke			V		V			V
Lien-Heng Liao			V		V			V
Jimmy Ou (Independent Director)			V	8	V		V	V
Chi-Wei Lin (Independent Director)			V	8	V	V		
C. Y. Wei (Independent Director)			V	2	V		V	V
Samuel Kuo (Independent Director)		V		2	V		V	V

E. Overall competence of the Board

Competence / Name of Directors	Eligibility							
	Judgment in operation	Accounting and financial analysis	Corporate management	Crisis management	Industry knowledge	International view of the market	Leadership	Decision-making
Jimmy Wu	V	V	V	V	V	V	V	V
Representative, ChiFa Enterprise Co., Ltd. T.C.Wu	V	V	V	V	V	V	V	V
Cheng-Hung Chang	V	V	V	V	V	V	V	V
Xing-Shu Ke	V	V	V	V	*	V	V	V
Lien-Heng Liao	V	V	V	V	*	V	V	V
Jimmy Ou	V	V	V	V	V	V	V	V
Chi-Wei Lin	V	V	V	V	*	V	V	V
C. Y. Wei	V	V	V	V	V	V	V	V
Samuel Kuo	V	V	V	V	V	V	V	V

Note: * shall refer to having partial competence

(2) Independence of the Board:

In addition to assessing the educational qualifications of each candidate, reference is made to the "Regulations for Election of Directors and Supervisors" and the "Corporate Governance Best Practice Principles for TWSE/ TPEx Listed Companies" to ensure the diversity and independence of the Board of Directors.

The current term of the Company comprises 9 Directors, of which 4 are independent Directors representing 44% of the total number of Directors.
The current term comprises 9 seats of Directors, of which the 2 seats are held by Chairman, Jimmy Wu and Director, T.C. Wu, who are first-degree relatives, which does not exceed 50% of the seats; There are no circumstances as specified in Article 26-3, and 26-4 of the Securities and Exchange Act that would compromise the independence of the Board of Directors.

(II) President, Vice President, Senior Managerial Personnels, Heads of Departments and Divisions

30 April 2025; Unit: share; NT$

Title	Nationality or place of registration	Name	Gender	Date Elected	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Major work experience (education)	Concurrent positions with the Company and other companies	Other officer or Director who is the spouse or kindred within the 2nd tier			Remark
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
President	R.O.C	Jimmy Wu	Male	1 May 2006	7,624,929	4.63%	856,432	0.52%	0	0.00%	Master of Engineering Management, LAMAR UNIVERSITY (TEXAS), USA Manager of Production Division, Lelon Electronics Corp.	Note 1	Senior Manager	C.M. Wu	Brothers	Note 4
Vice President	R.O.C	Linda Chen	Female	1 May 2006	0	0.00%	0	0.00%	0	0.00%	EMBA graduate, National Chiao Tung University Secretary, Lung Jung Development Co., Ltd	Note 2	None	None	None	
Vice President	R.O.C	David Wang	Male	31 August 2007	158,196	0.10%	31,311	0.02%	0	0.00%	EMBAgraduate, Tsinghua University, China Manager of Management Division, Lelon Electronics Corp.	None	None	None	None	
Senior Manager	R.O.C	Jenny Chang	Female	1 May 2006	12,511	0.01%	0	0.00%	0	0.00%	EMBA graduate, National Chung Hsing University Senior of Audit, Diwan & Company	None	None	None	None	
Sr. Marketing Manager	R.O.C	Ethan Lin	Male	31 August 2007	0	0.00%	0	0.00%	0	0.00%	Master of Graduate Institute of Industrial Economics oft, National Central University Head of Sales Division), Taicon Corporation	None	None	None	None	
Sr. Marketing Manager	R.O.C	Andy Yeh	Female	31 August 2007	30,000	0.02%	0	0.00%	0	0.00%	International Trade graduate, Tatung Institute of Commerce and Technology Sales Secretary (), Whale Chem Co., LTD.	None	None	None	None	

Senior Manager	R.O.C	C.M. Wu	Male	31 May 2017	7,805,734	4.74%	641,466	0.39%	0	0	Business and Entrepreneurship graduate, Lawrence University President of President's Office, Lelon Electronics Corp	Note 3	President	Jimmy Wu	Brothers	
Senior Manager	R.O.C	Addie Lin	Male	28 May 2018	21,755	0.01%	0	0.00%	0	0.00%	Master of Chemical Engineering, National Cheng Kung University Manager, Liton Technology Corp	None	None	None	None	
Senior Manager	R.O.C	Jackson Yen	Male	28 May 2018	10,540	0.01%	0	0.00%	0	0.00%	Graduate in Chemistry, Chinese Culture University President, Shanghai Shenya Travel Agency	None	None	None	None	
Sr. Marketing Manager	R.O.C	Matt Chien	Male	28 May 2018	0	0.00%	0	0.00%	0	0.00%	Industrial Engineering & Management graduate, National Chin-Yi University Chief (team leader), Kosmos Variable Speed Transmission Works Co., Ltd.	None	None	None	None	
Plant Senior Manager	R.O.C	Zheng-hao Xiao	Male	01 February 2024	13,088	0.01%	0	0.00%	0	0.00%	Graduate, Department of Chemical Engineering, National Taipei University of Technology Research and Development Manager, Suzhou Factory, Lelon Electronics Corp.	None	None	None	None	
Manager of Finance Department	R.O.C	Erica Lin	Female	15 November 2007	62,377	0.04%	0	0.00%	0	0.00%	Master of Accounting, Case Western Reserve University Accounting Assistant Manager, Donpon Precision Inc.	None	None	None	None	

Note 1: President of Lelon Electronics Corp.; Chairman of Lelon Electronics (Huizhou) Co., Ltd., Lelon Electronics (Suzhou) Co., Ltd., Lelon Electronics Technology (Suzhou) Co., Ltd., Lelon Electronics (Thailand) Co., Ltd., LIRO (BVI), Lelon International Industrial Ltd., Dongguan Lihong Trading Co., Ltd., Liton Technology Corp., Liton Electronics Technology (Huizhou) Co., Ltd., Liton Electronics Technology (Abazhou) Co., Ltd., LITON (BVI), V-TECH CO., LTD., FOREVER CO., LTD., Lifu Machinery Industrial Co., Ltd..; Supervisor of Ruyuan Lidong Electronic Technology Co., Ltd.; Director of Chyi Fa Co., Ltd., and Chairman of Feng Jie investment Co. Ltd.

Note 2: Director of Regent Rich (Hong Kong) Ltd. and Director of Dongguan Lihong Trading Co., Ltd.

Note 3: Chairman of Suzhou Liding AUTOMOTIVE Technology Co., Ltd.; Chainman of Chyi Fa Co., Ltd., and Chairman of Chyi Fa Co., Ltd.

Note 4: If the Chairman also holds the position of President or position of relevant function (e.g., the top manager), or these positions were held by a spouse or next of kin, explain and justify the necessity and responses:

(1) The Chairman and President of the company are the same person. Chairman Jimmy Wu was appointed by the Board of Directors in 2023. With over 35 years of service at the company, Chairman Wu is well-acquainted with the company's operations and has successfully led the company to steady growth year after year.

(2) In the current term, the number of independent director positions has increased to four, bringing the total number of board seats to nine. Apart from the aforementioned Chairman and General Manager being the same person, the other eight directors do not hold positions as company employees, ensuring that more than half of the board members are independent of management roles. This structure enhances the independence of the Board of Directors.

II. Remuneration to Directors, Supervisors, President and Vice President, etc. for the most recent year

(I) Remuneration to Directors

Remuneration to Directors and Independent Directors (Disclose the name and form of remuneration separately)

Unit: NT$ thousands

Title	Name	Remuneration to directors								Sum of A+B+C+D and ratio to net income (Note 10)		Remuneration received by directors for concurrent service as an employee								Sum of A+B+C+D+E+F+G and ratio to net income (Note 10)		Any payment from direct investee companies other than the subsidiaries or the parent company (Note 11)
		Base compensation (A) (Note 2)		Retirement pay and pension (B)		Director profit-sharing compensation (C) (Note 3)		Expenses and perquisites (D) (Note 4)				Salary, rewards, and special disbursements (E) (Note 5)		Retirement pay and pension (F)		Employee profit-sharing compensation (G) (Note 6)						
		The Company	All consolidated entities (Note 7)	The Company	All consolidated entities (Note 7)	The Company	All consolidated entities (Note 7)	The Company	All consolidated entities (Note 7)	The Company	All consolidated entities (Note 7)	The Company	All consolidated entities (Note 7)	The Company	All consolidated entities (Note 7)	The Company		All consolidated entities (Note 7)		The Company	All consolidated entities (Note 7)	
																Cash	Stock	Cash	Stock			
Chairman	Jimmy Wu	3,684	5,115	0	0	3,411	4,367	25	55	7,120 0.62%	9,537 0.83%	3,496	6,293	0	0	1,942	0	1,942	0	12,558 1.09%	17,772 1.54%	0
Corporate Director	ChiFa Enterprise Co., Ltd.	0	0	0	0	2,558	2,558	0	0	2,558 0.22%	2,558 0.22%	0	0	0	0	0	0	0	0	2,558 0.22%	2,558 0.22%	0
Corporate Director	T.C.Wu	177	177	0	0	0	0	25	25	202 0.02%	202 0.02%	0	0	0	0	0	0	0	0	202 0.02%	202 0.02%	0
Director	Cheng-Hung Chang	0	0	0	0	2,387	2,387	20	20	2,407 0.21%	2,407 0.21%	0	0	0	0	0	0	0	0	2,407 0.21%	2,407 0.21%	0
Director	Xing-Shu Ke	0	0	0	0	2,558	2,558	25	25	2,583 0.22%	2,583 0.22%	0	0	0	0	0	0	0	0	2,583 0.22%	2,583 0.22%	0
Director	Lien-Heng Liao	0	0	0	0	2,387	2,387	20	20	2,407 0.21%	2,407 0.21%	0	0	0	0	0	0	0	0	2,407 0.21%	2,407 0.21%	0
Independent Director	Jimmy Ou	0	0	0	0	2,387	2,387	130	130	2,517 0.22%	2,517 0.22%	0	0	0	0	0	0	0	0	2,517 0.22%	2,517 0.22%	0
Independent Director	Chi-Wei Lin	0	0	0	0	2,558	2,558	140	140	2,698 0.23%	2,698 0.23%	0	0	0	0	0	0	0	0	2,698 0.23%	2,698 0.23%	0
Independent Director	C. Y. Wei	0	0	0	0	2,558	2,558	50	50	2,608 0.23%	2,608 0.23%	0	0	0	0	0	0	0	0	2,608 0.23%	2,608 0.23%	0
Independent Director	Samuel Kuo	0	0	0	0	2,558	2,558	60	60	2,618 0.23%	2,618 0.23%	0	0	0	0	0	0	0	0	2,618 0.23%	2,618 0.23%	0

1. Specify the policy, system, standard and structure of the fees for Independent Directors, and the association between the duties performed, the risk, the commitment of time and related factors and the amount of payment: (1) In accordance with the Company's Articles of Incorporation, the remuneration to the Chairman, Directors and Supervisors is delegated to the Board of Directors based on the extent of their participation in and value of their contribution to the operations of the Company and with reference to the industry standard. (2) The Articles of Incorporation specify a maximum of 4% of annual profit as Remuneration to Directors. The Independent Directors are not currently paid a fixed remuneration. The Company shall make provision for the payment of remuneration to the Directors and Supervisors as and when the Company makes a profit. 2. Further to the disclosure in the above table, the remuneration to the Directors from All consolidated entities for the service rendered (such as consultant, which is not in the capacity as an employee): None.

Note 1: List the names of the directors separately (for institutional shareholders, list the name of the institutional shareholder and the representative separately), as well as the Directors and Independent Directors, and disclose all payments in aggregate. If a director also holds the position of president or vice president, fill in this table and the table (3-1) below, or Table (3-2) below.

Note 2: Refers to the remuneration to the Directors in the previous period (including salaries, professional allowances, severance payment, different types of bonuses, gratuities, etc.).

Note 3: Refers to the amount of Remuneration to Directors approved by the Board of Directors in the most recent year.

Note 4: Related professional allowances paid to the Directors in the previous period (including traveling subsidy, special expense account, allowances, and payment in kinds such as accommodation and company car). If housing, company car or other transportation vehicle or exclusive expense is incurred, disclose the nature and cost of the assets, the actual amount of rent or estimated at fair value, fuel payment and other payment. If a driver is assigned, specify the remuneration to the driver by the Company but not included as a part of the remuneration.

Note 5: Refers to payment to Directors who also performed the duties as employees (including holding the position as President, Vice President, Managerial Personnels, and other personnel) including salaries, professional allowances, severance payment, different types of bonuses, gratuities, traveling subsidy, special expense account, allowances, and payment in kind such as accommodation, company car.

Note 6: If the Directors also performed the duties as employees (including holding the position as President, Vice President, Managerial Personnels, and other personnel) and received payment as employees (including stock and cash), disclose the amount of remuneration to employee in the previous period passed by the Board. If the estimation is not possible, calculate the amount planned to pay out in current period on the basis of the actual amount payment in the previous year, and fill in Table 1-(3).

Note 7: Disclose the total amount of payment from all companies (including the Company) included in the consolidated financial statements to the Directors of the Company.

Note 8: Disclose the names of the Directors in respective brackets of the payment scale by the total amount of payment from the Company.

Note 9: Disclose the total of all itemized payments from all companies (including the Company) included in the consolidated financial statements to each Director of the Company, and disclose the names of the Directors in respective brackets of the payment scale.

Note 10: Net income refers to the net income of the previous period.

Note 11: a. Put down the amount of remuneration from direct investee companies other than the subsidiaries or the parent company to the Directors of the Company (If there is no payment, put down "None").

b. If the Directors have received payment from direct investee companies other than the subsidiaries or the parent company, include this amount in Column I of the payment scale, and rename the column name as "parent company and all direct investee companies".

c. Remuneration refers to the reward, payment (including payment to employees, Directors, and Supervisors) and performing professional duties to Directors who also act in the capacity of Directors, Supervisors or Managerial Personnels in the direct investee companies other than the subsidiaries.

*The content of remuneration disclosed in this table is different from the purpose of taxation. This table is just for disclosure of information only, not as reference for taxation.

(II) Remuneration to Supervisors: Not applicable, as an Audit Committee has been established.

(III) Remuneration to President and Vice President

Remuneration to President and Vice President (disclosure of the names in relevant bracket of the payment scale)

Unit: NT$ thousands

<table>
<tr><th rowspan="3">Title</th><th rowspan="3">Name</th><th colspan="2">Base compensation (A) (Note 2)</th><th colspan="2">Retirement pay and pension (B)</th><th colspan="2">Rewards and special disbursements (C) (Note 3)</th><th colspan="4">Employee profit-sharing compensation (D) (Note 4)</th><th colspan="2">Sum of A+B+C+D and ratio to net income (%) (Note 8)</th><th rowspan="3">Remuneration received from investee enterprises other than subsidiaries or from the parent company (Note 9)</th></tr>
<tr><th rowspan="2">The Company</th><th rowspan="2">All consolidated entities (Note 5)</th><th rowspan="2">The Company</th><th rowspan="2">All consolidated entities (Note 5)</th><th rowspan="2">The Company</th><th rowspan="2">All consolidated entities (Note 5)</th><th colspan="2">The Company</th><th colspan="2">All consolidated entities (Note 5)</th><th rowspan="2">The Company</th><th rowspan="2">All consolidated entities (Note 5)</th></tr>
<tr><th>Cash</th><th>Stock</th><th>Cash</th><th>Stock</th></tr>
<tr><td>President</td><td>Jimmy Wu</td><td rowspan="3">5,447</td><td rowspan="3">7,732</td><td rowspan="3">0</td><td rowspan="3">0</td><td rowspan="3">3,958</td><td rowspan="3">6,536</td><td rowspan="3">4,594</td><td rowspan="3">0</td><td rowspan="3">4,594</td><td rowspan="3">0</td><td>13,998</td><td>18,862</td><td rowspan="3">0</td></tr>
<tr><td>Vice President</td><td>Linda Chen</td><td rowspan="2">1.21%</td><td rowspan="2">1.63%</td></tr>
<tr><td>Vice President</td><td>David Wang</td></tr>
</table>

*Disclosures must be made for all persons in positions equivalent to president or vice president, regardless of job title (e.g., president, chief executive officer, chief administrative officer…etc.)

Remuneration Range Table

Ranges of remuneration paid to each of the Company's president(s) and vice president(s)	Names of President and Vice Presidents	
	The Company (Note 6)	All consolidated entities (Note 7) E
NT$1,000,000 and below	0	0
NT$1,000,000 (incl.) to NT$2,000,000 (excl.)	0	0
NT$2,000,000 (incl.) to NT$3,500,000 (excl.)	0	0
NT$3,500,000 (incl.) to NT$5,000,000 (excl.)	Linda Chen, David Wang	Linda Chen
NT$5,000,000 (incl.) to NT$10,000,000 (excl.)	Jimmy Wu	David Wang, Jimmy Wu
NT$10,000,000 (incl.) to NT$15,000,000 (excl.)	0	0
NT$15,000,000 (incl.) to NT$30,000,000 (excl.)	0	0
NT$30,000,000 (incl.) to NT$50,000,000 (excl.)	0	0
NT$50,000,000 (incl.) to NT$100,000,000 (excl.)	0	0
NT$100,000,000 or more	0	0
Total	3	3

Note 1: List the president and vice presidents by name and disclose the amount of itemized payment in aggregate. If a director also holds a position as president or vice president, fill in this form and the form above.

Note 2: Put down the salaries, professional allowances, and severance payments of the president and the vice presidents in the previous period.

Note 3: Put down different types of bonuses, gratuities, traveling subsidies, special expense accounts, allowances, and payments in kind including accommodation and company vehicles for the president and vice presidents in the previous period.

Note 4: Put down the amount of remuneration to the President and Vice Presidents as employees (including stock and cash) passed by the Board in the previous period. If the estimation is not possible, calculate the amount in proportion to the actual payment of the previous year, and fill in Table 1-(3). Net income refers to the net income of the previous period. If IFRSs is adopted in reporting, net income shall be the net income stated in the separate financial statements.

Note 5: Disclose the total payment from All consolidated entities (including the Company) to the president and the vice presidents of the Company.

Note 6: The total amount of payment to the president and each vice president of the Company and disclose the names of the persons in relevant brackets along the payment scale.

Note 7: Disclose the total amount of payment from All consolidated entities (including the Company) to the president and each vice president and disclose the names of the persons in relevant brackets along the payment scale.

Note 8: Net income refers to the net income of the previous period. If IFRS has been adopted in reporting, net income shall be referred to the net income as presented in the separate financial statement covering the previous period.

Note 9: a. Put down the amount of related payment to the president and the vice presidents from all direct investee companies other than the subsidiaries or the parent company (If there is no payment, put down "None").

b. If the president and the vice presidents were remunerated by direct investee companies other than the subsidiaries, put down the amount paid to the president and the vice presidents of the Company from direct investee companies other than the subsidiaries or the parent company in relevant brackets along the payment scale in column E, and change the name of the column as "Parent company and all direct investee companies".

c. Remuneration includes the reward and wages (including payment to employees, directors and supervisors) and professional allowances to the president and vice presidents of the Company from direct investee companies other than the subsidiaries or the parent company in the capacity of directors, supervisors or Managerial Personnels of these companies.

*The content of remuneration disclosed in this table is different from the purpose of taxation. This table is therefore provided for disclosure only and is not used for taxation purposes.

(IV) Remuneration of the Top Five Highest-Paid Managerial Personnel

Remuneration of the top five highest-paid managerial personnel (with individual disclosure of names and remuneration details)

Title	Name	Base compensation (A) (Note 2)		Retirement pay and pension (B)		Rewards and special disbursements (C) (Note 3)		Employee profit-sharing compensation (D) (Note 4)				Sum of A+B+C+D and ratio to net income (%) (Note 6)		Remuneration received from investee enterprises other than subsidiaries or from the parent company (Note 7)
		The Company	All consolidated entities (Note 5)	The Company	All consolidated entities (Note 5)	The Company	All consolidated entities (Note 5)	The Company		All consolidated entities (Note 5)		The Company	All consolidated entities (Note 5)	
								Cash	Stock	Cash	Stock			
President	Jimmy Wu	2,037	3,385	0	0	1,459	2,908	1,942	0	1,942	0	5,438 0.47%	8,235 0.71%	0
Vice President	David Wang	1,503	2,440	0	0	1,139	2,269	1,684	0	1,684	0	4,327 0.37%	6,393 0.55%	0
Vice President	Linda Chen	1,907	1,907	0	0	1,360	1,360	967	0	967	0	4,233 0.37%	4,233 0.37%	0
Regional Manager - Europe	Christian Baur	4,773	4,773	0	0	1,571	1,571	0	0	0	0	6,344 0.55%	6,344 0.55%	0
Senior Manager	Zheng-hao Xiao	1,076	1,793	0	0	781	1,562	1,146	0	1,146	0	3,004 0.26%	4,501 0.39%	0

Note 1: Refers to the salary, position allowances, and severance payments received by the top five highest-paid managerial personnel of the Company for the most recent fiscal year.

Note 2: Refers to various bonuses, incentive payments, transportation allowances, special expense allowances, other allowances, housing, vehicles, or other in-kind benefits and other types of compensation received by the top five highest-paid managerial personnel for the most recent fiscal year. If the Company provides housing, vehicles, other means of transportation, or pays expenses exclusively for personal use, the nature and cost of such assets, along with the fair market rental value, fuel expenses, and other payments, must be disclosed. If a driver is assigned, a note shall be provided to disclose the relevant compensation paid to the driver by the Company. However, this compensation shall not be included in the managerial personnel's total remuneration. In addition, compensation expenses recognized in accordance with IFRS 2 "Share-based Payment," including stock options, restricted stock awards, and employee participation in cash capital increases, shall also be included in total remuneration.

Note 3: Refers to the amount of employee compensation (in cash and/or shares) distributed to the top five highest-paid managerial personnel for the most recent fiscal year, as approved by the Board of Directors. If the amount cannot be reasonably estimated, it shall be calculated based on the proportion of actual distributions in the prior year. Details shall also be disclosed in Attachment 1-3.

Note 4: The total compensation disclosed shall include all compensation paid by the Company and all its consolidated subsidiaries to the top five highest-paid managerial personnel.

Note 5: "Net income after tax" refers to the after-tax net income in the standalone or individual financial statements for the most recent fiscal year.

Note 6: a. This column shall clearly state whether the top five highest-paid managerial personnel of the Company have received compensation from investee companies other than subsidiaries or from the parent company. If not, indicate "None."

b. "Remuneration" refers to the remuneration received by the top five highest-paid managerial personnel for serving as directors, supervisors, or Managerial Personnels of investee companies (excluding subsidiaries) or of the parent company. This includes employee, director, and supervisor compensation, as well as business execution-related payments.

(V) Names and Distributions of Employee Profit-Sharing Compensation to Managerial Officers:

Names and Distributions of Employee Profit-Sharing Compensation to Managerial Officers

30 April 2025 Unit: NT$ thousands

	Title (Note 1)	Name (Note 1)	Employee Compensation - in Stock	Employee Compensation - in Cash	Total	Ratio of Total Amount to Net Income (%)
Managerial Personnels	President	Jimmy Wu	0	13,897	13,897	1.20%
	Vice President	Linda Chen				
	Vice President	David Wang				
	Senior Manager	Jenny Chang				
	Sr. Marketing Manager	Ethan Lin				
	Sr. Marketing Manager	Andy Yeh				
	Senior Manager	C.M. Wu				
	Senior Manager	Addie Lin				
	Senior Manager	Jackson Yen				
	Sr. Marketing Manager	Matt Chien				
	Plant Senior Manager	Zheng-hao Xiao				
	Finance Manager	Erica Lin				

Note 1: Names and job titles should be disclosed individually, but profit distributions received may be disclosed in aggregate.

Note 2: Fill in the amount of employee profit-sharing compensation (including stocks and cash) received by the managerial officers as approved or expected to be approved by the board of directors for the most recent fiscal year. If the amount cannot be forecasted, disclose the amount expected to be distributed by calculating pro-rata to the amount that was actually distributed in the preceding fiscal year. If the Company has already adopted the IFRS, net income means the net income after tax on the parent company only or individual financial report for the most recent fiscal year.

Note 3: The applicable scope of "managerial officers" is defined under the 27 March 2003 FSC Order No. Tai-Cai-Zheng-III-0920001301 as persons in the following positions:

(1) President(s) and equivalent level positions
(2) Vice President(s) and equivalent level positions
(3) Senior Manager(s) and equivalent level positions
(4) Chief officer of the finance division
(5) Chief officer of the accounting division
(6) Other persons who have the power to manage affairs and sign for the Company

Note 4: If any director, president and vice presidents receives profit-sharing compensation (including stocks or cash), complete this table in addition to Table 1-2.

(VI) Provide a comparative analysis of the total remuneration paid to the Company's Directors, Supervisors, President and Vice President as a proportion of net profit after tax of the Company's individual or separate financial statements for the most recent two years for the Company and for all companies in the consolidated financial statements respectively, and describe the policy, criteria and mix of remuneration payments, the process for setting remuneration, and the connection to operating performance and future risks

1. The total remuneration paid to the Directors, Supervisors, President and Vice President of the Company as a proportion of net profit after tax for the most recent two years by the Company and all companies included in the consolidated financial statements is as follows:

Title	2024		2023	
	The Company	All consolidated entities	The Company	All consolidated entities
Director	3.61%	4.24%	3.66%	4.00%
Supervisor				
President and Vice President				

2. The policy, standard and components of remuneration:

(1) The remuneration for directors of the company is determined in accordance with Article 14 of the Articles of Incorporation. The board of directors distributes the compensation for directors based on their level of involvement and contribution to the company's operations, taking into consideration industry standards. Additionally, as stipulated in Article 25 of the Articles of Incorporation, if the company generates profits in a given year, a maximum of 4% shall be allocated for director and supervisor remuneration. The distribution of director remuneration is calculated based on indicators such as company profitability, individual director's participation in board meetings, and contribution. The company conducts regular evaluations of director remuneration, and the appropriateness of performance assessment and compensation is reviewed by the Remuneration Committee and the board of directors.

In accordance with Article 3 of the company's Board of Directors' Self-Evaluation Method, regular annual evaluations of the board's performance are conducted. The evaluation results are reported to the board of directors for the following year's report. The evaluation results of the board's performance serve as a reference for the selection or nomination of directors. Furthermore, these results are used as a basis for determining individual compensation and remuneration for directors. Director remuneration is assessed based on factors such as their performance in board evaluations, attendance rates, and contributions to the operations, serving as a basis for the allocation of compensation.

(2) The remuneration of the President and Vice President of the Company shall consist of salary, bonus and employee's bonus. Salary is determined by reference to qualifications, experience, performance, years of experience and industry benchmarks. In accordance with the Articles of Incorporation, not less than 2% of the Company's annual profit shall be contributed to the remuneration of the employees. The remuneration of the Managerial Personnels is determined in accordance with relevant regulations such as the “Regulations on Employee Performance Management” and “Regulations on Salary Management”.

Salaries, bonuses, and employee bonuses are provided to acknowledge and reward employees for their hard work and dedication. The issuance of related bonuses is also contingent upon the company's annual business performance, financial condition, operational status, and individual job performance. Furthermore, according to Article 25 of the Articles of Incorporation, if the company generates profits in a given year, a minimum of 2% shall be allocated for employee compensation. The evaluation of manager performance and the subsequent issuance of performance bonuses are conducted in accordance with the “Regulations on Executive Performance Assessment”. Managerial performance assessment includes both financial indicators (such as achievement rates of company revenue and net profit after-tax) and non-financial indicators (such as quality yield). Compensation is determined based on their operational performance and is subject to periodic review to align with actual business conditions and relevant regulations.

The remuneration of the company's managerial personnels includes salaries, rewards and special disbursements, and employee profit-sharing compensation. Salaries are determined based on factors such as education, experience, job performance, seniority, and industry standards. Rewards and special disbursements, and employee profit-sharing compensation are based on performance evaluation criteria for managerial personnels, including financial indicators (such as company revenue, achievement of annual budget targets, after-tax net profit rate, etc.) and non-financial indicators (such as quality yield, etc.).

(3) The composition of remuneration provided by the company is determined in accordance with the charter of the Remuneration Committee and includes cash compensation, stock options, employee bonuses, retirement benefits or severance pay, various allowances, and other substantial incentive measures. The scope of the remuneration aligns with the Regulations Governing Information to be Published in Annual Reports of Public Companies regarding remuneration to directors and Managerial Personnels.

3. Procedure for determining remuneration:

The remuneration of Directors and Managerial Personnels is subject to regular evaluation and review by the Company's Remuneration Committee in accordance with regulations. The evaluation takes into account individual performance achievements and contributions to the company, as well as overall operational performance, future industry risks and development trends. The remuneration system is periodically reviewed in accordance with actual operating conditions and relevant laws and regulations, and it is implemented upon approval of the Board of Directors.

4. Relevance to operational performance and future risk:

(1) The Company's remuneration policy and related payment standards and systems are primarily based on the overall operating conditions of the company. They are determined based on the achievement rate of performance and contributions to enhance the overall organizational effectiveness of the board of directors and the management department. Additionally, we reference industry salaries to ensure that the compensation of our management level remains competitive within the industry, thereby retaining outstanding management talents.

(2) The risk to the Company's operations is minimal as the Directors, President and Vice President of the Company are experienced professionals with a good understanding of the Company's industry and do not engage in conduct that is beyond the risk of the Company for the purpose of seeking remuneration for a short while.

III. The State of the Company's Implementation of Corporate Governance:

(I) Operation of the Board of Directors

Information on the operation of the Board of Directors

The Board of Directors convened for 5 (A) meetings in the most recent year and the attendance of Directors is as follows:

Title	Name (Note 1)	No. of meetings attended in person B	No. of meetings attended by proxy	In-person attendance rate (%) [B/A] (Note 2)	Remarks
Chairman	Jimmy Wu	5	0	100.0	
Director	Corporate Director Representative, ChiFa Enterprise Co., Ltd. T.C.Wu	5	0	100.0	
Director	Cheng-Hung Chang	4	1	80.0	
Director	Xing-Shu Ke	5	0	100.0	
Director	Lien-Heng Liao	4	1	80.0	
Independent Director	Jimmy Ou	4	1	80.0	Note 1
Independent Director	Chi-Wei Lin	5	0	100.0	
Independent Director	C. Y. Wei	5	0	100.0	
Independent Director	Samuel Kuo	5	0	100.0	

Note 1: Deceased on 20 February 2025.

Other information required to be disclosed:

I. If any of the following circumstances exists, specify the board meeting date, meeting session number, content of the motion(s), the opinions of all the independent directors, and the measures taken by the Company based on the opinions of the independent directors:

(I) Any matter under Article 14-3 of the Securities and Exchange Act: The Company has established an Audit Committee, rendering the provisions of Article 14-3 of the Securities and Exchange Act inapplicable. For further information, please refer to the “Operation of the Audit Committee” section in this year's report.

(II) In addition to the matters referred to above, any dissenting or qualified opinion of an independent directory that is on record or stated in writing with respect to any board resolution. None.

II. The status of implementation of recusals of directors with respect to any motions with which they may have a conflict of interest: specify the director’s name, the content of the motion, the cause for recusal, and whether and how the director voted.

Date of Board Meeting	Name of Director	Content of the Motion	Reasons for recusal and participation in voting
30 January 2024 (16th term, 11th meeting)	Jimmy Wu and T.C.Wu	Annual performance evaluation and year-end bonuses for Managerial Personnels	Did not participate in the discussion and voting due to conflict of interest relating to personal remuneration
		Remuneration to the Chairman and year-end bonus	
10 May 2024 (16th term, 13th meeting)	Jimmy Wu and T.C.Wu	Annual Salary Adjustment Proposal	
09 August 2024 (16th term, 14th meeting)	Jimmy Wu T.C.Wu, Xing-Shu Ke, Jimmy Ou, Chi-Wei Lin, C. Y. Wei, and Samuel Kuo	Proposal for the Distribution of Directors’ Remuneration	
	Jimmy Wu and T.C.Wu	Proposal for Distribution of Employees’ and Managerial Remuneration	
	T.C.Wu Jimmy Wu	Proposal for Project-Based Bonuses to Directors	
17 January 2025 (16th term, 16th meeting)	Jimmy Wu and T.C.Wu	Proposal for Annual Performance Evaluation and Year-End Bonuses for Managerial Personnel	
		Proposal for Year-End Bonuses	
		Proposal for Salary Adjustment for Managerial Personnel	
26 February 2025 (16th term, 18th meeting)	Jimmy Wu T.C.Wu, Xing-Shu Ke, Lien-Heng Liao, Cheng-Hung Chang, Chi-Wei Lin and Samuel Kuo	Proposal to Release Newly Appointed Directors and Their Representatives from Non-Compete Restrictions	

III. Information on the evaluation cycle and period, scope, approach and content of the Board's self- (or peer) evaluation:

(I) The Board's performance evaluation:

Evaluation cycle (Note 1)	Evaluation period (Note 2)	Evaluation scope (Note 3)	Evaluation approach (Note 4)	Evaluation contents (Note 5)
Once a year	1 January 2024 to 31 December 2024	Evaluation of the performance of the Board, individual Board members and functional committees	1. Self-Assessment of the Board 2. Self-Assessment of the members of the Board 3.Self-Assessment of the Audit Committee 4. Self-Assessment of the Remuneration Committee 5. Self-Assessment of the Corporate Sustainability Development Committee	1. Self- Assessment of the Board (1) Level of participation in the operation of the Company (2) Improvement in the quality of the Board's decision-making (3) Composition and structure of the Board (4) Elections and continuing education of Directors (5) Internal control 2. Self-Assessment of the members of the Board (1) Mastery of the company's objectives and goals (2) Awareness of Directors' duties (3) Level of participation in the operation of the Company (4) Management of internal relations and communication (5) Professions and continuing education for Directors (6) Internal control 3. Self-Assessment of the Audit Committee (1) Level of participation in the operation of the Company (2) Awareness of Audit Committee duties (3) Improvement in the quality of the Audit Committee's decision-making (4) Composition and election of members of the Remuneration Committee (5) Internal control 4. Self-Assessment of the Remuneration Committee (1) Level of participation in the operation of the Company (2) Awareness of Remuneration Committee duties (3) Improvement in the quality of the Remuneration Committee's decision-making (4) Composition and election of members of the Remuneration Committee

				5. Self-Assessment of the Corporate Sustainability Development Committee (1) Level of participation in the operation of the Company (2) Awareness of Corporate Sustainability Development Committee duties (3) Improvement in the quality of the Sustainability Development Committee 's decision-making (4) Composition and election of members of the Sustainability Development Committee

Note 1: This refers to the implementation cycle of the Board of Directors' evaluation, e.g., once annually.

Note 2: This refers to the period covered by the Board of Directors' evaluation, e.g., evaluation of the Board of Directors' performance from 1st January 2019 to 31st December 2019.

Note 3: The scope of the evaluation includes the performance evaluation of the Board, individual Board members and functional committees.

Note 4: The evaluation approach includes self-evaluation of the Board internally, self-evaluation by Board members, peer evaluation, the appointment of external professional bodies, experts or other appropriate approaches to performance evaluation.

Note 5: The evaluation shall cover the following items at least by the scope of evaluation:

(1) Self-Assessment of the Board: Shall cover at least the level of participation in the operation of the Company, the quality of the Board’s decision-making, composition and structure of the Board, elections and continuing education for Directors and internal control, etc.

(2) Self-Assessment of the members of the Board: Shall cover at least the mastery of the objectives and goals of the Company, awareness of Directors’ duties, level of participation in the operation of the Company, management of internal relations and communication, professions and continuing education for Directors and internal control, etc.

(3) Self-Assessment of the Remuneration Committee: The level of participation in the operation of the Company, awareness of the Functional Committee’s duties, quality of the Functional Committee’s decision-making, composition and structure of the Functional Committee and internal control, etc.

To enhance corporate governance and improve the functioning of the Board of Directors, the Company established performance objectives to strengthen board operational efficiency. In accordance with Article 37 of the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies," the Company adopted the “Regulations Governing the Self-Evaluation of Board Performance” on 12 November 2019. A performance evaluation shall be conducted at least once a year, covering the performance of the entire Board, individual Board members, and functional committees.

Evaluation period

The evaluation period is from 1 January 2024 to 31 December 2024. In the first quarter of 2025, the relevant self-evaluation questionnaires will be distributed and the unit responsible for evaluation or the secretariat of the board will then collect all information. The evaluation process shall be completed before the end of the first quarter.

Evaluation approach

The evaluation approach includes internal evaluation of the Board, self-evaluation by the board members of themselves or peers’ self-evaluation of Audit Committee, self-evaluation of the Remuneration Committee and self-evaluation of Sustainability Development Committee, etc. After the self-assessment questionnaires are completed by the 9 directors, , 4 Audit Committee members, 3 Remuneration Committee members, and 3 Sustainability Development Committee members, the unit responsible for evaluation or the secretariat of the board will then collect all information, aggregate and analyze the questionnaire results, record the evaluation results in a report, and submit the report to the Board of Directors for discussion and improvement.

Based on the aforementioned evaluation results, the performance evaluations for the company's board of directors, individual directors, Audit Committee, Remuneration Committee, and Sustainability Development Committee for the year 2024 have all achieved the “excellent” rating according to the evaluation scope. This indicates that the overall operations of the Board of Directors, directors, Audit Committee, Remuneration Committee, and Sustainability Committee are in favorable condition.

The recommendations and improvement measures for the Board of Directors and Functional Committees are as follows:

(1) Board of Directors: In the 2024 shareholders' meeting, the attendance rate of directors was 67%. To enhance attendance, the company will proactively invite directors to participate in shareholders' meetings beforehand. The company will convene board meetings in accordance with legal regulations and actual requirements as needed.

(2) Audit Committee: Plans are in place to facilitate sufficient communication between the Audit Committee and the independent auditors.

IV. Give an evaluation of the targets that were adopted for strengthening of the functions of the board during the current and immediately preceding fiscal years (e.g., establishing an audit committee, increasing information transparency, etc.) and the measures taken toward achievement thereof:

In order to build up a well-established governance system of the Board of Directors, the Company has established the Company's “Code of Conduct for Board Meetings” in accordance with the “Regulations Governing Procedures for Board of Directors Meetings of Public Companies” for compliance and to enhance information transparency. The attendance of Directors at Board meetings is reported on the Market Observation Post System and disclosure of material Board resolutions is available on the Company's website.

In order to enhance corporate governance and improve the functionality of our board of directors, we established performance targets to strengthen the efficiency of board operations. In November 2019, we formulated the “Board of Directors' Performance Self-Evaluation Guidelines,” which require regular performance assessments of the overall board, directors, and functional committees in accordance with this policy. Since 2020, we have been implementing the “Board of Directors' Performance Evaluation.”

The number of independent directors was set at four following the board election at the 2022 Annual General Shareholders’ Meeting, during which the Audit Committee was also established. In March 2025, an extraordinary shareholders’ meeting resolved to increase the number of independent directors to five to further strengthen the supervisory function of the Board of Directors.

The Company discloses various operational and financial information through its annual report, corporate website, and the Market Observation Post System. In addition, directors are encouraged to participate in annual training programs to enhance the effectiveness of the Board. All directors have completed the required training hours for the year.

All significant matters of the company, such as major investments, acquisitions or disposals of assets, loans, or endorsements, are subject to review and discussion by the Audit Committee and the Board of Directors before execution. Subsequently, major decisions approved by the board of directors are adequately disclosed on the public information platform to achieve transparency in information disclosure.

Note 1: For a director or supervisor that is a juristic person (corporate entity), disclose the name of the corporate shareholder and the name of its representative.

Note 2: (1) If any director or supervisor left office before the end of the fiscal year, specify the date that they left office in the Remarks column. Their in-person attendance rate (%) should be calculated based on the number of board meetings held and the number they attended in person during the period they were in office.

(2) If any by-election for directors or supervisors was held before the end of the fiscal year, the names of the new and old directors and supervisors should be filled in the table, with a note stating whether the director or supervisor left office, was newly serving, or was serving consecutive terms, and the date of the by-election. The in-person attendance rate (%) should be calculated based on the number of board meetings held and the number attended in person during the period of each such person’s actual time in office.

(II) The operation of the Audit Committee or the involvement of the Supervisors in the operation of the Board:

1. Information on the operation of the Audit Committee:

Operation of the Audit Committee

The Audit Committee convened 5 (A) meetings in the most recent year and the attendance of the Independent Directors is as follows:

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) (B/A) (Notes 1 and 2)	Remarks
Independent Director	Jimmy Ou	4	1	80.0	Note 1
Independent Director	Chi-Wei Lin	5	0	100.0	
Independent Director	C. Y. Wei	5	0	100.0	
Independent Director	Samuel Kuo	5	0	100.0	

Note 1: Deceased on 20 February 2025.

Other information required to be disclosed:

1. If any of the following circumstances exists, specify the audit committee meeting date, meeting session number, content of the motion(s), the content of any dissenting or qualified opinion or significant recommendation of the independent directors, the outcomes of audit committee resolutions, and the measures taken by the Company based on the opinions of the audit committee:

(1) Matters specified in Article 14-5 of the Securities and Exchange Act

Date of Audit Committee Meeting Sessions	Content of the Motion(s)	Content of Independent Directors' opinions or significant recommendation and outcomes of resolutions,
30 January 2024 (1st term, 10th meeting)	Investment in Thailand Proposal for CPA's audit fee Regular assessment of the independence and suitability of the CPAs	The proposal was approved unanimously by all attending committee members.
14 March 2024 (1st term, 11th meeting)	Statement of Internal Control System for 2023 Loaning of Fund to Subsidiary, Lelon Electronics (Huizhou) Co., Ltd.	
10 May 2024 (1st term, 12th meeting)	Amendment to "Management Control Procedures" Proposal for acquisition of private placement securities Regular evaluation of CPA's independence and competence Proposal for appointment of CPA	
9 August 2024 (1st term, 13th meeting)	2024 Q2 Consolidated Financial Statements	
12 November 2024 (1st term, 14th meeting)	Amendment to "Management Authority Matrix" Proposal for capital injection into Lelon Electronics (Suzhou) Co., Ltd. and its subsidiaries Proposal for dissolution of Lelon Electronics (Suzhou) Co., Ltd.	
17 January 2025 (1st term, 15th meeting)	Proposal for capital injection into Lelon Electronics (Thailand) Co., Ltd.	
26 February 2025 (1st term, 16th meeting)	Proposal for the Amendment to "Rules Governing the Implementation of Internal Audits" Proposal for removal of non-compete restrictions for new directors and their representatives	
13 March 2025 (1st term, 17th meeting)	2024 Statement on Internal Control System 2024 Business Report and Financial Statements	

(2) In addition to the matters referred to above, any matter that was not approved by the audit committee but was approved by a two-thirds or greater majority resolution of the board of directors: None.

2. Implementation of recusals of independent directors with respect to any motions with which they may have a conflict of interest: specify the independent director's name, the content of the motion, the cause for recusal, and whether and how the independent director voted: None.

3. Communication between the independent directors and the chief internal audit officer and the CPAs that serve as external auditor (including any significant matters communicated about with respect to the state of the company's finances and business and the method(s) and outcomes of the communication):

(1) The Company's independent directors regularly communicate with the head of internal audit regarding audit report results. Full communication has been achieved on the execution of audit operations, the follow-up and improvement of audit findings, and related effectiveness. Internal audit

reports are also presented at Board meetings. In the event of any special circumstances, timely reports are made to the independent directors. There were no such special circumstances in 2023. The communication between the independent directors and the internal audit supervisor has been smooth and effective.

(2) The Company's independent directors hold at least two communication meetings per year with the certifying CPAs and may convene additional meetings as needed. During these meetings, the certifying CPAs report on the audit results of the Company's and its domestic and overseas subsidiaries' financial statements, as well as other matters required by relevant laws and regulations. In the event of any special circumstances, the accountants may also report to the independent directors. No such special circumstances occurred in 2023. The communication between the independent directors and the certifying accountants has been smooth and effective.

(3) The communication matters among the independent directors, chief internal audit officers, and CPAs are as follows:

1. A summary of the key communication matters between the independent directors and the internal audit department in the most recent year is provided in the table below:

Date	Communication Matters with Internal Ausitors	Outcome
30 January 2024	Actual implementation status of audit work for November - December 2023	The communication was smooth, and no objections were raised by the independent directors.
14 March 2024	Actual implementation status of audit work for January - February 2024	
10 May 2024	Actual implementation status of audit work for March - April 2024	
09 August 2024	Actual implementation status of audit work for May - July 2024	
12 November 2024	Actual implementation status of audit work for August - October 2024	
17 January 2025	Actual implementation status of audit work for October - December 2024	
13 March 2025	Actual implementation status of audit work for January - February 2025	

2. A summary of the key communication matters between the independent directors and the certifying CPAs in the most recent year is provided in the table below:

Date	Communication Matters with CPAs	Outcome
14 March 2024	Discussion on the audit results and opinion, regulatory compliance, and tax law updates for the 2023 financial statements	The communication was smooth, and no objections were raised by the independent directors.
9 August 2024	Discussion and the CPA's review of the second quarter 2024 financial statements and forecast-related matters, as well as updates on relevant laws and regulations.	
13 March 2025	Discussion and the CPA's audit opinion on the 2024 financial statements, as well as updates on relevant laws and regulations.	

Note 1: If any independent director left office before the end of the fiscal year, specify the date that they left office in the Remarks column. Their in-person attendance rate (%) should be calculated based on the number of audit committee meetings held and the number they attended in person during the period they were in office.

Note 2: If any by-election for independent directors was held before the end of the fiscal year, the names of the new and old independent directors should be filled in the table, with a note stating whether the independent director left office, was newly serving, or was serving consecutive terms, and the date of the by-election. The in-person attendance rate (%) should be calculated based on the number of board meetings held and the number attended in person during the period of each such person's actual time in office.

2. Participation of Supervisors in the operation of the Board

Participation of Supervisors in the operation of the Board： Not applicable, as the Audit Committee was established after the 2022 shareholders' meeting, replacing the Supervisors.

(III) The state of the company's implementation of corporate governance, any deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such deviation

Corporate Governance – Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons

Evaluation Item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
I. Has the Company established and disclosed its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies?	V		The Company and its publicly traded subsidiary (Liton Technology Corp.) currently do not have the "Corporate Governance Best Practice Principles for TWSE Listed and TPEx Listed Companies" in place, but they have been assessing the status of compliance with corporate governance on a case-by-case basis and have set forth other measures or practices for the purpose of compliance.	There is no breach of the "Corporate Governance Best Practice Principles".
II. Shareholding Structure and Shareholders' Rights (I) Does the Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly?	V		(I) The Company and its publicly traded subsidiary (Liton Technology Corp.) value the shareholders' rights and suggestions and have established a dedicated investor section on the Company's website and a spokesperson system to address related matters.	(I) In compliance with "Corporate Governance Best Practice Principles".
(II) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders?	V		(II) The Company and its publicly traded subsidiary (Liton Technology Corp.) have kept a list of the substantial shareholders and the ultimate controllers of the substantial shareholders who effectively control the Company and report changes in the shareholdings of insiders (directors, supervisors, Managerial Personnels, shareholders holding more than 10% of the total shares) on a monthly basis as required by law.	(II) In compliance with "Corporate Governance Best Practice Principles".
(III) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates?	V		(III) Where the Company has business interactions with affiliates, there is a clear distinction between management and assets, finance and business operations; relevant management procedures, as well as a mechanism for the supervision of subsidiaries, and regular audits by auditors to supervise their implementation, are also specified. The Company is committed to the principles of fairness and reasonableness and to the elimination of non-arm's length transactions.	(III) In compliance with "Corporate Governance Best Practice Principles".
(IV) Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?	V		(IV) The Company has established the "Internal Procedures for Handling Material Information" and the "Code of Ethics", which prohibit insiders from using the Company's property or information or obtaining benefits	(IV) In compliance with "Corporate Governance Best Practice Principles".

Evaluation Item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			for personal gain by virtue of their duties.	
III. Composition and responsibilities of the board of directors (I) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?	V		(I) In accordance with the "Corporate Governance Best Practice Principles", the Company has formulated a policy on board diversity. The composition of the board of directors should be considered in terms of diversity and an appropriate diversity policy should be formulated in relation to its operation, business model and development needs. The Company establishes specific management objectives: 1. The board of directors of the Company values operational judgement, business management and crisis management skills, and at least two-thirds of the board members should be competent in the relevant core areas. 2. The number of directors who also serve as Managerial Personnels of the Company shall not exceed one-third of the total number of Directors for the purpose of supervision. Implementation of the diversity policy: The Board of Directors of the Company currently consists of 9 Directors (including 4 independent Directors), all of whom are professionals with diverse backgrounds, extensive industry experience, professional knowledge and excellent insight. The proportion of directors who are also Managerial Personnels of the Company is 11%, which is not more than one-third of the total number of directors, and the members of the Board fulfil the purpose of supervision.	(I) In compliance with "Corporate Governance Best Practice Principles".
(II) Has the Company voluntarily established other functional committees in addition to the remuneration committee and the audit committee?	V		(II) Except for the establishment of a Remuneration Committee and Audit Committee as legally required, each department of the Company is responsible for the daily operation of the Company in accordance with its own duties and responsibilities. The establishment of other functional committees will be assessed in the future, depending on the circumstances of the Company. The Company's Board of Directors resolved in August 2022 to establish the Sustainable Development Committee, which assists the Board in continuously promoting corporate social responsibility and enhancing corporate governance, with the aim of achieving sustainable operations.	(II) In compliance with "Corporate Governance Best Practice Principles".

Evaluation Item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
(III) Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms? (IV) Does the Company regularly evaluate its external auditors' independence?	V V		(III) The Company established the "Regulations Governing the Board Performance Self-Evaluation" through a resolution passed by the 15th term, 3rd meeting of the Board of Directors on 12 November 2019. An internal board performance evaluation is conducted annually, and the evaluation results are used as a reference for selecting or nominating directors. In addition, the results of individual director performance evaluations are used as a basis for determining their respective compensation. (IV) The company and its subsidiaries engage a domestic large-scale accounting firm as their CPAs. The company conducts regular assessments of the independence and suitability, referencing the Audit Quality Indicators (AQIs) and considering factors such as the size and reputation of the accounting firm, whether they are involved in the decision-making process of the company, any concurrent roles in the company's routine operations, ownership of company stock, prior service to the company within the last two years, relationships involving joint investments or shared interests, and the absence of a seven-year period without changing CPAs. After conducting the necessary checks, it has been confirmed that the CPAs do not have any issues affecting their independence and suitability. A statement on auditor independence and the assessment results are submitted for review and approval by the Audit Committee and the Board of Directors.	(III) There is no breach of the "Corporate Governance Best Practice Principles". (IV) In compliance with "Corporate Governance Best Practice Principles".
IV. Does the TWSE/TPEx listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in	V		In order to enhance corporate governance and enable the Board of Directors to fulfill its responsibilities in safeguarding the rights and interests of investors, the company made a decision on August 10, 2022, to appoint Jenny Chang, Senior Manager of the President's Office, as the Chief Corporate Governance Officers. Ms. Zhang has over twenty years of experience in senior financial management positions in publicly companies. The Chief Corporate Governance Officer is primarily responsible for handling matters related to board meetings and shareholders' meetings in accordance with the law, preparing minutes of board and	There is no breach of the "Corporate Governance Best Practice Principles".

Evaluation Item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?			shareholders' meetings, assisting directors in their appointments and continuing education, providing necessary information for directors to carry out their duties, ensuring compliance with laws and regulations, reporting to the Board of Directors on the qualifications of independent directors during their nomination, appointment, and term and handling director-related changes, among other duties. The subsidiary (Liton Co.) of the company, which is also a public company, established the position of Chief Corporate Governance Officer on 9 August 2022, as approved by its Board of Directors. Mr. Roger Wang, Senior Manager of the Administrative Management Department of Liton Co., was appointed as the Chief Corporate Governance Officer. Mr. Wang has over three years of experience in financial operations of public companies and is required to complete at least 12 hours of continuing education annually. His main responsibilities include handling matters related to board meetings and shareholders' meetings in accordance with the law, preparing minutes of board and shareholders' meetings, assisting directors in their appointments and continuing education, providing necessary information for directors to carry out their duties, and ensuring compliance with laws and regulations.	
V. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholders section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?	V		The Company has maintained smooth communication channels with its stakeholders, including banks and other creditors, employees, customers and suppliers, and has set up a stakeholder section on the Company's website. The Company and its publicly traded subsidiary (Liton Technology Corp.) have appointed a spokesperson and disclosed and provided contact information on the Company's website to establish a channel of communication with stakeholders, as well as dedicated investor relations personnel to address shareholder inquiries.	There is no breach of the "Corporate Governance Best Practice Principles".
VI. Has the Company appointed a professional shareholder services agent to handle matters related to its shareholder meetings?	V		The Company and its publicly traded subsidiary (Liton Technology Corp.) have appointed the Stock Transfer Agency Department of Taishin Securities Co., Ltd. to handle matters related to the Company's stock exchange.	In compliance with "Corporate Governance Best Practice Principles".
VII. Information Disclosure (I) Has the Company established a corporate website to disclose information regarding its financials, business, and corporate governance status?	V		(I) The website of the Company and its publicly traded subsidiary (Liton Technology Corp.) has a special section for investors to disclose information on financial operations and a corporate governance section for the reference of investors and stakeholders, and is maintained and updated by dedicated personnel according to their duties.	(I) In compliance with "Corporate Governance Best Practice Principles".

Evaluation Item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
(II) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)?	V		(II) The Company and its publicly traded subsidiary (Liton Corporation) have established a spokesperson and a proxy spokesperson and disclosed the contact details on the Company's website. Also, dedicated investor relations personnel is in place to address shareholder enquiries.	(II) In compliance with "Corporate Governance Best Practice Principles".
(III) Does the company publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?	V		(III) The Company and its publicly traded subsidiary (Liton Corporation) have announced and reported their financial statements and monthly operations by the deadline. The Company will consider making early announcements and filing annual financial reports in the future, depending on the Company's operating conditions and relevant statutory requirements.	(III) There is no breach of the "Corporate Governance Best Practice Principles".
VIII. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?	V		(I) In order to build a well-established governance system for the Board of Directors, the Company and its publicly traded subsidiary (Liton Technology Corp.) have established the "Code of Conduct for Board Meetings" in accordance with the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" for compliance and to enhance information transparency. The attendance of Directors at board meetings is available on the Market Observation Post System and important board resolutions are disclosed on the Company's website. (II) In order to improve corporate governance, the Company and its publicly traded subsidiary (Liton Technology Corp.) have established a Remuneration Committee in 2011 to recommend, evaluate and supervise the Company's overall remuneration policy and the remuneration of directors, supervisors and Managerial Personnels. (III) Please refer to pages 44 to 46 of this annual report for the composition, duties and operations of the Remuneration Committee of the Company. (IV) Supplier relations: The Company maintains good relationships with its suppliers. (V) Rights of stakeholders: Stakeholders may communicate with the Company in order to protect their rights and interests. (VI) Directors' continuing education: The directors of the Company have extensive experience in	In compliance with "Corporate Governance Best Practice Principles".

Evaluation Item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			management practices and industry, please refer to the table below for further information. (VII) Implementation of customer relations policies: The Company maintains a stable and good relationship with its customers for the purpose of generating profits for the Company. (VIII) The Company has purchased the liability insurance for directors.	

IX. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement. (If the Company was not included among the companies evaluated for the given recent year, this item does not need to be completed).

Matters that have been improved:

Disclosure of the implementation of resolutions of the Annual General Meeting (AGM) in the Annual Report starting from 2018.

Since the 2017 AGM, motions have been voted on a case-by-case basis and the results of each motion agreed, opposed and waived by shareholders were recorded in the meeting minutes.

In 2018, the board of directors' proposal was sent to the AGM to amend the Articles of Incorporation, a candidate nomination system would be fully adopted for the election of directors and supervisors after the approval.

All directors of the company fulfill their continuing education requirements in accordance with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies".

Key priorities for improvement:

Enhance the content of the Company's website to increase information transparency.

Upload the English version of the annual report and financial statements at least 18 days prior to the Annual General Shareholders' Meeting.

Note 1: The term "Corporate Governance Self-Evaluation Report" refers to the report on the current operation and performance of the company under each of the Corporate Governance Self Evaluation items, as assessed and described by the Company itself.

Note 2: Additional information relevant to the operation of Corporate Governance:

The summary of the continuing education of the Directors and Supervisors of the Company and its publicly traded subsidiary (Liton Technology Corp.) is as follows:

Title	Name	Date	Organizers	Course Name	Hours
Chairman of the Company and Liton Technology Corp.	Jimmy Wu	03 July 2024	TWSE	2024 Cathy Sustainable Finance and Climate Change Summit	6.0
Director of the Company	T.C.Wu	03 July 2024	TWSE	2024 Cathy Sustainable Finance and Climate Change Summit	6.0
Director of the Company	Cheng-Hung Chang	03 July 2024	TWSE	2024 Cathy Sustainable Finance and Climate Change Summit	6.0
Director of the Company	Xing-Shu Ke	03 July 2024	TWSE	2024 Cathy Sustainable Finance and Climate Change Summit	6.0

Title	Name	Date	Organizers	Course Name	Hours
		20 July 2024	Commerce Development Research Institute	Corporate Governance and Sustainable Business Management Workshop	3.0
Director of the Company	Lien-Heng Liao	9 August 2024	Taiwan Corporate Governance Association	Trends and Risk Management of Generative AI	3.0
		9 August 2024	Taiwan Corporate Governance Association	The Coming Carbon Wave: Understanding Carbon Credit Formation and Trading Systems	3.0
Independent Director of the Company	Jimmy Ou	9 May 2024	Corporate Operating and Sustainable Development Association	Corporate Governance and Securities Regulations - Information Disclosure System and Related Regulations for Listed Companies	3.0
		20 July 2024	Commerce Development Research Institute	Corporate Governance and Sustainable Business Management Workshop	3.0
		21 July 2024	Taiwan Investor Relations Institute	Functions and Prospects of the Carbon Exchange & How Boards Supervise the Establishment and Improvement of Risk Management Mechanisms	3.0
Independent Director of the Company	Chi-Wei Lin	14 August 2024	Taiwan Corporate Governance Association	2024 M&A White Paper and Merger Trends Report; Discussing Corporate Operational Risks from the Perspective of Gender Equality Labor Law Amendments	3.0
		14 August 2024	Taiwan Corporate Governance Association	Post-Merger Integration Issues and Synergy Realization	3.0
Independent Director of the Company	C. Y. Wei	3 July 2024	TWSE	2024 Cathy Sustainable Finance and Climate Change Summit	6.0
Independent Director of the Company	Samuel Kuo	3 July 2024	TWSE	2024 Cathy Sustainable Finance and Climate Change Summit	6.0
		6 September 2024	Securities & Futures Institute	2024 Seminar on Preventing Insider Trading	3.0
Director of Liton Technology Corp.	Cun-Xian Ke	3 July 2024	TWSE	2024 Cathy Sustainable Finance and Climate Change Summit	6.0
Director of Liton Technology Corp.	Yong-Chang Zhu	25 February 2025	Accounting Research and Development Foundation	Practical Workshop on Sustainable Information Preparation and Reporting	6.0
Director of Liton Technology Corp.	Hung-Te Lu	28 March 2024	Taipei Foundation of Finance	Corporate Governance - Engaging Stakeholders: How Listed Companies Bridge the Gap with Capital Markets	3.0
		19 April 2024	Taipei Foundation of Finance	Corporate Governance - Sustainable Finance	3.0
Independent Director of Liton Technology Corp.	Yan-Chong Zou	12 April 2024	Taiwan Academy of Banking and Finance	Corporate Governance and Sustainable Business Management Workshop	3.0

Title	Name	Date	Organizers	Course Name	Hours
		12 September 2024	Taiwan Corporate Governance Association	Comprehensive View on Corporate Legal Compliance - From Ethical Business Practices and Breach of Trust to Labor Law Practices (Including Gender Equality in Employment Act)	3.0
Independent Director of Liton Technology Corp.	Li-Hua Huang	12 April 2024	Taiwan Academy of Banking and Finance	Corporate Governance and Sustainable Business Management Workshop	3.0
		3 July 2024	TWSE	2024 Cathy Sustainable Finance and Climate Change Summit	6.0
Independent Director of Liton Technology Corp.	Jung Meng Tseng	16 June 2024	Taiwan Investor Relations Association	Hostile Takeovers - Focusing on Management Rights Protection	3.0
		21 July 2024	Taiwan Investor Relations Association	Functions and Prospects of the Carbon Exchange & How Boards Supervise the Establishment and Improvement of Risk Management Mechanisms	3.0

(IV) Where the Company has a Remuneration Committee or Nominating Committee, the composition, duties and operation of the Committee should be disclosed:

1. Profile of the members of Remuneration Committee

Profile of the members of Remuneration Committee

30 April 2025

Identity (Note 1)	Condition / Name	Professional designation and work experience (Note 2)	Status of independence (Note 3)	Number of companies where the members of the Remuneration Committee also hold concurrent position as members of Remuneration Committee
Convening Member Independent Directors	Jimmy Ou (Note 1)	Have more than 30 years of experience in the business and corporate sector and have not been subject to the provisions of Section 30 of the Company Act.	1. Not employed by the Company or its affiliates. 2. Not holding a position of director or Supervisor of the Company or its affiliates. 3. A individual shareholder who does not	0

<table>
<tr><th>Identity (Note 1)</th><th>Condition / Name</th><th>Professional designation and work experience (Note 2)</th><th>Status of independence (Note 3)</th><th>Number of companies where the members of the Remuneration Committee also hold concurrent position as members of Remuneration Committee</th></tr>
<tr><td>Member</td><td>Hsiang-Ying Huang</td><td>1. A lecturer from a public or private university with a degree in business, finance, accounting and related subjects required for corporate business.
2. Professional and technical personnel who have passed the national examination for accountants and are certified.
3. Have more than 20 years of experience in business, finance, accounting or corporate practice and have not been subject to the provisions of Section 30 of the Company Act.</td><td rowspan="2">hold more than 1% of the total number of issued shares or the top ten shares in the name of himself/herself, his/her spouse, minor children or in the name of another person.
4. Not a manager listed in 1. or the spouse, relatives within the 2nd degree of consanguinity or relatives in the direct line of consanguinity up to the 3rd degree listed in 2. or 3.
5. A Director, supervisor or employee of a institutional shareholder who does not directly hold more than 5% of the total number of issued shares of the Company, not among the top five holders of shares or who has not designated a representative to act as a Director or Supervisor of the Company in accordance with Article 27 (1) or (2) of the Company Act.
6. Not holding a position as Director, Supervisor, or employee of companies with special relation to the Company that is controlled by the same person of the Company.
7. Not a director, supervisor or employees at another Company where the Chairman, President or others of the equivalent positions is the same person or spouses of the Company.
8. Not a director, supervisor, manager or a shareholder holding more than 5% of shares of a specific company or institution that have financial or business interactions.
9. Professionals, sole proprietors, partners, directors (or governor), supervisors, Managerial Personnels and their spouses who do not provide business, legal, financial, accounting or other related services for the Company or its affiliates that are audited or have been remunerated in the last two years.
10. Not related to another director as a spouse or consanguineous within two degrees.</td><td>4</td></tr>
<tr><td>Member Independent Directors</td><td>Chi-Wei Lin</td><td>1. Professional and technical personnel who have passed the national examination for accountants and are certified.
2. Have more than 20 years of experience in business, finance, accounting or corporate practice and have not been subject to the provisions of Section 30 of the Company Act.</td><td>1</td></tr>
</table>

Note 1: Deceased on 20 February 2025.

Note 2: Specify the relevant years of service, professional qualifications and experience and independence of each member of the Remuneration Committee in the form. Put down Director, Independent Director, or others for identity (specify if the person is the convener).

For Independent Directors, refer to Page 13, Appendix I, Profiles of Directors and Independent Directors (I) content as stated in the remark column.

Note 3: Professional designation and experience: specify the professional designation and experience of individual members of the Remuneration Committee.

Note 4: Status of independence: specify the status of independence of the members of the Remuneration Committee, including but not limited to holding a position as Director, Supervisor or employee of the Company and its affiliates by the person, spouse, kindred within the 2nd tier. Quantity and proportion of Company shares held by the person, spouse, and kindred within the 2nd tier (or in the name of a third party), holding a position as Director, Supervisor or employee of companies in special relation with the Company (refer to Subparagraphs 5~8 of Paragraph 1 under Article 6 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on Taiwan Stock Exchange or Taipei Exchange), the amount of remuneration for rendering services in commerce, legal affairs, finance, and accounting to the Company or its affiliates in the last 2 years.

Note 5: Please refer to the best practice principles examples on the Taiwan Stock Exchange Corporate Governance Centre website for disclosure practices.

2. Information on the operation of the Remuneration Committee

Information on the operation of the Remuneration Committee

(1) The Remuneration Committee of the Company consists of 3 members.

(2) Term of office of current members: 29 June 2022 to 28 June 2025

(3) The attendance: The Remuneration Committee of the Company convened for 4 meetings in 2024 (A) and the qualifications and attendance of the members are as follows:

Title	Name	Attendance in Person (B)	By proxy	Actual attendance rate (%) (B/A) (Note)	Remarks
Convener	Jimmy Wu	3	1	75%	Renewed term of office (Re-election on 29 June 2022) Deceased on 20 February 2025
Member	Hsing-Ying Huang	4	0	100%	Renewed term of office (Re-election on 29 June 2022)
Member	Qi-Wei Lin	4	0	100%	Renewed term of office (Re-election on29 June 2022)

Other information required to be disclosed:

I. If the Board turned down or revised the recommendation of the Remuneration Committee, specify the date, session of the Board, the content of the motion, the resolution of the Board and the response of the Company to the opinions of the Remuneration Committee (if the resolution on remuneration passed by the Board is senior to the recommendation of the Remuneration Committee, explain the difference and the reason): None.

II. If there is any adverse opinion or qualified opinion on record or in written declaration on the resolutions of the Remuneration Committee, specify the date, session of the committee meeting, content of the motion, opinions of all members and response to the opinions of the members: None.

3. Duties of the Remuneration Committee

The Remuneration Committee of the Company has carried out the following terms of reference under the due care of a good administrator and has submitted its recommendations to the Board for discussion.

(1) Establish and regularly review policies, systems, standards and structures for the evaluation of performance and remuneration of directors and Managerial Personnels.

(2) Regularly assess and determine the remuneration of directors and Managerial Personnels.

4. Matters discussed by the Remuneration Committee, the results of resolutions and the Company's response to members' opinions for the most recent year and up to the date of printing of the Annual Report

Information on meetings of the Remuneration Committee

Date of session	Key resolutions of the Remuneration Committee	Execution
30 January 2023 The 6th session of the 5th term	Proposal: Review of the proposed remuneration items for the directors, audit committee members, sustainability development (ESG) committee members, and managerial officers of the company for 2024. Resolution: Passed with no objection by the Chairman after consultation with all members present.	Approved by the Board and acted upon.
	Proposal: Review of the performance evaluation results and year-end bonus for the managerial officers of the company for 2023. Resolution: Passed with no objection by the Chairman after consultation with all members present.	Approved by the Board and acted upon.
	Proposal: Review of the payment method for the year-end bonus of the chairman and the proposal of year-end bonus for 2023. Resolution: As discussed by the Remuneration Committee, it was recommended that the Chairman's year-end bonus for 2023 be calculated in accordance with Option 3 of the Company's proposal, namely the "Chairman's Year-end Bonus Payment Method".	Approved by the Board and acted upon.
	Proposal: Review of the proposed promotion and salary adjustment for senior (managerial) executives in January 2024. Resolution: Passed with no objection by the Chairman after consultation with all members present.	Approved by the Board and acted upon.
14 March 2024 The 7th session of the 5th term	Proposal: Review of the directors and employees compensation for 2023. Resolution: Passed with no objection by the Chairman after consultation with all members present.	Approved by the Board and acted upon.
10 May 2024 The 8th session of the 5th term	Proposal: Review of the Company's 2024 salary adjustment/promotion plan for managerial officers. Resolution: Passed with no objection by the Chairman after consultation with all members present.	Approved by the Board and acted upon.
9 August 2024 The 9th session of the 5th term	Proposal: Review of the Company's 2023 remuneration distribution for Directors and Supervisors. Resolution: Passed with no objection by the Chairman after consultation with all members present.	Approved by the Board and acted upon.
	Proposal: Review of the Company's 2023 employee remuneration distribution for managerial officers. Resolution: Passed with no objection by the Chairman after consultation with all members present.	Approved by the Board and acted upon.
	Proposal: Review of the Company's 2024 special incentive bonus plan for Directors. Resolution: Passed with no objection by the Chairman after consultation with all members present.	Approved by the Board and acted upon.
	Proposal: Discussion on the 2025 work plan of the Compensation Committee. Resolution: Passed with no objection by the Chairman after consultation with all members present.	Approved by the Board and acted upon.
17 January 2025 The 10th session of the 5th term	Proposal: Review of the proposed 2025 compensation items for Directors, Audit Committee members, ESG Committee members, and managerial officers. Resolution: Passed with no objection by the Chairman after consultation with all members present.	Approved by the Board and acted upon.

	Proposal: Review of the Company's 2024 performance evaluation results and year-end bonuses for managerial officers. Resolution: Passed with no objection by the Chairman after consultation with all members present.	Approved by the Board and acted upon.
	Proposal: Review of the Chairman's 2024 year-end bonus allocation method and proposed bonus amount. Resolution: Passed with no objection by the Chairman after consultation with all members present.	Approved by the Board and acted upon.
	Proposal: Review of proposed January 2025 salary adjustment for two senior managerial officers. Resolution: Passed with no objection by the Chairman after consultation with all members present.	Approved by the Board and acted upon.
13 March 2025 The 11th session of the 5th term	Proposal: Review of the 2024 distribution of employee and director remuneration. Resolution: Passed with no objection by the Chairman after consultation with all members present.	Approved by the Board and acted upon.

5. Information on the profile and operation of the Nominating Committee

N/A, as the Company has not established a Nominating Committee.

(V) The implementation status of sustainable development promotion:

Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons

Item	Implementation status (Note1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reason
	Yes	No	Summary description	
I. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	V		The Company has established the Sustainability Development Committee in August 2022, as resolved by the Board of Directors. The committee members are appointed by the Board and shall consist of no less than three individuals, including senior managerial offers and independent directors of the company. At least one independent director shall be involved in the oversight. The President is designated as the Chairperson of the committee. The committee's purpose is to assist the Board of Directors in promoting corporate social responsibility and enhancing corporate governance, aiming to achieve sustainable business practices. Its responsibilities shall include, but not be limited to, the following: 1. Formulate corporate social responsibility (CSR) and sustainability directions and goals and develop related management policies and specific implementation plans. 2. Promote and implement integrity in business operations and risk management. 3. Track, review, and revise the implementation and effectiveness of corporate sustainability initiatives. 4. Handle other matters as determined by the Board of Directors and assigned to the Sustainability Development Committee. The Sustainability Development Committee shall report annually to the Board of Directors on the implementation achievements and future work plans in sustainable development. In 2024, 2 meetings were convened, covering the (1) Organizational structure and responsibilities of the Sustainability Development Committee. (2) Progress report on the compilation of the 2023 Sustainability Report. (3) Addition of enterprise risk management to the duties of the Sustainable Development Committee. (4) Report on the progress of sustainability report preparation and the 2024 material topics. (5) Report on the establishment of the Company's Regulations Governing the Preparation and Submission of the Sustainability Report. The Board of Directors regularly receives reports from the management team to review the content and progress of relevant work and objectives. Additionally, the Board provides timely suggestions and direction to the task force for necessary adjustments.	In compliance.

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Implementation status (Note1)</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reason</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td>II. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies? (Note 2)</td><td>V</td><td></td><td>The Company stipulated the “Business Planning Operation Procedures” and “Business Risk Analysis and Control Procedures” according to the requirement of management regulation of IATF16949, ISO9001 and ISO45001. The Company has implemented and executed business plans, and management policies, including environmental, social and corporate governance risk analysis, assessment, policy and strategy formulation and operation promotion business plan to meet the needs and expectations of each stakeholder.
The Company conducts relevant risk assessments on important issues, based on the principle of the materiality of corporate social responsibility. The Company conducts relevant risk assessments on important issues. And according to the risks after assessment, we have stipulated relevant risk management policies and strategies as follows:
<table>
<tr><th>Important issues</th><th>Risk assessment items</th><th>Risk management policies or strategies</th></tr>
<tr><td>Environment</td><td>Environmental Protection and Ecological Conservation</td><td>The Company has obtained ISO 14001 and IECQ QC 080000 certifications and is scheduled to renew the certifications in September 2026 and is committed to environmental protection and has responded to green production and cleaner production. Through the implementation of process safety management and institutionalized PDCA management cycle, the pollution emissions and the impact on the environment have been effectively reduced. Meanwhile, plans and proposals for implementation are formulated every year, and the progress of various goals is regularly tracked and reviewed to ensure the achievement of the goals.</td></tr>
<tr><td>Social</td><td>Occupational safety</td><td>The Company has acquired the certificate of ISO 45001 and is scheduled to renew the certifications in September 2026. The environmental, manufacturing, and occupational safety departments in each factory conduct daily inspections on occupational safety. The various factories and affiliates</td></tr>
</table>
</td><td>In compliance.</td></tr>
</table>

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Implementation status (Note1)</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reason</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td>

		mutually supervise and exchange experiences to further enhance occupational safety and health management systems. Additionally, annual fire drills and occupational safety education and training are held to cultivate employees' emergency response and self-safety management capabilities.

</td><td></td></tr>
<tr><td></td><td></td><td></td><td>

Corporate governance	Corporate governance	Corporate governance
Corporate governance	Product safety	The company's products comply with various government regulations and service ordinances. They also meet the requirements of the European Union's RoHS directive and are free from any harmful substances. The Company ensures the highest product quality through rigorous quality system management, providing customers with stable product quality. Additionally, to ensure customer service excellence and enhance customer satisfaction, the Company has established a dedicated customer service department and conducts regular proactive customer satisfaction surveys to strengthen the cooperation with customers. By fostering mutually beneficial relationships with the customers, the Company strives to become a cornerstone of sustainable business development.
Corporate governance	Socioeconomic and Legal Compliance	By establishing corporate governance dedicated unit and the implementing internal control systems, the Company can make sure that all of our employees and operation comply with relevant regulations.

</td><td></td></tr>
<tr><td>III. Environmental Issues
(I) Has the Company set an environmental management</td><td>V</td><td></td><td>(I) In compliance with international environmental regulations and national environmental laws and</td><td>In compliance.</td></tr>
</table>

Item	Implementation status (Note1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reason
	Yes	No	Summary description	
system designed to industry characteristics?			regulations, the Company has obtained ISO 14001 Environmental Management System certification. It has also established an environmental policy, "Compliance with Regulations, Efficient Use of Resources, Full Participation, Continuous Improvement, Corporate Image, and Corporate Responsibility", which is disclosed on the Company's official website. The Administration Section of the Management Department is responsible for the implementation and supervision of the environmental management system and related environmental policy matters. The latest certificate is valid from 10 September 2023 to 10 September 2026. The Company's subsidiary listed above (Liton Technology Corp.) has also obtained ISO 14001 certification and established an Environmental Health and Safety (EHS) Department dedicated to environmental protection and public safety. The latest certificate is valid from 10 May 2022 to 9 May 2025.	
(II) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	V		(II) The Company adopts advanced technology and equipment, and is committed to environmental protection, energy conservation, industrial waste reduction and resource recovery and reuse. We promote the correct concept of environmental protection, develop good habits of pollution prevention and waste reduction, and require all the staff to participate in green environmental protection activities. The Company's subsidiary listed above (Liton Technology Corp.) has improved raw material usage efficiency and reduced overall raw material usage. The cardboard boxes, old pallets, and iron pipes used in the manufacturing process have been recycled and reused to reduce waste.	In compliance.
(III) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	V		(III) The Company abides by international green products regulations and fulfills the requirements of customers and has stipulated "Environmental Substance Management Policy" to regulate the hazardous substance content. The Company manages the substance composition of suppliers according to the "Environmental Substance Management Policy" and produce environmental protection products that meet customer requirements. Eliminate the use of prohibited substances and meet the requirements of environmental protection. The Company's subsidiary listed above (Liton Technology Corp.) currently has no operational	Consistent

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Implementation status (Note1)</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reason</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td>(IV) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?</td><td>V</td><td></td><td>items to assess the impact of climate change on enterprises.
(IV) The Company adds up electricity consumption and CO2 emissions every month to control the implementation status of energy-saving and carbon-reduction operations in each unit and set up rainwater recycling to supply landscape ponds and toilet waste basins to save water consumption. For waste management, the Company implements garbage sorting, recycling of cash boards used in the manufacturing process, recycling of old pallets, etc., to achieve the purpose of garbage reduction. Statistics for the last two years are as follows:
Unit: tons
<table>
<tr><th rowspan="2">Item</th><th colspan="2">Greenhouse gas (tCO2e)</th><th rowspan="2">Water consumption (t)</th><th colspan="2">Total weight of waste (t)</th></tr>
<tr><th>Category 1</th><th>Category 2</th><th>Hazardous waste</th><th>General waste</th></tr>
<tr><td>2024</td><td>2,052</td><td>26,892</td><td>188,031</td><td>149.55</td><td>398.3</td></tr>
<tr><td>2023</td><td>2,372</td><td>30,138</td><td>297,948</td><td>187.00</td><td>267.0</td></tr>
</table>
</td><td>In compliance.</td></tr>
<tr><td></td><td></td><td></td><td>Note 1: Category 1 refers to direct emissions from a process or facility. Category 2 refers to indirect emissions from the consumption of purchased electricity, heat, or steam as energy sources.
Note 2: The data in the form is the result of the Company's own statistics and calculations and has not been checked by a third party.
The Company’s subsidiary listed above (Liton Technology Corp.) promotes energy-saving and carbon-reduction measures and uses equipment and products with energy-saving labels to reduce energy consumption and promote energy-saving and carbon reduction.</td><td></td></tr>
<tr><td>IV. Social Issues
(I) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?</td><td>V</td><td></td><td>(I) In the Company's human resources management system and work rules, all labor-related regulations (employment, working hours, wages, holidays, rewards and punishments, resignation, etc.) follow the national “Labor Laws” relevant regulations and respect for internationally recognized basic labor human rights principles and other requirements, and strictly require personnel of relevant units to implement accordingly.
The Company’s subsidiary listed above (Liton Technology Corp.) has stipulated employee codes and follows relevant labor laws and regulations, and protects the rights and interests of employees in the following ways：
(1) Handle employee health insurance, labor</td><td>In compliance.</td></tr>
</table>

Item	Implementation status (Note1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reason
	Yes	No	Summary description	
			insurance, medical insurance and accident insurance. (2) Provide free regular health checks. (3) Set up an employee welfare committee to handle company trips and various employee benefits. (4) Allocate pension according to the law. (5) Provide on-the-job training for employees. (6) Formulate sexual harassment prevention, complaint and punishment measures. (7) Hold regular labor-management meetings.	
(II) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?	V		(II) The Company stipulates various employee welfare measures such as salary, vacation, company trip, and severance pay in the work rules. The Company has established a performance appraisal system linked to individual and company operating results, and issue performance bonuses, year-end bonuses, employee bonuses and other remuneration based on the performance appraisal system. The Company's subsidiary listed above (Liton Technology Corp.) has formulated a remuneration system related to personnel regulations. The business performance will be reflected in employees' remuneration.	In compliance.
(III) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	V		(III) The Company promises and abides by international conventions and National Work Safety Laws and Regulations，the company maintains industrial safety and employee health, and establishes a good occupational safety and health management system. The Company ensures the maintenance of occupational safety and health, continuously improves safety and health management, and regularly implements occupational safety and health education and training and employee health checks. The dedicated safety and environmental personnel will check the safety of the working environment at any time of the Company's subsidiary listed above (Liton Technology Corp.), and regularly hold safety training and physical health check for employees.	In compliance.
(IV) Has the Company established effective career development training programs for employees?	V		(IV) The Company and its investee subsidiaries have established job descriptions for all departmental positions, clearly outlining the responsibilities, required competencies, and career development pathways for each role. Supervisors and employees may refer to the job descriptions, performance objectives, and daily communications to understand job expectations and career growth opportunities. At the end of each year, the Human	In compliance.

Item	Implementation status (Note1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reason
	Yes	No	Summary description	
			Resources Department conducts a competency assessment and training needs survey for all positions. Based on company policies, organizational goals, and competency gap analysis, the training plan for the following year is formulated. The implementation progress and effectiveness of the training plan are continuously monitored and managed in accordance with the plan.	
(V) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?	V		(V) The Company and the Company's subsidiary listed above (Liton Technology Corp.) abide by the marketing and labeling of products and services are handled in accordance with relevant laws, international standards and practices. We advocate and continue to promote green manufacturing and provide green products that comply with the relevant specifications of the EU Environmental Protection Directive (RoHS). Also, we also require material suppliers to effectively control prohibited substances, and jointly abide by the standards of the world's environmental protection policies. The Company has established the "Code of Ethics for Employees" and the "Fair Competition and Information Disclosure Management Procedure" as guidelines for both internal and external compliance. In addition, the "Personal Data Security Management Regulations" have been formulated to safeguard customer information and business communications. Lelon Electronics is committed to protecting the intellectual property and business information of all partners. All partner-related data is managed under the highest level of confidentiality to strengthen mutual trust and long-term cooperation. In addition to direct contact with the designated account representatives, customers may also submit feedback through multiple channels, such as the service hotline and email address provided on the Company's official website. This ensures that customer needs are addressed in a timely manner. Once a complaint is received, the Company immediately forwards the feedback to the relevant internal departments for follow-up in order to protect customer rights and interests. When customers file complaints or provide feedback, the complaint handling procedure is immediately initiated. The Quality Assurance Department is responsible for verifying the issues raised and promptly resolving them to minimize recurrence and reduce the number of complaints.	In compliance.
(VI) Does the company refer to international reporting standards	V		(VI) The Company and the Company's subsidiary listed above (Liton Technology Corp.) have to go	In compliance.

Item	Implementation status (Note1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reason
	Yes	No	Summary description	
or guidelines when preparing its sustainability report and other report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?			through a supplier review before dealing with suppliers to assess its related operations and management policies in compliance with relevant norms such as environmental protection, occupational safety and health, or labor rights. In addition, for the new regulations, it is also required to provide relevant information for the Company's evaluation. The contract that the Company signed with major manufacturers has stated that it must “comply with the requirements of international environmental protection regulations”. In addition, the Company may terminate or rescind the contract if they breach the contract, or the breach of the contract does not improve. The Company determines the environmental requirements for service procurement: Procurement units require safety data sheets (SDS) for suppliers of raw materials and components identified by the R&D department that will affect or may affect major environmental considerations. And require these suppliers to comply with the requirements of environmental management and relevant regulations to decrease possible contamination. Supplier Management Measures: (1) The Company has established the "Supplier Management Procedure" to conduct supplier quality evaluations, prepare for future RBA (Responsible Business Alliance) social responsibility audits, and manage delivery performance to ensure the effective management of qualified suppliers. (2) Regular supplier conferences are held to maintain effective communication and foster mutually beneficial relationships. (3) The Company aims to increase the proportion of local procurement to reduce energy consumption. (4) Major suppliers are required to commit to implementing social responsibility measures and complete self-assessments. On-site audits are conducted for high-risk or high-volume suppliers to ensure compliance with environmental protection and other sustainability standards. (5) Raw materials must not contain hazardous substances and must comply with international RoHS standards. The use of conflict minerals is strictly prohibited. To establish a sustainable supply chain and support suppliers in their sustainability efforts, the Company places great emphasis on sustainable	

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Implementation status (Note1)</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reason</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td>supplier management. All suppliers are subject to a review process before engaging in business with the Company. This process evaluates a supplier’s capabilities in terms of quality, delivery, pricing, and service, and also requires compliance with occupational safety and health, environmental protection, and human rights standards. The goal is to jointly enhance corporate social responsibility and build long-term partnerships for sustainable development.
All suppliers are required to adhere to the RBA Code of Conduct and sign the “Corporate Social Responsibility Commitment Letter,” affirming that all business activities comply with applicable laws and ethical standards. A supplier conference is held every two years to communicate Lelon’s sustainability goals and management policies. Suppliers are also required to complete a "Supplier CSR Self-Assessment Questionnaire" to evaluate their own performance and implement improvement actions where necessary. Periodic audits are conducted to verify whether suppliers meet the requirements of relevant management systems and ensure continued alignment with the Company’s expectations.</td><td></td></tr>
<tr><td>V. Does the Company refer to international reporting rules or guidelines to publish Sustainability Report to disclose non-financial information of the Company? Has the said Report acquired third party verification or statement of assurance?</td><td>V</td><td></td><td>The Company has disclosed the “ESG” policies, regulations and measures and related implementation matters on the “ESG” webpage of the Company's website. And prepare the ESG report with reference to the internationally accepted reporting guidelines. However, according to the assessment on regulations and management needs, there is no need to obtain third-party verification.
N/A. The Company and the Company’s subsidiary listed above (Liton Technology Corp.) did not submit corporate social responsibility or sustainability reports for verification in 2024.
It is expected to complete the preparation and announcement of the 113th annual ESG report by August 31, 2025.</td><td>In compliance.</td></tr>
<tr><td colspan="5">VI. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please describe any deviation from the principles in the Company’s operations: Establish a high-quality living environment, create a sustainable business philosophy, and implement the following goals.
1. Environmental protection: Practice the participation of all employees in green environmental protection activities, energy saving and carbon reduction, resource recycling and reuse. And the Company will continually make improvements.
2. Health and Safety: Establish a safe, healthy, and comfortable environment. Pursue and establish the determination of zero occupational accidents.
3. Comply with the laws and regulations: Comply with relevant national laws, international agreements and other requirements.</td></tr>
</table>

Item	Implementation status (Note1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reason
	Yes	No	Summary description	

4. Business ethics: Implement integrity management, prohibit improper interests, protect intellectual property rights, and ensure legitimate business practices.
5. Employee relations: Respect employees, improve communication channels and employee benefits, and create excellent labor-management relations.
6. Social welfare: Actively participate in social welfare and cultural activities to contribute to social welfare.

The Company’s subsidiary listed above (Liton Technology Corp.) has not yet formulated “Sustainable Development Best Practice Principles.

VII. Other important information to facilitate better understanding of the company’s promotion of sustainable development:

The systems and measures adopted by the Company for environmental protection, safety and health, gender equality, community participation, social welfare and other activities and their implementation status are as follows:

1. Environmental friendly

Liton Technology Corp. abides by international green product standards and meets customer requirements and has formulated the “Environmental Substance Management Measures” to control the content of hazardous substances. The Company manages the material content of suppliers in accordance with the Environmental Substance Management Measures. We manufacture green and environmentally friendly products that meet customer requirements and eliminate the use of prohibited substances to meet the requirements of green environmental protection.

Environmental policies: Comply with the law, make good use of resources, full participation, continual improvement, corporate image, and corporate responsibility”.

To comply with international environmental regulation and in accordance with national environmental laws and regulations, Liton Technology Corp. has established ISO 14001 environmental management systems to guarantee the quality of the environment. In order to achieve environmental regulations, we are committed to environmental protection, energy saving and carbon reduction, and implement industrial waste reduction, reuse and recycling of resources. We will continually make improvements on the issue, and practice full participation in environmental activities. We promote the correct concept of environmental protection to manufacturers and the general public, maintain the natural environment and ecology of the earth, and ensure the sustainable green operation of enterprises.

Comply with the law: The Company complies with various environmental las and regulations. To ensure environmental quality, we have established good environmental management systems.

Make good use of resources: The Company adopts advanced technology and equipment. We are committed to environmental protection, energy conservation, industrial waste reduction and resource recycling and reuse.

Full participation: Promote the correct concept of environmental protection, develop good habits of pollution prevention and waste reduction, and all employees participate in green environmental protection activities.

Make continual improvement: Implement various regulations on environmental management, and regularly audit and review the effectiveness of their implementation. We will make continual improvements and strive for sustainable operation.

Corporate image: Provide environmental information and experience interaction that enables the public, customers, and suppliers to understand the Company’s environmental policies.

Corporate responsibility: Disclose the Company's environmental policies and implementation status to the public to make a contribution to maintain the harmonious coexistence of the earth and nature.

Since 2017, the Company actively controls the electricity usage and Co2 emissions (kg) of each plant to confirm the effectiveness of each unit in complying with the Company's energy-saving, carbon-reduction and environmental protection policies.

Self-collected data are shown in the table shown on the right

Factory	Year	Electricity usage		Co2 emission (kg)
Taiwan	2024	770,709		380.7302
	2023	822,096		407.2692
	Annual savings rate	6%		6%
Huizhou	2024	Mains electricity	Photovoltaic electricity	15,403.5178
		37,438,417	1,156,880.5	
	2023	33,548,124	1,181,111.0	20,383.3506

Item	Implementation status (Note1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reason
	Yes	No	Summary description	

	Annual savings rate	-11.6%	2.0%	24.0%
Suzhou	2024	20,077,073		659,005
	2023	19,338,046		1,078,492
	Annual savings rate	-4%		38.9%

In response to the impact of climate change and the emergence of extreme weather as a new norm, the Company has joined the “Taiwan Climate Partnership” in July 2022. By leading the supply chain in carbon reduction efforts, the Company aims to set an example and meet the demands of international brand customers through tangible actions. Simultaneously, seeking to enhance the awareness of climate change issues among Taiwanese businesses and society. Through international advocacy and collaborations, the Company not only stays informed about global sustainability trends but also promote outstanding Taiwanese manufacturers on the international stage, showcasing the energy and determination of Taiwan's industrial sector in creating sustainable value.

2.Health and safety:

In order to promise to abide by international conventions and National Work Safety Laws and Regulations, and maintain industrial safety and employee health, the Company has implemented and established a well-organized occupational safety and health management system to guarantee the maintenance of occupational health and safety. To prevent occupational injuries and pursue the goal of zero occupational injury, Liton Technology Corp. practices full participation in making improvements on safety and health management to lower occupational health and safety risks. The Company establishes a healthy and comfortable working environment to assure employee safety and reach the Company’s goal of sustainable operation.

Occupational health and safety policies: Comply with the regulations, suitable for operation, full participation, continuous improvement, responsibility and honor

(I). Promise to abide by international convention and national industrial safety regulations National Work Safety Laws and Regulations.

(II). Take industrial safety and employee health as the first consideration.

(III). Implement full participation in continual industrial safety training.

(IV). Prevent hazards and lower the risks of injuries to pursue the goal of zero occupational injuries.

(V). Establish health and comfortable working environment to assure the Company’s sustainable operation.

The Company and its invested subsidiaries arrange occupational safety and health and fire (disaster) prevention courses and drills in accordance with laws and regulations every six months. The cumulative number of participants has reached 4,359 in 2024.

3. Gender equality

The Company and its invested subsidiaries have paid attention to the friendly workplace environment for employees. In terms of the appointment of female employees, women accounted for 43.27 % of the employees who took office from January to December in 2024. As at the end of 2024, the female employees of the Company and its invested subsidiaries accounted for 46.28%of the total number of employees, respectively.

In terms of the policy, the Company has formulated an “Employee Handbook”, “Work Rules”, “Appointment Management Measures” and other internal operating regulations. Clearly declare the protection of employee rights for employees' working hours, leave, gender, etc., to ensure that employees are properly taken care of. For pregnant employees, we provide pregnant women with exclusive parking spaces and breastfeeding/restrooms according to individual needs and give pregnant employees full care. The Company is committed to creating a gender-friendly working environment. With a diverse and inclusive workplace, women can give full play to their strengths and abilities in the workplace.

4. Community Involvement

The Company values our land and society. Therefore, we invest manpower, donate goods, and provide services to realize our commitment to give back to the village, promote industry-university cooperation, take care of students, and make contribution to society. Make efforts to build a better society and culture.

The main content of each social activity is briefly described as follows:

Participate in /Sponsor Police/Firefighter Activities

The Company and its invested subsidiaries support and affirm the hard work of the police and firefighter volunteers and assist in the provision and replacement of equipment. Since 2010, the Company has continued to participate in regional police/firefighter volunteer lectures, promotions, dinners, and year-end parties, etc. And we served as the advisory board of the Taichung Dali Renhua Firefighting Volunteer Team, have subsidized the purchase of fire-fighting equipment and sponsored related funds. A total of 280 people participated in the event, and more than 1,100 people benefited from the police and volunteer firefighters.

Industry-University Cooperation/Corporate Internship. Visits

To take care of local students and assist master students to understand the working ecology and workplace environment of the electronics industry. Since 2019, the Company has accepted graduate students of National Chung Hsing University to the Company's Taichung and Suzhou plants for 2 months of corporate internship, a cumulative number of 6 participants.

In order to strengthen the industry-university connection, the Company continues to cooperate with enterprises with excellent academic performance to visit universities. From 2019 to 2023, a total of 60 students – visit to our Suzhou plant: including the National Chin-Yi University of Technology, National Taipei University of Technology, Taipei Tech, etc.,

Promote reading

To help local students develop the habit of interdisciplinary learning and lifelong reading and give them the opportunity to explore/develop different talents and potentials. Since 2016, the Company has cooperated with Global Views Monthly for 6 consecutive years and participated in the public welfare project of “Sowing the Seeds of Reading: Giving Children a Great Future”. The project gives back/donates the “Future Youth” monthly magazine to 12 elementary schools and 6 public junior high schools in the Dali District of Taichung, accumulatively benefiting 6,000 students each year.

Dream Realization Plan

Based on corporate citizenship, the Company fulfills its corporate social responsibilities. In order to assist and encourage students from poor families to actively work hard to learn and contribute what they have learned and give back to society in the future, the Company formulated and announced the implementation measures of the “Dream Realization Plan for Poor Students”. The plan pays the full tuition (credits)/miscellaneous fees of the poor students in the middle of Taiwan to university graduation to support them to complete their studies/employment dreams. The cumulative number of 7 students have benefited from the plan in 2024.

Sponsorship of school events/scholarships.

Donation of living allowances to outstanding athletes (swimmers) at National Taiwan University of Sport, benefiting over 5 students cumulatively.

Participated in the “Drip into a Peak - Donation Scholarship Program” at the National Taiwan University of Sport, providing living subsidies to underprivileged and outstanding athletes, benefiting a total of 4 students.

Since 2019, the Suzhou factory established the “Lelon Cedar Class,” supporting 20 students from impoverished areas in Yunnan with donations for their three-year high school education.

Donated to the National Taiwan University of Sport for the University Games and provided financial assistance to underprivileged students, benefiting over 25 students to date.

5. Social welfare

The Company upholds the concept of being enthusiastic about public welfare and giving back to society. In addition to community participation, we also irregularly participate in various emergency assistance and support activities for the social welfare of vulnerable groups and medical care groups, the relevant activities as listed below:

Emergency assistance

·Donation for Sichuan Earthquake in China

·Donation for Sichuan Earthquake in China

·Donation for 0801 gas explosions in Kaohsiung

·Participate in the social welfare of The Entrepreneur Club in Taichung

·Donation for the colored powder fire disaster in New Taipei City

·Donations for Tainan 0206 Earthquake ·Donations for Hualien 0206 Earthquake The cumulative donation amount exceeds NT$1,200,000.

Support the welfare of the disadvantaged ·Since 2011, the Company has subscribed to the Mid-Autumn Festival, Dragon Boat Festival, and New Year gift boxes every year from social welfare groups. (Children Are Us Foundation/FHL XinWangAi Intelligent Development Center/Syin-Lu Social Welfare Foundation/Down Syndrome Foundation ROC...etc.) as holiday gifts for the executives. Also, the Company supports funds for disadvantaged social welfare institutions, and the cumulative purchase amount exceeds NT$350,000. ·Sponsor The Garden of Hope Foundation: Sponsored the budget for community anti-violence publicity and dedicated exhibitions in Taichung. ·Sponsored the Taiwan Light of Love Association: Budget for promoting eye protection and blindness prevention education, and caring activities for the visually impaired. ·Sponsored the TsuKuang Foundation: Financial support for the needy and orphans, and for counseling and placement expenses for children and adolescents facing sudden changes. ·Donated to the Taichung branch of the Teacher Chang Foundation: Funding for the promotion of youth counseling and development programs. ·Sponsored the Teacher Chang Foundation, Taichung Branch: Funding for service activities. A cumulative number of over 150 people have participated /benefited from the activity. Sponsor medical activities and equipment ·Sponsored Liver Disease Prevention& Treatment Research Foundation: Sponsored the Hepatitis and liver cancer screening public welfare activities ·Subscribed to HaoXinGan Foundation: Subscribed to the liver disease medical center equipment. ·Sponsorship of epidemic prevention supplies for medical institutions: Donation of epidemic prevention/medical equipment and supplies to Taichung Veterans General Hospital, Chung Shan Hospital and Jen-Ai Hospital. ·Sponsorship for Bike Angels Association in Taoyuan, Hsinchu, and Chiayi: Epidemic prevention supplies. ·Sponsorship of the Liver Disease Prevention and Treatment Research Foundation: Free abdominal ultrasound screening events throughout Taiwan. ·Donated to the Rong Sing Medical Foundation: Funding for the promotion of medical research and development, the training of medical professionals, and the enhancement of medical education. ·Sponsored the Liver Disease Prevention and Treatment Research Foundation: Funding for the 2023 nationwide free abdominal ultrasound examination program. The accumulated donation amount exceeds NT$2.5 million; A cumulative number of over 500 people participated /benefited from the activity.

Note 1: The materiality principle refers to issues related to the environment, society and corporate governance that have a significant impact on company investors and other stakeholders.

(VI) Climate-Related Information of TWSE／TPEx Listed Companies:

1. Implementation Status of Climate-Related Information Disclosure

Climate-Related Information of TWSE/TPEx Listed Companies

<table>
<tr><th>Item</th><th>Implementation Status</th></tr>
<tr><td>1. Describe the Board’s and management’s oversight and governance of climate-related risks and opportunities.</td><td>(1) The Sustainability Committee is responsible for identifying climate-related risks and opportunities, assessing their potential impacts, and formulating corresponding response strategies. The execution effectiveness of risk management is reviewed regularly and reported to the Board of Directors and senior management.
(2) The highest governing body for climate-related risks and opportunities is the Board of Directors. Through periodic reporting, the Board monitors the Company’s exposure to climate-related risks and opportunities and provides guidance and decision-making support.</td></tr>
<tr><td>2. Describe how identified climate-related risks and opportunities affect the company’s businesses, strategy, and financial planning (in the short, medium, and long term).</td><td>Lelon Electronics' Sustainability Committee identifies climate-related risks by referencing international reports, peer industry analyses, and relevant regulations. The magnitude of risk is assessed based on the potential financial or strategic impact and the likelihood of occurrence. A climate risk inventory has been established, categorizing risks into physical and transition risks to evaluate potential operational impacts and formulate risk management mechanisms.
For reference, short-term is defined as within one year, medium-term as one to three years, and long-term as beyond five years.
<table>
<tr><th colspan="2">Type of Risk</th><th>Potential Impact on Operations</th><th>Time Horizon</th><th>Mitigation and Response Measures</th></tr>
<tr><td rowspan="6">Physical Risks</td><td>Earthquakes, floods, typhoons, wastewater discharge</td><td>(1) Impact on production capacity; increase in operating costs; decline in revenue.</td><td>Short-term</td><td>˙Establish improved water quality and drainage systems
˙Introduce energy-saving equipment
˙Ensure wastewater treatment complies with environmental regulations</td></tr>
<tr><td rowspan="3">Drought, power and water supply interruptions</td><td>(1) Inability to deliver on time or delivery interruptions, resulting in deductions or penalties imposed by customers.</td><td>Mid-term</td><td rowspan="3">˙ Uninterruptible Power Supply (UPS) systems are installed to support emergency power needs.
˙ Automatic activation of generators is in place to meet emergency power requirements, especially for fire safety systems.
˙ Solar power systems at the Suzhou and Huizhou plants can provide backup electricity in case of emergencies.</td></tr>
<tr><td>(2) Fines incurred due to violations of relevant regulations.</td><td>Long-term</td></tr>
<tr><td>(3) Supply chain disruptions leading to a decline in production capacity.</td><td>Long-term</td></tr>
<tr><td>Rising temperature</td><td>Increase in energy consumption and GHG emissions</td><td>Long-term</td><td>˙ Enhance energy efficiency and switch to LED lighting and energy-saving air-conditioning systems</td></tr>
<tr><td colspan="4"></td></tr>
<tr><td rowspan="4">Transition Risks</td><td rowspan="2">Emission control regulations</td><td>(1) Rising operating costs; Stricter carbon emission regulations increase costs related to carbon pricing and trading</td><td>Short-term</td><td rowspan="2">˙Phasing out outdated, high-energy-consuming equipment.
˙ Monitoring gas emissions throughout the production process.</td></tr>
<tr><td>(2) Rising emission volumes</td><td>Mid-term</td></tr>
<tr><td rowspan="2">Green products and processes</td><td>(1) Develop green products</td><td>Long-term</td><td rowspan="2">˙ Shift in customer demand to low-carbon products
˙ Enhance implementation of energy-saving and water-saving facilities in green manufacturing processes.</td></tr>
<tr><td>(2) Improve manufacturing equipment in line with green product requirements</td><td>Mid-term</td></tr>
</table>
</td></tr>
</table>

Item	Implementation Status
3. Describe the financial impacts of extreme	(1) Climate events such as floods, droughts, typhoons, power outages, and

Item	Implementation Status
climate events and transition actions:	water shortages: ˙ Reduced production capacity, increased operating costs, and decreased revenue. ˙ Failure to deliver on time or delivery interruptions may result in penalty deductions from customers. ˙ Regulatory violations may lead to fines. ˙ Supply chain disruptions may impact production output. (2) Rising temperatures: ˙ Increased power consumption and greenhouse gas emissions, resulting in higher related costs. (3) Greenhouse gas emission regulations: ˙ Increased operating costs due to carbon taxes for exceeding international carbon emission limits. ˙ Increased operating costs associated with the replacement of outdated high energy-consuming equipment.
4. Describe how the processes for identifying, assessing, and managing climate-related risks are integrated into the overall risk management system:	(1) Based on the TCFD framework, with reference to international organization reports, industry analysis, and related regulations, the Company has developed a list of climate-related risks and opportunities. Each risk and opportunity is evaluated based on its financial or strategic impact and likelihood of occurrence. Risks are categorized into physical and transition risks for further materiality assessment and management planning. (2) Response measures and contingency strategies are established based on risk assessment results to minimize losses and enhance climate resilience while identifying potential opportunities. (3) The Company has not yet adopted climate scenario analysis but has made relevant disclosures under the TCFD framework and formulated corresponding response strategies for initially identified risks. Scenario analysis will be gradually incorporated into the Company’s sustainability strategy as appropriate.
5. Describe the scenarios, parameters, assumptions, analytical factors, and major financial impacts if scenario analysis is used to assess climate resilience:	The Company has not yet implemented climate scenario analysis. However, based on the TCFD framework, relevant disclosures have been made in advance, and preliminary climate-related risks have been identified along with corresponding mitigation strategies. Scenario analysis will be gradually adopted and integrated into the Company’s sustainability policies as appropriate.
6. Describe any transition plans established for managing climate-related risks, as well as the indicators and targets used to identify and manage physical and transition risks:	(1) Rooftop solar projects at the Company’s Huizhou and Suzhou plants were successfully commissioned in 2022 and 2023, respectively, and are now generating electricity for internal use. (2) Real-time management of physical risks based on weather forecasts. (3) Medium- and long-term management of compliance-related transition risks in response to evolving government regulations. (4) Gradual replacement of outdated equipment. (5) Gradual transition of company vehicles to hybrid models. (6) Planning for comprehensive GHG inventory and verification, with ISO 14064-1 system implementation scheduled for 2028.
7.Describe the basis for setting internal carbon pricing if used as a planning tool:	The Company has not yet established internal carbon pricing.
8. Describe the climate-related targets set, including the activities covered, GHG emission scopes, planning timeline, and annual progress. If carbon offsets or Renewable Energy Certificates (RECs) are used, disclose the source and amount of carbon reduction or the number of RECs purchased:	The Company has not yet established such targets.
9. Describe the GHG inventory and assurance	Please refer to Sections (1) and (2) for details.

Item	Implementation Status
status, as well as the reduction targets, strategies, and specific action plans (details provided in Sections (1) and (2)):	

(1). Greenhouse Gas Inventory and Assurance Status for the Most Recent Two Years

①. Greenhouse Gas Inventory Information

Year	Scope 1 (Metric Tons CO_2e)	Scope 2 (Metric Tons CO_2e)	Emission Intensity (Metric Tons CO_2e / NT$1 Million)
2024	2,052	26,892	Data is currently incomplete and will be disclosed in the Sustainability Report once finalized.
2023	2,372	30,138	

Coverage of Data: Lelon Electronics Corp., Lelon Electronics (Huizhou) Co., Ltd., Lelon Electronics (Suzhou) Co., Ltd., and Lelon Technology (Suzhou) Co., Ltd.

Note 1: Scope 1 emissions refer to direct greenhouse gas (GHG) emissions from sources owned or controlled by the company; Scope 2 emissions refer to indirect GHG emissions resulting from the generation of purchased electricity, heat, or steam consumed by the company; Scope 3 emissions refer to other indirect GHG emissions that are a consequence of the company's activities but occur from sources not owned or controlled by the company.

Note 2: The GHG inventory was conducted in accordance with the Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).

Note 4: GHG emission intensity may be calculated based on each unit of product/service or revenue. At minimum, emission intensity based on revenue (in NT$ million) should be disclosed.

②. GHG Assurance Information

Not applicable. The Company will disclose assurance information in accordance with relevant regulations by 2028.

(2). GHG Emission Reduction Targets, Strategies, and Specific Action Plans

Not applicable.

(VII) Ethical practices and actions taken by the Company:

Ethical Corporate Management – Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons:

Evaluation Item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
I. Establishment of ethical corporate management policies and programs				
(I) Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?	V		(I) The Company's corporate culture "Integrity": integrity and responsibility and sustainable management;" Simplicity": Simplicity and inquisitiveness; "Quick": Reacting quickly, taking action and staying ahead; "Care": Caring for the employees, customers, investors and the community. The Company has established a "Code of Ethics" and a "Work Rules - Service Guidelines" which require Directors, Supervisors and employees to perform their duties with integrity and in accordance with professional standards, avoiding opportunities for personal gain and prohibiting gifts, bribes or improper benefits. The "CSR" section of the Company's website also clearly states the "Code of Business Ethics": To build a company with an ethical business ethic and the highest standards of integrity in all business interactions. On 19 March 2015, the Board of Directors approved the "Code of Ethics", which requires that all business activities of the Company, the Board of Directors and senior management must comply with the requirements of the law and social ethics, and actively implement the commitments of the management policy, and that the management representatives and employees must comply with the integrity requirements; Integrity policies are comprehensive in nature and therefore the policies on corruption prevention, ethics and corporate integrity are all included in the Integrity Policy, while related activities and operations are implemented in accordance with internal control procedures and internal control self-inspection procedures.	No variation.
(II) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the	V		(II) The Company's management regularly educates employees on the "corporate culture" and "work rules" at monthly meetings and training activities so that they are fully aware of the Company's commitment to integrity, policies, prevention programs and the consequences of unethical conduct. The Company's management regularly analyses and evaluates business activities within the scope of business that carries a higher risk of unethical conduct. In addition, the "Code of Ethics" shall be	In compliance.

Evaluation Item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies?			developed and evaluated/adjusted as necessary, and shall cover, but not be limited to, the prevention and control measures for the conduct in Article 7, paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/ GTSM Listed Companies".	
(III) Does the company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?	V		(III) In order to implement ethical management, the Company has established an effective accounting system and internal control system, and the internal audit office regularly examines the compliance with the "Code of Ethics", the Work Rules and other procedures for ethical conduct. In addition, the internal audit office shall regularly report to the Board of Directors and the Supervisors on the contents of the system, the implementation of the system by the relevant units, non-compliance, disciplinary actions and proposed adjustments to the system, etc. The management unit reviews and revises the "Code of Ethics" and "Work Rules")regularly based on audit reports and employee complaints.	In compliance.
II. Ethical Management Practice (I) Does the company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?	V		(I) The Company requires its suppliers to sign a "Management and Business Ethics Letter", in which they undertake to conduct their business activities with the Company in compliance with all laws and regulations. In addition, the Company requires its personnel not to seek or accept any benefits in the course of conducting the Company's business, either locally or elsewhere, and to treat our business partners, suppliers, etc. with integrity, professionalism and fairness.	In compliance.
(II) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and does it regularly (at least once a year) report to the board of directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?	V		(II) The President's Office and the Management Department of the Company have formed a dedicated team to promote corporate integrity management, which is responsible for the implementation and promotion of relevant policies and operational plans, as well as arranging inspections of relevant systems. If any unusual circumstances are discovered, they will be reported to the Supervisor and the Board of Directors. The Head of Audit regularly attends the Board of Directors' meetings (at least once a quarter) and provides audit reports and recommendations on the implementation of the Company's various management practices and integrity management policies. The company adheres to the requirements of the RBA Responsible Business Alliance Code of Ethics. All business activities must comply with legal requirements and social ethics, and management representatives and employees must comply with integrity requirements; Integrity Policies are comprehensive, so corruption	In compliance.

Evaluation Item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			prevention, ethics and corporate integrity are all included in the Integrity Policy, and related activities and operations are implemented in accordance with internal control procedures and internal control self-inspection procedures. The Board of Directors has delegated responsibility in accordance with the delegation of authority and conducts regular/ occasional inspections on each procedure through internal audit, Supervisor, the Audit Committee and the Remuneration Committee. There have been no material deficiencies in each of the project reports.	
(III) Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?	V		(III) All employees of the Company and its subsidiaries shall comply with the "Code of Ethics" to prevent conflicts of interest, and shall work in the best interests of the Company, protect the legitimate economic interests of the Company, and oppose all actions that damage the interests and image of the Company; A reporting channel shall be established for complaints, and where a breach of the Act or this Code of Ethics is suspected or discovered, sufficient information shall be retrieved and reported to the Supervisor, the Manager, the Head of Internal Audit or other appropriate person.	In compliance.
(IV) Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?	V		(IV) The accounting system of the Company is adopted in accordance with the Securities and Exchange Act, the Company Act, the Business Entity Accounting Act, the Regulations Governing the Preparation of Financial Reports by Public Companies, the International Financial Reporting Standards approved by the Financial Supervisory Commission (Taiwan), international accounting standards, interpretations and interpretation announcements, and other relevant laws and regulations, and is based on the actual business conditions of the Company; The internal control system was established with reference to the " Regulations Governing Establishment of Internal Control Systems by Public Companies" and other relevant regulations, and has been effectively implemented. Based on the results of the risk assessment, the Audit Office prepares an annual audit plan to audit the compliance with the "Code of Ethics", the accounting system and the internal control system, and reports to the Board of Directors.	In compliance.
(V) Does the company provide internal and external ethical corporate management training programs on a regular basis?	V		(V) The Company provides regular and occasional training courses, monthly meetings, and monthly newsletters to educate new employees on work rules, corporate culture, and various requirements on work ethics and integrity. The Company and its subsidiaries have organized 5,769 internal and external training courses related to integrity management issues (including	In compliance.

Evaluation Item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			compliance with integrity management regulations, product safety management and testing, accounting system and internal control/internal audit) for a total of 7,192 hours in 2023.	
III. Implementation of Complaint Procedures (I) Has the company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistle-blower?	V		(I) The Company's "Code of Ethics" encourages employees to report to their Supervisors, Managerial Personnels, the Head of Internal Audit or other appropriate personnel any suspected or discovered a violation of the Code or the "Code of Ethics" with sufficient information. Once a report is confirmed, the company shall reward the employee as appropriate in accordance with the "Work Rules". The Company has a dedicated mailbox for employee reports and an email address for online complaints on the Lelon Electronic Information Website, which provides a channel for employees to report and complain about breaches of integrity management rules.	In compliance.
(II) Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner?	V		(II) The Company's contractors shall handle reports in a confidential and responsible manner and shall take follow-up measures upon completion of the investigation to ensure that the safety of whistleblowers is fully protected from any form of threat, as set out in the internal rules.	In compliance.
(III) Has the company adopted proper measures to protect whistle-blowers from retaliation for filing complaints?	V		(III) The "Code of Ethics" states that if a whistleblower is subjected to retaliation, threats or harassment as a result of his or her whistleblowing behavior, he or she should immediately report the matter to his or her supervisor or Manager for immediate action and appropriate treatment by the Reviewing Officer.	In compliance.
IV. Strengthening Information Disclosure Does the company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?	V		(I) A company website is set up to disclose information on the company's profile, basic information and financial information, social responsibility policy, compliance with national laws and regulations, ethical business practices, etc. The company's information is disclosed in a real-time, public and transparent manner on a regular basis on the MOPS.	In compliance.
			(II) The Company publishes and announces the Code of Business Ethics on the "About Lelon/CSR" page of the Company's website, and designates a dedicated unit to collect, consolidate and disclose relevant information on the Company's website on a regular basis.	In compliance.
V. If the company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, please describe any deviations between the principles and their implementation: All employees, Managerial Personnels, directors and supervisors of the Company must comply with the Code of Ethics and related regulations, and implement the principles of integrity, fairness and transparency, self-discipline and responsibility in				

Evaluation Item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
the daily business activities, and establish a good corporate governance and risk control mechanism for the sustainable development of the Company.				
VI. Other important information to facilitate a better understanding of the status of operation of the company's ethical corporate management policies (e.g., the company's reviewing and amending of its ethical corporate management best practice principles): (I) The Company complies with the requirements of the Company Act, the Securities and Exchange Act, the regulations and laws related to listing on the stock exchange, and the Code of Ethics of the Responsible Business Alliance (RBA), which requires the Company and its employees to conduct business with integrity and prohibits any external business dealings with counterparties involving unethical conduct. (II) Training on corporate culture and work rules is provided to new employees to enable them to fully understand the company's commitment to integrity, policies, preventive measures and the consequences of unethical conduct. (III) For suppliers who have a business relationship with the Company, they are required to sign a "Management and Business Ethics Letter of Undertakings", which requires them to comply with all laws and regulations and the code of conduct for employees in conducting business with the Company.				

(VIII) Additional information essential to a better knowledge of the operation of Corporate Governance

Please refer to pages 34 to 41 for the description in Note 2 at the end of the table, "The operation of Corporate Governance and the variation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons".

(IX) The following should be disclosed regarding the status of implementation of the internal control

1. Statement of Declaration of Internal Control: Please refer to page 112.
2. Review Report of the CPA on the Internal Control System: None.

(X) Key Resolutions of the General Meeting and the Board of Directors for the most recent year and up to the printing date of the Annual Report

1. Key resolutions of the General Meeting for 2024 and up to the date of printing of the Annual Report (30 April 2025):

Meeting of Shareholders

Date	Key resolutions of the Meeting of Shareholders
26 June 2024 2024 Annual General Shareholders' Meeting	Approved the 2023 Business Report and Financial Statements.
	Approved the 2023 Earnings Distribution Proposal. Implementation Status: Cash dividends of NT$461,258,384 were distributed for 2023 earnings, equivalent to NT$2.8 per share. Distribution was completed on 16 September 2024.
	Approved the Private Placement of Common Shares. Implementation Status: The shareholders' meeting authorized the Board of Directors to execute, within one year from the resolution date, two private placements of ordinary shares for a total not exceeding 16,400,000 shares. As of the date of publication of this annual report (April 30, 2025), the placement has not yet been executed.

Date	Key resolutions of the Meeting of Shareholders
25 March 2025 2025 First Extraordinary Shareholders' Meeting	Approved the re-election of the 17th term of Directors (including Independent Directors). Elected Directors: CHYI FA CO., LTD. Representatives: Jimmy Wu, Cheng-Hung Chang, T.C. Wu, Lien-Heng Liao. Elected Independent Directors: Chi-Wei Lin, Yi-Ru Liu, Chen-Yen Wei, Hsing-Shih Kuo, Wen-Hsin Huang. Implementation Status: The registration of changes will be completed following the assumption of office by the newly elected directors on June 25, 2025.
	Approved the proposal to lift the non-competition restrictions on the newly elected 17th-term Directors and their representatives.

2. Key resolutions of the General Meeting for 2024 and up to the date of printing of the Annual Report (30 April 2025):

Board of Directors

Date of Board Meeting	Key resolutions of the Board
30 January 2024 16th Term, 11th Board Meeting	1. The Remuneration Committee has reviewed and approved the proposal of salary and remuneration items for Directors, Audit Committee members, Sustainability Development Committee members, and managerial officers to be implemented in 2024. Additionally, they have reviewed the performance assessments and year-end bonus plan for managerial officers for 2023. 2. The Remuneration Committee has reviewed and approved the proposal of performance assessments and year-end bonus plan for Chairman for 2023. 3. Approved the proposed promotion and salary adjustment for the company's managerial personnels in January 2024, following the review by the Remuneration Committee. 4. Investment in Thailand. 5. 5. Application for credit from financial institutions by the Company. 6. Professional fees for the CPAs. 7. Regular assessment of independence and suitability of the CPAs. 8. List of non-assurance services expected to be provided by Ernst & Young Taiwan and its affiliates in 2024.
14 March 2024 16th Term, 12th Board Meeting	1. Statement of Internal Control System for 2023. 2. Amendment to the "Rules of Procedure of the Meeting of Board of Directors". 3. Establishment of the "Audit Committee Charter" of the Company. 4. Finalizing the operating budget for 2024. 5. Loaning of funds to the company's sub-subsidiary, Lelon Electronics (Huizhou) Co., Ltd. 6. Application for credit from financial institutions by the Company. 7. Distribution of remuneration to employees and directors and supervisors for 2023. 8. The business report and financial statements for 2023. 9. The surplus distribution proposal for 2023. 10. The proposal to convene the 2024 Annual General Meeting.
10 May 2024 16th Term, 13th Board Meeting	1. Proposal for 2024 managerial employee salary adjustment and promotion. 2. Proposal to amend the "Managerial Control Procedures." 3. Report on the implementation status of private placement of securities. 4. Proposal for private placement of new common shares. 5. Proposal to amend matters related to convening the 2024 Annual General Shareholders' Meeting. 6. Proposal for credit facility applications with financial institutions. 7. Regular assessment of the independence and suitability of the CPA. 8. Proposal for CPA remuneration.

Date of Board Meeting	Key resolutions of the Board
	9. Proposal for the 2024 Q1 consolidated financial statements.
9 August 2024 16th Term, 14th Board Meeting	1. Proposal for 2023 Board remuneration distribution. 2. Proposal for 2023 managerial employee compensation distribution. 3. Proposal for 2024 special project performance bonus for Directors. 4. Proposal for credit facility applications with financial institutions. 5. Proposal for the 2024 Q2 consolidated financial statements.
12 November 2024 16th Term, 15th Board Meeting	1. Proposal to establish the 2025 annual internal audit plan. 2. Proposal to establish the "Regulations Governing the Preparation and Filing of Sustainability Reports." 3. Proposal to amend the "Managerial Control Procedures." 4. Proposal for intercompany lending between Lelon Electronics (Suzhou) Co., Ltd. and Lelon Electronics Technology (Suzhou) Co., Ltd. 5. Proposal for credit facility applications with financial institutions. 6. Proposal for the 2024 Q3 consolidated financial statements.
17 January 2025 16th Term, 16th Board Meeting	1. Proposal for 2025 compensation arrangements for Directors, Audit Committee members, Sustainability Development Committee members, and managerial personnel; and 2024 performance evaluation and year-end bonus for managerial personnel. 2. Proposal for the Chairman's year-end bonus issuance policy and the 2024 year-end bonus. 3. Proposal for January 2025 salary adjustment for senior (managerial) executives. 4. Proposal for intercompany lending to subsidiary Lelon Electronics (Thailand) Co., Ltd. 5. Regular assessment of the independence and suitability of the CPA. 6. Proposal for CPA remuneration. 7. Proposed list of non-assurance services to be provided by Ernst & Young and its affiliates in 2025.
4 February 2025 16th Term, 17th Board Meeting	1. Proposal for the re-election of Directors. 2. Proposal on shareholder nomination announcement and procedural guidelines. 3. Proposal on matters related to convening the 2025 First Extraordinary Shareholders' Meeting.
26 February 2025 16th Term, 18th Board Meeting	1. Proposal to amend the "Internal Audit Implementation Rules." 2. Proposal for the nomination of Director and Independent Director candidates. 3. Proposal to lift the non-competition restrictions for newly elected Directors and their representatives.
13 March 2025 16th Term, 19th Board Meeting	1. Proposal for the 2024 Statement on Internal Control System. 2. Proposal to amend certain provisions of the Company's Articles of Incorporation. 3. Proposal for the Company's 2025 annual business budget. 4. Proposal for credit facility applications with financial institutions. 5. Proposal for the 2024 employee and director compensation distribution. 6. Proposal for the 2024 Business Report and Financial Statements. 7. Proposal for 2024 earnings distribution. 8. Proposal on matters related to convening the 2025 Annual General Shareholders' Meeting.

(XI) The content of the major disagreements by Directors or Supervisors with respect to key resolutions passed by the Board during the most recent year and up to the date of printing of the Annual Report, where such disagreements are recorded or stated in writing

This does not apply to the Company.

(XII) The acquisition of relevant licenses by the Company's personnel related to the transparency of financial information as specified by the competent authorities

(1) ROCCPA: 1 from Finance Department.

(2) IIA: 1 from the Audit Office.

(3) CIA: 1 from the Audit Office.

IV. Information on Audit Fee for CPAs Service:

Information on professional fees for CPAs

Accounting firm	Name of CPAs		CPA audit period	Audit fee	Non-audit fee	Total	Remark
Ernst & Young	Ching-Yuan Tu	Wen-Chen Lo	2024	3,980	1,549	5,529	None

Please specify the non-audit fee: (e.g., tax compliance audit, assurance or other financial advisory services)

NT$250 thousand for tax compliance audit, NT$355 thousand for transfer pricing, group master file, NT$280 thousand for business registration and NT664 thousand for the translation of financial statements and annual report.

V. Information on Replacement of CPAs

Not applicable. There was no change in the Company's CPAs during fiscal year 2024.

VI. Information on the Chairman, President, or Manager Responsible for Financial or Accounting matters of the Company who has Worked for a Firm of the CPA or its Affiliates within the Last Year

None; The Chairman, the President, the Managerial Personnels in charge of financial or accounting matters of the Company have not worked for a company or organization listed as an affiliate of the firm of CPAs or the CPA of the firm of CPAs holding more than 50% of the shares or obtaining more than half of the directorships in the firm of CPAs or the firm of CPAs in the last one year. Therefore, it is N/A.

VII. Movements in Shareholdings and Pledges of Shareholdings of Directors, Supervisors, Managerial Personnels and Shareholders Holding More than 10% of the Shares During the Most Recent Year and up to the Date of Printing of the Annual Report

(I) Movements in shareholdings of Directors, Supervisors, Managerial Personnels and Substantial Shareholders

Title (Note 1)	Name	2024		As at 30 April 2025	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman	Jimmy Wu	0	0	0	0
Corporate Director	ChiFa Enterprise Co., Ltd.	0	0	0	0
Corporate Director Representative	T.C. Wu	0	0	(2,856,000)	0
Director	Cheng-Hung Chang	(5,000)	0	(9,000)	0
Director	Xing-Shu Ke	0	0	0	0
Director	Lien-Heng Liao	0	0	0	0
Independent Director	Jimmy Ou	Note 2	Note 2	0	0
Independent Director	Chi-Wei Lin	0	0	0	0
Independent Director	C. Y. Wei	0	0	0	0
Independent Director	Samuel Kuo	0	0	0	0
President	Jimmy Wu	0	0	0	0
Vice President	Linda Chen	0	0	0	0
Vice President	David Wang	0	0	0	0
Senior Manager	Jenny Chang	0	0	0	0
Sr. Marketing Manager	Ethan Lin	0	0	0	0
Sr. Marketing Manager	Andy Yeh	0	0	0	0
Senior Manager	C.M. Wu	0	0	0	0
Senior Manager	Addie Lin	0	0	0	0
Senior Manager	Jackson Yen	0	0	0	0
Sr. Marketing Manager	Matt Chien	(5,000)	0	0	0
Plant Senior Manager	Zheng-hao Xiao	0	0	3,000	0
Manager of Finance Department	Erica Lin	0	0	0	0
Shareholders holding more than 10% of the shares	Chyi Fa Co., Ltd	0	0	0	0

Note 1: Represents the names of Directors, Supervisors, Managerial Personnels and shareholders holding more than 10% of the shares of the Company.

Note 2: Deceased on 20 February 2025.

(II) Information on transfers of shareholdings

Where the Directors, Managerial Personnels and Shareholders holding more than 10% of the shares were related parties during the most recent year and up to the date of printing of the Annual Report: None.

Information on transfers of shareholdings

Name (Note 1)	Reason for transfers of shareholdings (Note 2)	Transaction Date	Counterparty	The relationship between counterparties and the company, directors, supervisors, and shareholders holding more than ten percent of the shares.	Shares	Transaction Price
T.C. Wu	Manufacturing and trading	14 March 2025	Feng Jie investment Co. Ltd. Jhe Syue investment Co. Ltd. Chung Yung investment Co. Ltd.	First degree relative of the director	600,000	87.2
T.C. Wu	Manufacturing and trading	8 April 2025	Feng Jie investment Co. Ltd. Jhe Syue investment Co. Ltd. Chung Yung investment Co. Ltd.	First degree relative of the director	750,000	68.1
T.C. Wu	Manufacturing and trading	10 April 2025	Feng Jie investment Co. Ltd. Jhe Syue investment Co. Ltd. Chung Yung investment Co. Ltd.	First degree relative of the director	1,506,000	67.4

Note 1: Represents the names of Directors, Supervisors, Managerial Personnels and shareholders holding more than 10% of the shares of the Company.
Note 2: Represents the acquisition or disposal.

(III) Information on share pledges

Directors, Managerial Personnels and shareholders holding more than 10% of the shares pledged as related parties in the latest year and up to the date of printing of the Annual Report: None.

VIII. Information on the Top Ten Shareholders Who are Related Parties or Related by Consanguinity, such as Spouses or Second-Degree Relatives

Information on the relationship between the top ten shareholders in terms of shareholding

30 April 2025

Name (Note 1)	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees (Note 3)		Remarks
	Shares	%	Shares	%	Shares	%	Title (or name)	Relationship	
Representative of Chyi Fa Co., Ltd: C.M. Wu	25,619,291	15.55%	0	0%	0	0%	C.M. Wu	Himself	None
C.M. Wu	7,805,734	4.74%	641,466	0.39%	0	0%	Fu-Me Wu Zhu	First-degree relative	None
							Jen-Ming Wu	Second-degree relative	
							C.M. Wu	Second-degree relative	
Jimmy Wu	7,624,929	4.63%	856,432	0.52%	0	0%	Fu-Me Wu Zhu	First-degree relative	None
							Jen-Ming Wu	Second-degree relative	
							C.M. Wu	Second-degree relative	
Jen-Ming Wu	6,625,273	4.02%	0	0%	0	0%	Fu-Me Wu Zhu	First-degree relative	None
							Jimmy Wu	Second-degree relative	
							Jen-Ming Wu	Second-degree relative	
Fu-Me Wu Zhu	3,237,465	1.97%	13,252	0.01%	0	0%			None
							Jimmy Wu	First-	

								degree relative	
							Jen-Ming Wu	First-degree relative	
							C.M. Wu	First-degree relative	
Cheng-Hung Chang	3,072,493	1.87%	681,494	0.41%	0	0%	None	None	None
JPMorgan Chase Bank, N.A., Taipei Branch, as the custodian for J.P. Morgan Securities Ltd. investment account	2,786,459	1.69%	0	0%	0	0%	None	None	None
Yu-Kuang Cheng	2,757,130	1.67%	0	0%	0	0%	None	None	None
Standard Chartered Bank, Commercial Banking Division, as the custodian for Mizuho Securities Co., Ltd. investment account	2,417,832	1.47%	0	0%	0	0%	None	None	None
Jui-Min Chang	2,261,996	1.37%	0	0%	0	0%	None	None	None

Note 1: List all the top ten shareholders and, where they are institutional shareholders, list the name of the institutional shareholder and the name of the representative separately.

Note 2: The proportion of shareholding is calculated as the percentage of shareholding in one's own name, in the name of one's spouse, in the name of one's minor children or under the name of another person.

Note 3: The shareholders listed in the preceding statement include both legal and natural persons and are required to disclose their relationship with each other in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

IX. The Number of Shares Held by the Company, its Directors, Supervisors, Manager and Undertakings under the Direct or Indirect Control of the Company in the Same Investment and the Overall Ratio of the Combined Shareholding

Ownership of Shares in Affiliated Enterprises

30 April 2025; Unit: Share; %

Affiliated Enterprises (Note)	Ownership by the Company		Direct or Indirect Ownership by Directors/Supervisors/ Managerial Personnels		Total Ownership	
	Shares	%	Shares	%	Shares	%
LIRO ELECTRONICS CO., LTD.	26,005,137	89.47%	1,710,000	5.88%	27,715,137	95.35%
Liton Technology Corp.	43,731,598	29.21%	5,805,042	3.88%	49,536,640	33.09%
Lelon Electronics (Thailand) Co., Ltd.	4,209,998	100.00%	2	0%	4,210,000	100.00%

Note: Represents the long-term investment of the Company using the equity method.

Chapter III. Status of Fundraising

I. Capital Stock and Shares:

(I) Sources of capital:

Sources of Capital

Month/ Year	Issued price	Authorized capital		Paid-in capital		Remarks			
		Shares	Amount (NT$)	Shares	Amount (NT$)	Sources of capital		Capital paid in by assets other than cash	Other
August 1999	10	45,491,998	454,919,980	45,491,998	454,919,980	Capitalization of retained earnings NT$112,048,780	112,048,780	0	Note 1
April 2000	10	80,000,000	800,000,000	57,000,000	570,000,000	Capitalization of retained earnings 92,334,020 Capitalization of additional paid-in capital NT$22,746,000	92,334,020 22,746,000	0	Note 2
October 2000	10	80,000,000	800,000,000	67,000,000	670,000,000	Cash capital increase NT$100,000,000	100,000,000	0	Note 3
October 2001	10	128,000,000	1,280,000,000	90,750,000	907,500,000	Capitalization of retained earnings NT$197,300,000 Capitalization of additional paid-in capital NT$40,200,000	197,300,000 40,200,000	0	Note 4
October 2002	10	180,000,000	1,800,000,000	118,400,000	118,400,000	Capitalization of retained earnings NT$203,900,000 Capitalization of additional paid-in capital NT$72,600,000	203,900,000 72,600,000	0	Note 5
September 2003	10	180,000,000	1,800,000,000	138,828,000	1,388,280,000	Capitalization of retained earnings NT$156,920,000 Capitalization of additional paid-in capital NT$47,360,000	156,920,000 47,360,000	0	Note 6
October 2004	10	180,000,000	1,800,000,000	148,050,000	1,480,500,000	Capitalization of retained earnings NT$92,220,000	92,220,000	0	Note 7
November 2007	10	180,000,000	1,800,000,000	148,454,000	1,484,540,000	Employee stock options converted to common shares NT$4,040,000	4,040,000	0	Note 8
May 2009	10	180,000,000	1,800,000,000	146,997,000	1,469,970,000	Treasury stocks reduction of NT$1,457,000	1,457,000	0	Note 9
September 2012	10	180,000,000	1,800,000,000	154,346,850	1,543,468,500	Capitalization of retained earnings NT$73,498,500	73,498,500	0	Note 10
August 2015	10	180,000,000	1,800,000,000	131,194,822	1,311,948,220	Cash capital reduction of NT$231,520,280	-231,520,280	0	Note 11
October	10	180,000,000	1,800,000,000	129,219,822	1,292,198,220	Cancellation of	-19,750,000	0	Note 12

2018						treasury shares NT$19,750,000 due to capital reduction.			
April 2019	10	360,000,000	3,600,000,000	129,219,822	1,292,198,220	-	-	0	Note 13
November 2020	10	360,000,000	3,600,000,000	137,086,719	1,370,867,190	Conversion of convertible bonds to common shares NT$78,668,970	78,668,970	0	Note 14
December 2020	10	360,000,000	3,600,000,000	145,086,719	1,450,867,190	Cash capital increase NT$80,000,000	80,000,000	0	Note 15
February 2021	10	360,000,000	3,600,000,000	153,263,561	1,532,635,610	Conversion of convertible bonds to common shares NT$81,768,420	81,768,420	0	Note 16
June 2021	10	360,000,000	3,600,000,000	159,420,170	1,594,201,700	Conversion of convertible bonds to common shares NT$61,566,090	61,566,090	0	Note 17
August 2021	10	360,000,000	3,600,000,000	160,378,036	1,603,780,360	Conversion of convertible bonds to common shares NT$9,578,660	9,578,660	0	Note 18
December 2021	10	360,000,000	3,600,000,000	162,159,579	1,621,595,790	Conversion of convertible bonds to common shares NT$17,815,430	17,815,430	0	Note 19
March 2022	10	360,000,000	3,600,000,000	162,901,064	1,629,010,640	Conversion of convertible bonds to common shares NT$7,414,850	7,414,850	0	Note 20
June 2022	10	360,000,000	3,600,000,000	163,467,950	1,634,679,500	Conversion of convertible bonds to common shares	5,668,860	0	Note 21
August 2022	10	360,000,000	3,600,000,000	163,495,160	1,634,951,600	Conversion of convertible bonds to common shares	272,100	0	Note 22
November 2022	10	360,000,000	3,600,000,000	163,543,235	1,635,432,350	Conversion of convertible bonds to common shares	480,750	0	Note 23
January 2023	10	360,000,000	3,600,000,000	164,146,585	1,641,465,850	Conversion of convertible bonds to common shares	6,033,500	0	Note 24
June 2023	10	360,000,000	3,600,000,00	164,249,561	1,642,495,610	Conversion of convertible bonds to common shares Cancellation of treasury stocks	1,129,760 -100,000	0	Note 25
September 2023	10	360,000,000	3,600,000,00	164,735,137	1,647,351,370	Conversion of convertible bonds to common shares	4,855,760	0	Note 26

Note 1: Letter (88) Tai-Tsai-Cheng-(Yi) No. 70673 dated 30 Note 14: Approved under Letter No. MOEA-Authorize-

July30, 1999
Note 2: Letter (89) Tai-Tsai-Cheng-(Yi) No. 47062 dated 31 May31, 2000
Note 3: Letter (89) Tai-Tsai-Cheng-(Yi) No. 66771 dated August 16, 2000
Note 4: Letter (90) Tai-Tsai-Cheng-(Yi) No. 139618 dated June 20, 2001
Note 5: Letter (91) Tai-Tsai-Cheng-(Yi) No. 0910139536 dated July16, 2002
Note 6: Letter (92) Tai-Tsai-Cheng-(Yi) No. 0920131833 dated July 16, 2003
Note 7: Executive Yuan Financial Supervisory Commission Letter FSC (I) No. 0930134941 dated 5th August 2004
Note 8: Approved under Letter No. MOEA-Authorize-Commerce-09601294010 dated 30th November 2007
Note 9: Approved under Executive Yuan Financial Supervisory Commission Letter FSC (III) No. 0980003437 dated 22nd January 2009
Note 10: Approved under Executive Yuan Financial Supervisory Commission Letter FSC No. 1010031286 dated 13th July 2012
Note 11: Approved under Executive Yuan Financial Supervisory Commission Letter FSC No. 1040028515 dated 4th August 2015
Note 12: Approved under Letter No. MOEA-Authorize-Commerce-10701126080 dated 5th October 2018
Note 13: Approved under Letter No. MOEA-Authorize-Commerce-10801037420 dated 2nd April 2019
Commerce-10901223470 dated 30th November 2020
Note 15: Approved under Letter No. MOEA-Authorize-Commerce-11001001950 dated 15th January 2021
Note 16: Approved under Letter No. MOEA-Authorize-Commerce-11001028450 dated 24th February 2021
Note 17: Approved under Letter No. MOEA-Authorize-Commerce-11001091940 dated 10th June 2021
Note 18: Approved under Letter No. MOEA-Authorize-Commerce-11001130330 dated 9th August 2021
Note 19: Approved under Letter No. MOEA-Authorize-Commerce-11001217760 dated 1st December 2021
Note 20: Approved under Letter No. MOEA-Authorize-Commerce-11101018500 dated 1st March 2022
Note 21: Approved under Letter No. MOEA-Authorize-Commerce-11101087450 dated 7 June 2022
Note 22: Approved under Letter No. MOEA-Authorize-Commerce-11101151720 dated 17 August 2022
Note 23: Approved under Letter No. MOEA-Authorize-Commerce-11101223690 dated 24 November 2022
Note 24: Approved under Letter No. MOEA-Authorize-Commerce-11230012260 dated 31 January 2023
Note 25: Approved under Letter No. MOEA-Authorize-Commerce-11230092080 dated 13 June 2023
Note 26: Approved under Letter No. MOEA-Authorize-Commerce-11230167040 dated 1 September 2023

30 April 2025

Type of stock	Authorized Capital					Remarks
	Outstanding shares			Unissued shares	Total	
	Listed	Unlisted	Subtotal			
Registered Common shares	164,735,137	0	164,735,137	195,264,863	360,000,000	

Information Relating to the Shelf Registration System: N/A.

2. Preferred shares: All shares issued by the company are common shares; no preferred shares have been issued.

(II) List of major shareholders:

List of Major Shareholders

Shares / Names of major shareholders	Shareholding (shares)	Shareholding (%)
Chyi Fa Co., Ltd.	25,619,291	15.55%
C.M. Wu	7,805,734	4.74%
Jimmy Wu	7,624,929	4.63%
Jen-Ming Wu	6,625,273	4.02%
Fu-Me Wu Zhu	3,237,465	1.97%

Cheng-Hung Chang	3,072,493	1.87%
JPMorgan Chase Bank, N.A., Taipei Branch, as the custodian for J.P. Morgan Securities Ltd. investment account	2,786,459	1.69%
Yu-Kuang Cheng	2,757,130	1.67%
Standard Chartered Bank, Commercial Banking Division, as the custodian for Mizuho Securities Co., Ltd. investment account	2,417,832	1.47%
Jui-Min Chang	2,261,996	1.37%

(III) The Company's dividend policy and implementation thereof

1. Dividend policy as outlined in the Company's Articles of Incorporation

The Company's Articles of Incorporation 25-1: If the Company has earnings after the annual account settlement, there have income tax obligation. If there is still a balance, appropriate 10% as mandatory reserve until the amount of mandatory reserve is equivalent to the total capital of the Company. Special reserve required for appropriation or reversal shall be pooled up with the undistributed earnings accumulated in the previous period as distributable income, and the Board of Directors shall make the dividend distribution proposal to distribute the remaining balance as shareholder dividend at the resolution of the Shareholder Meeting.

The Company's dividend policy cooperated with current and future development plans, taking into the investment environment, capital needs and domestic and foreign competition, and taking into the interests of shareholders. No less than 10% of the distributable surplus will be available for distribution per year to distribute dividends to shareholders. If the accumulated distributable surplus is less than 1% of the paid-in capital, it may not be distributed. The company pays two kinds of stock dividends and cash dividends. The rate of cash dividends to be distributed shall not be less than 10% of the total distribution of dividends to shareholders for the current year. If the cash dividend per share is less than NT$0.5, the board of directors is authorized to formulate a proposal and pay cash dividends or stock dividends by resolution of the shareholders' meeting.

The Company's Articles of Incorporation have not specified the distribution rate of dividends to shareholders, which need to depend on the company's current and future investment environment, capital needs, domestic and foreign competition and capital expenditure, etc., it is necessary to take into the interests of shareholders, balance dividends and the company's long-term financial planning. The company is required to retain part of the funds and is expected to have a cash dividend of not less than 40% of the profit for the current year.

2. Dividend distributions proposed at the most recent shareholders' meeting

Proposed content of the earnings distribution for approval at the shareholders' meeting on 25 June 2025:

① The Company's net income for 2024 amounted to NT$1,155,485,657. After setting aside statutory surplus reserves, it is proposed to distribute the remaining amount as cash dividends to shareholders, totaling NT$510,678,925.

② Based on the current outstanding shares of 164,735,137, a cash dividend of NT$3.1 per share (rounding down for amounts less than NT$1) is proposed. The ex-dividend date and related matters are delegated to the Chairman by the shareholders' meeting for full authority.

③ If the shareholder dividend ratio is affected by factors such as cash increases in share capital, repurchases of company shares, transfers of treasury shares to employees, conversion of convertible bonds, or exercise of employee stock options, resulting in changes in the outstanding share count, the Chairman is authorized to handle it with full authority.

④ The cash dividend for this period will be rounded to the nearest NT dollar, with amounts below NT$1 disregarded. Any remaining fractional amounts totaling less than NT$1 will be aggregated and allocated sequentially based on decimal digits and account numbers until the total cash dividend distribution amount is met.

3. Explanation of expected material change in the dividend policy

None.

(IV) Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting.

Since there is no proposal for bonus share issuance at this shareholders' meeting, it has no impact.

(V) Profit-sharing compensation of employees, directors, and supervisors

1. The percentage or ranges with respect to employee, director, and supervisor profit-sharing compensation, as set forth in the company's articles of incorporation

The Company's Articles of Incorporation 25: If the Company has made profit in the year, a minimum of 2% shall be allocated for employee compensation, and not exceeding 4% for director remuneration. However, if the company has accumulated losses, an amount shall be reserved in advance for deficit offsetting.

The annual profits referred to in the preceding paragraph are defined as the pre-tax income of the year deducted by the remuneration allocated to employees and directors prior to distribution.

The allocation of employee and director remuneration shall be determined by the board of directors with the approval of at least two-thirds of the attending directors and a majority of the present directors, and shall be reported to the shareholders' meeting.

Remuneration to the employees may be effected in cash or stock dividend. Employees of subsidiaries meeting certain condition shall also be entitled to remuneration.

Remuneration to the directors shall only be effected in cash.

2. The basis for estimating the amount of employee, director, and supervisor profit-sharing compensation, for calculating the number of shares to be distributed as employee profit-sharing compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period

The basis for estimating the amount of employee and director profit-sharing compensation is determined based on past actual payments, taking into account the current period's net profit and in accordance with the percentages specified in the articles of incorporation.

A total of NT$72,642,633 is proposed for distribution as employee and director profit-sharing compensation, to be disbursed in cash. An amount of NT$70,867,910 has already been provisioned in the 2024 accounts. The difference of NT$1,774,723 between the distribution and provision is recognized as an expense for 2025.

There is no provision for distributing employee compensation in the form of stocks in this instance.

3. Information on any approval by the board of directors of distribution of profit-sharing compensation

① The amount of any employee profit-sharing compensation and director and supervisor profit-sharing compensation distributed in cash or stocks

It is proposed to distribute employee compensation at 3.80%, totaling NT$49,293,215, and director remuneration at 1.80%, totaling NT$23,349,418, amounting to a total of NT$72,642,633, to be disbursed in cash.

② If there is any discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, its cause, and the status of treatment shall be disclosed

The basis for estimating the amount of employee and director profit-sharing compensation is determined based on past actual payments, taking into account the current period's net profit and in accordance with the percentages specified in the articles of incorporation.

A total of NT$72,642,633 is proposed for distribution as employee and director profit-sharing compensation. An amount of NT$70,867,910 has already been provisioned in the 2024 accounts. The difference of NT$1,774,723 between the distribution and provision is recognized as an expense for 2025.

③ The amount of any employee profit-sharing compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee profit-sharing compensation

There is no provision for distributing employee compensation in the form of stocks in this instance.

4. The actual distribution of employee, director, and supervisor profit-sharing compensation for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor profit-sharing compensation, additionally the discrepancy, cause, and how it is treated

The actual distribution of employee cash compensation amounted to NT$38,162,971, and director remuneration totaled NT$18,768,674, totaling NT$56,931,645. The provisioned amount in the 2023 financial report was NT$52,267,667, resulting in a difference of NT$4,663,978 between the distribution and provision, which is recorded as an expense for 2024.

5. The linkage between directors and managerial personnel performance evaluations and their remuneration

① Remuneration of Directors:

Regular annual performance reviews of directors are conducted. In accordance with the provisions of Article 3 of the Measures for Self-evaluation of the Performance of the Board of Directors of the Company. The results of the evaluation will be submitted to the report of the Board of Directors next year, and the results of the performance evaluation of the Board shall be used as a reference for the selection or nomination of directors. The results of the performance evaluation of individual directors as a reference basis for individual remuneration. Directors' remuneration is allocated based on directors' participation in the board of directors and their contribution, with reference indicators such as board attendance rate, term of office ratio, joint and several guarantees for the company's borrowings, etc.

② Managerial Personnel (Employee) Compensation:

Employee compensation takes into the managerial personnnel 's annual performance and performance evaluation criteria, including financial indicators (such as the company's revenue, the achievement rate of net profit after tax, etc.) and non-financial indicators (such as quality yield, etc.).

II. Status of a company repurchasing its own shares

None.

III. Preferred Shares

None.

IV. Global Depositary Receipts (GDR)

None.

V. Employee Share Subscription Warrants

None.

VI. New Restricted Employee Shares

None.

VII. Basic Information on Companies That Are Merged or Acquired or Whose Shares Are Acquired by the Company

a. The matters of issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies for the recent fiscal year and up to the date of the printing of the annual report

There have been no mergers and acquisitions, or spinoffs resolved by the Board of Directors in the latest year and up to the date of printing of the Annual Report of the Company.

b. Basic information on companies that are merged or acquired or whose shares are acquired by the Company

None.

VIII. Implementation of the Company's capital allocation plans

a. Description of the plans

The Company has not issued or privately placed any securities that are either incomplete or completed within the past three years without evident benefits up to the end of the preceding quarter before the printing date of the annual report.

b. Status of implementation

N/A.

Chapter IV. Operation Highlights

I. Business Description

(I) Business scope

1. The Company's major lines of business

The Group's main products for sale are aluminum electrolytic capacitors, aluminum foil and electronic materials for manufacturing and trading.

2. Relative weight of the Company's major lines of business

Unit: NT$ thousands

Major products \ %	2023		2024	
	Sales	%	Sales	%
Aluminum electrolytic capacitors	5,628,323	62.5%	6,630,107	63.2%
Aluminum foil and Radial	3,358,443	37.3%	3,855,948	36.8%
Others	11,499	0.2%	898	0.0%
Total	8,998,265	100.0%	10,486,953	100.0%

3. Current products (services)

Aluminum Electrolytic Capacitors are the basic components of electronic equipment. Lelon offers its customers a complete range of products, including Aluminum Electrolytic Capacitors (Radial Type, SMD, Snap-in Terminal, Screw Terminal, SMD, Snap-In, Screw, Axial Type, etc.), Organic Conductive Polymer Capacitors (OP-CAP) (Radial Type or SMD) and Conductive Polymer Hybrid Capacitors (Radial Type or SMD) to meet the various needs of the customers.

4. New products (services) planned for development

① Development of V-Chip 105°C 450V 5000Hrs High-Temperature Capacitor

②Development of V-Chip 105°C 2000Hrs High-Capacitance Miniaturized Capacitor

③Development of Radial (Low Voltage) 105°C R1012 12000Hrs Capacitor

④Development of Hybrid 135°C 4000Hrs High Ripple Current Capacitor

⑤Development of Radial (High Voltage) 105°C R0611 8000–12000Hrs Capacitor

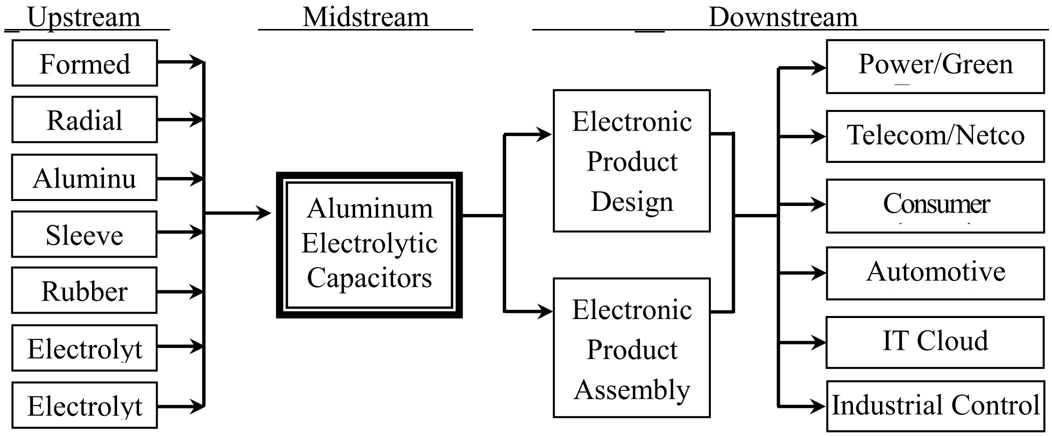
(II) Industry overview

1. Current status and development of the industry

The trend toward automotive electronics is clear, and the outlook remains optimistic. With AI servers entering a period of rapid growth, solid capacitors—featuring high-temperature resistance, high reliability, and long lifespan—are well-suited to meet the demanding requirements of high-speed computing environments, and are expected to drive increasing demand for solid capacitors.

2. Links between the upstream, midstream, and downstream segments of the industry supply chain

The main upstream materials of aluminum electrolytic capacitors are Formed Foil, Radial, Aluminum Shell, Sleeve, Rubber Cap and electrolyte chemicals. Downstream users are electronic product design and assembly plants.



3. Development trends

   With the advancement of materials and new technologies, aluminum electrolytic capacitors continue to develop in the direction of miniaturization, low impedance and high reliability.

4. Competition for the company's products

   The high-end aluminum electrolytic capacitor market is dominated by Japanese manufacturers, with Lelon being one of the few non-Japanese manufacturers. Lelon's high-end aluminum capacitors have obtained certifications from major international companies in Europe, America, Japan, and other countries, and the company has a substantial track record of shipments. On the other hand, there are numerous suppliers of general-purpose aluminum electrolytic capacitors, leading to intense price competition.

(III) Technologies and R&D overview

1. Development expenditures during the most recent fiscal year or during the current fiscal year up to the date of the printing of the annual report

   2024: NT$272,904 thousand

   Current year to 30 April 2025: NT$80,000 thousand (estimated)

2. Products successfully developed during the most recent fiscal year or during the current fiscal year up to the date of the printing of the annual report

   ①. V-Chip 105℃ Low Impedance 5~10 φ 3000Hrs Capacitor.

(IV) Long- and short-term business development plans

1. Long-term business development plans

   ① Product strategy:

   1). Expanded market share in niche products such as SMD Aluminum Electrolytic Capacitor, Polymer Capacitors, Polymer Hybrid Capacitors and other high margin aluminum capacitor products.

   2). Developing high value-added products for niche markets and providing customers with the best solutions.

   3). Adjusting the product sales structure and continually moving towards higher-end applications to improve gross margins.

   ② Marketing strategy:

   1). Reinforcing the brand image of Lelon with quality products and services.

2). Strengthen the global sales and service network and work closely with the customers.

3). Strategic alliances with major international manufacturers to seize market opportunities.

4). Fulfilling corporate social responsibility.

2. Short-term business development plans

① Continue to adjust the product and customer structures, focusing deeply on the high-end electronics market.

② Continue to expand the high value-added product lines and production capacity.

③ Strive to become a strategic partner supplier to international manufacturers.

④ Improve cost structure and increase product gross margin.

II. Market and Production Overview

(I) Market analysis

1. Geographic areas where the main products (services) of the company are provided (supplied)

The Group primarily focuses on exporting sales, mainly to Asia, the Americas, and Europe. The sales regions for 2024 are as follows:

Unit: NT$ thousands

Sales regions	2023	2024
Asia	8,191,025	9,661,721
Americas	390,150	356,712
Europe	417,090	468,520
Total	8,998,265	10,486,953

2. Market share of the main products (services) the company provided

Lelon's aluminum electrolytic capacitors have gained significant market share and sales revenue, making it the top aluminum electrolytic capacitor manufacturer in Taiwan in terms of revenue. In terms of V-chip products, Lelon boasts the largest production capacity and most comprehensive product line outside of Japanese manufacturers, positioning it as a leader in Taiwan's aluminum electrolytic capacitor industry.

According to the market research report Passive Electronic Components: World Market Outlook: 2024–2029 published by Paumanok Publications, Inc. in March 2024, Lelon is ranked among the top 10 aluminum electrolytic capacitor manufacturers worldwide in 2024.

3. Demand and supply conditions for the market in the future

The market demand for automotive electronics and industrial control applications continues to grow, and it is estimated that the demand for high-end aluminum electrolytic capacitors with high temperature resistance, high voltage resistance, high capacity, long lifespan, and miniaturization will steadily increase in the coming years.

4. The market's future growth potential

Aluminum electrolytic capacitors are an important component in electronic products and their cost per unit of capacity is irreplaceable by other types of capacitors. The trend is expected to remain unchanged in the short term, with market demand expected to grow steadily.

The trend toward automotive electronics, including digital dashboards and various newly added electronic functions, has significantly increased the number of electronic components used in vehicles, driving up market demand for high-end aluminum electrolytic capacitors. The demand for automation production equipment is increasing due to the influence of geopolitical factors and the pandemic. This is driving the demand for large-sized aluminum electrolytic capacitors with high voltage ratings and long lifespan, as they are essential components for such equipment.

5. The Company's competitive niche, positive and negative factors for future development, and the Company's response to such factors.

① Competitive niche

1). A complete product line, vertical integration production model
2). Diversified customer profile
3). Global services network
4). Advanced product development capabilities: Excellent R&D team and mastering technology sources
5). Professional technology and product quality

② Positive factors for future development

1). The Lelon brand has gained recognition in the high-end application market
2). Well organized financial structure
3). Ability to master key technologies and develop raw materials and equipment
4). Continuous development of new products

③ Negative factors for future development

1). Geopolitical factors impacting global supply chain arrangements
2). Change in exchange rate

④ Measures in response

1). Continuous improvement in cost structure
2). Continuous investment in new products and technology development
3). Expand sales of products for high-end applications
4). Acquire capacity and new technology through strategic acquisitions

(II) Key applications and manufacturing processes for the Company's main products

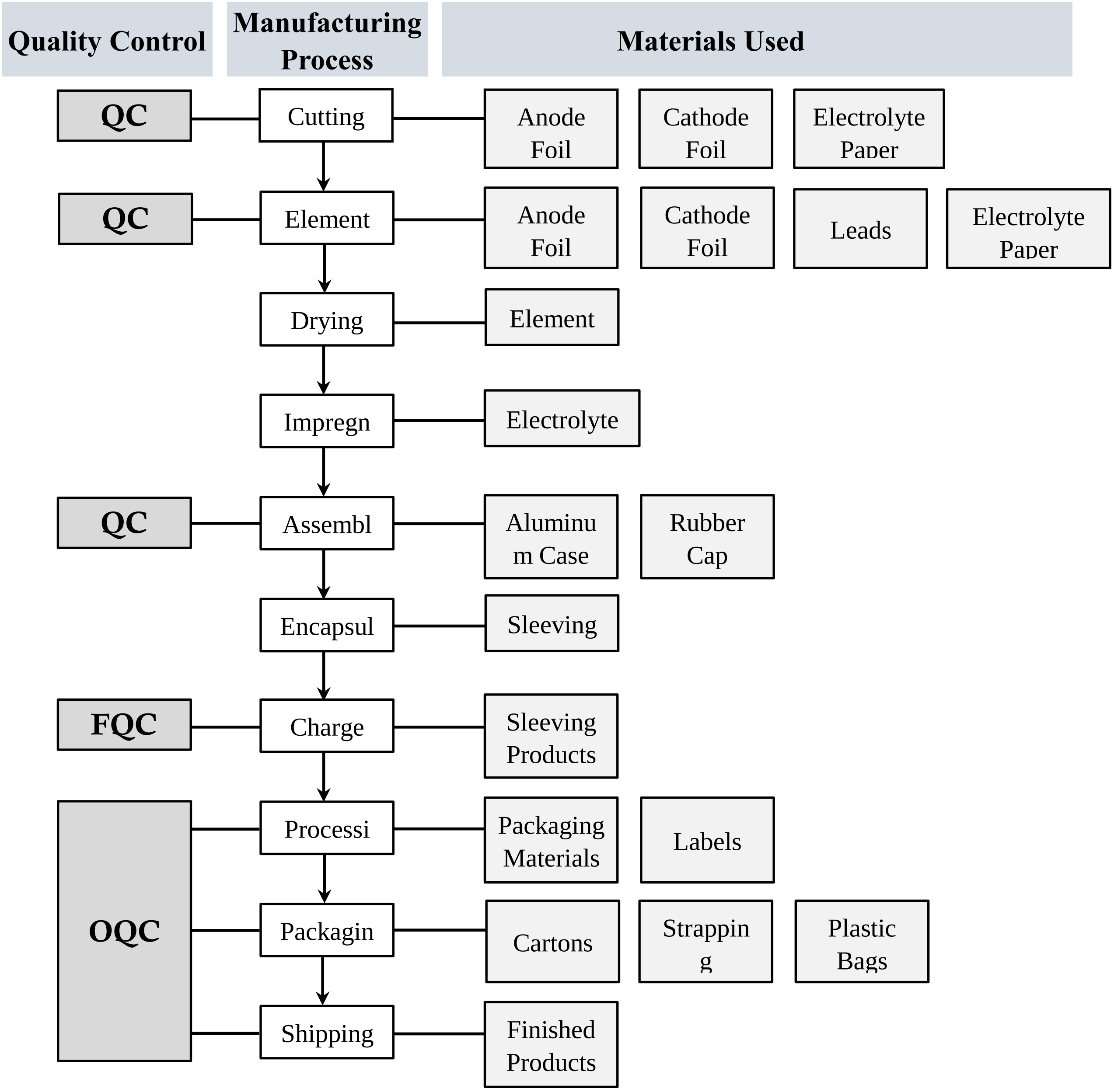
1. Key applications for the Company's main products

Aluminum electrolytic capacitors are one of the main passive components which are used in electronic circuits for filtering, coupling and stabilizing voltage and regulating energy, and has a small size and high capacity. Aluminum electrolytic capacitors are widely used in consumer electronics, communications, cloud, Internet of Things, industrial equipment, power supplies, wind and solar power, and automotive electronics.

In addition to 3C products, Lelon's aluminum electrolytic capacitors are also used in automotive electronics with safety promise and in telecoms, industrial and new energy equipment suppliers which value long-term reliability. International medical electronics manufacturers are also using Lelon's products.

2. Manufacturing processes for the Company's main products

Cutting → Winding/Element → Impregnation → Assembly → Encapsulation → Charge Sorting → Processing → Packaging



(III) Supply situation for the company's major raw materials

The main raw materials for the Group's products include formed aluminum foil, etched foil, electrolytic paper, lead wires, and electrolyte. Over the past three years, the Group's major suppliers have maintained stable deliveries. Each key raw material is sourced from multiple reliable suppliers, ensuring a sufficient supply. The supply of raw materials remains sufficient, with the supply situation as follows:

1. Major suppliers: Please refer to the major suppliers table for the past two years.
2. Production locations: Japan, Taiwan, China.

(IV) A list of any suppliers and clients accounting for 10 percent or more of the company's total procurement (sales) amount in either of the 2 most recent fiscal years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each, and an explanation of the reason for increases or decreases in the above figures

1. Suppliers accounting for 10 percent or more of the company's total procurement amount in either of the 2 most recent fiscal years

① Names of the suppliers and the purchase amounts and proportions

Information on Major Suppliers for the Most Recent 2 Years

	2023				2024				Up to the preceding quarter of 2025			
Item	Name	Amount	Percentage of annual net purchases (%)	Relationship with the issuer	Name	Amount	Percentage of annual net purchases (%)	Relationship with the issuer	Name	Amount	Percentage of net purchases up to the preceding quarter of the current fiscal year (%)	Relationship with the issuer
1	Shaoguan UACJ Dongyangguang Aluminum Sales Corporation	778,100	22.5	Related party	Shaoguan UACJ Dongyangguang Aluminum Sales Corporation	1,141,722	26.3	Related party	Shaoguan UACJ Dongyangguang Aluminum Sales Corporation	251,725	21.7	Related party
	Others	2,678,085	77.5		Others	3,200,531	73.7		Others	907,754	78.3	
	Net purchases	3,456,185	100.0		Net purchases	4,342,253	100.0		Net purchases	1,159,479	100.0	

Note 1: List all suppliers accounting for 10 percent or more of the Company's total procurement amount in the 2 most recent fiscal years and the amounts bought from each and the percentage of total procurement accounted for by each. If the company is prohibited by contract from revealing the name of a supplier, or a trading counterparty is an individual person who is not a related party, it may use a code in place of the actual name.

Note 2: If, up to the date of publication of the annual report for a TWSE or TPEx listed or Emerging Stock company, there is any financial data audited and attested or reviewed by a CPA for the most recent period, it shall also be disclosed.

② Explanation of the reason for increases or decreases:

Suppliers with more than 10% of net purchases mainly provide aluminum foil, the key raw material for producing aluminum electrolytic capacitors. The increase in net purchases from these suppliers is due to the expanded capacity of etched foil manufacturers.

The main raw materials for the company and its subsidiaries are formed aluminum foil, etched aluminum foil, leads, aluminum cases, sleeving, rubber caps, electrolyte paper, and electrolyte chemicals. As Japanese manufacturers have long dominated the key technologies for capacitor upstream materials, the company and its subsidiaries have maintained long-term and good relationships with their suppliers. Additionally, they have signed purchase agreements with major suppliers, ensuring a stable supply of various raw materials. The transaction amounts with suppliers may fluctuate, mainly due to the company and its subsidiaries' procurement policy, which involves selecting suppliers based on raw material specifications, quality, and price at the time of purchase. The company and its subsidiaries maintain relationships with at least two qualified suppliers for most raw materials, ensuring an ample and stable supply.

2. Clients accounting for 10 percent or more of the company's total sales amount in either of the 2 most recent fiscal years: None.

III. The Number of Employees Employed for the 2 Most Recent Fiscal Years, and During the Current Fiscal Year up to the Date of

Publication of the Annual Report, Their Average Years of Service, Average Age, and Education Levels

Employee Statistics for the Most Recent 2 Fiscal Years up to the Date of the Printing of the Annual Report

30 April 2025

Fiscal year		2023	2024	Current year to 30 April 2025
Number of employees	Technical Staff	215	212	217
	Management Staff	562	553	531
	Direct Staff	1,778	1,945	2,009
	Total	2,555	2,710	2,757
Average age		37.32	36.85	36.90
Average years of service		7.98	7.66	7.67
Education distribution percentage (%)	Ph.D.	0.00%	0.00%	0.00%
	Master's degree	1.29%	1.18%	1.20%
	College	20.58%	24.66%	23.70%
	Senior high school	35.55%	32.21%	32.12%
	Below senior high school	42.58%	41.95%	42.98%
	Total	100.00%	100.00%	100.00%

IV. Disbursements for Environmental Protection

(I) Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and the content of the dispositions), as well as disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being taken or to be taken

The Company and its publicly listed subsidiaries did not incur any losses, compensation, or penalties due to environmental pollution in 2024.

(II) Measures for future responses to environmental pollution-related losses and dispositions (including improvement measures) and potential expenditures

Not applicable. The Company and its publicly listed subsidiary (Liton Technology Corp.) did not incur any losses or require any handling due to environmental pollution. In accordance with relevant regulations, Liton Technology Corp. is required to apply for permits related to the installation of pollution control facilities or pollutant discharge, pay environmental protection fees, or establish dedicated environmental personnel or units. The status of such permit applications, fee payments, or personnel assignments is described as follows:

According to legal regulations, Liton Company shall apply for pollution facility installation permits or pollution discharge permits, or pay pollution prevention and control fees, or establish a dedicated environmental protection unit. An explanation of the application, payment, or establishment status is as follows:

Liton Company's production processes involve mainly mechanical processing methods, with only a minimal amount of wastewater generated during cleaning. However, recognizing the rising environmental awareness and adhering to the corporate responsibility and mission of sustainable operation, Liton Company has purchased two sets of wastewater treatment equipment to strengthen wastewater treatment. Additionally, employees have been sent to participate in training courses for Class B wastewater treatment personnel to obtain professional qualifications. Furthermore, Liton Company obtained ISO 14001 international environmental management system certification in May 2022, establishing a comprehensive environmental management system to align with global trends. The status of environmental permits for Liton Technology Corp. is as follows:

Item	Certificate Name	Permit Number
Air Pollution Control	Stationary Pollution Source Operating Permit	Permitted under Miaoli Environmental Protection Bureau Letter No. K 0539-05 Valid from 14 November 2023 to 9 September 2025
Water Pollution Control	Water Pollution Control Permit	Permitted under Miaoli Environmental Protection Bureau Letter No. 00203-10 Valid from 16 November 2023 to 12 February 2028
Waste Management	Industrial Waste Disposal Plan	Control Number: K7701391 Valid until 9 June 2028

V. Labor Relations

(I) Employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests

Since the establishment of the company, we have been giving full respect and care to our employees and aiming to establish a perfect working environment with harmonious labor relations, and the relevant welfare measures and their implementation are as follows:

1. Employee benefit plans

(1) Establishment of Employee Welfare Committee for employee welfare matters

The Company and its publicly traded subsidiary (Liton) have established Employee Welfare Committees in accordance with the Labor Standards Act and the Employee Welfare Fund Act; The Employee Welfare Committee of the company consists of 9 members, 1 chairperson, 1 chairperson and 1 executive secretary elected by the employees.

(2) The Company and its publicly traded subsidiary (Liton) provide bonuses based on the Company's operations and profitability and allocate them according to the “Employee Bonus Plan”, which provides for evaluation of performance, ranking and seniority.

(3) Year-end bonus: The Company and its subsidiaries provide year-end bonuses based on the Company's operations and profitability. The bonuses are allocated according to the “Year-end Bonus Plan”, which provides for evaluation of performance, ranking

and seniority.

(4) Labor and health insurance: Employees of the Company and its publicly traded subsidiary (Liton) are legally covered by labor insurance and national health insurance from the date of their employment.

(5) Group insurance: Employees of the Company and its publicly traded subsidiary (Liton) are covered by group accident, inpatient medical assistance and employment injury insurance from the date of employment.

(6) Regular health examination: The Company and its publicly traded subsidiary (Liton) regularly conduct free annual health examinations for its employees, and additional annual health examinations are conducted for specific jobs.

(7) Employee Travel: The company and its subsidiaries organize annual employee team-building activities or travel events. Employees are allowed to bring their families to participate, fostering camaraderie among colleagues.

(8) New Year and holiday's cash gifts/ gifts: The Company and its subsidiaries offer special payment for Spring Festival, May Festival and Moon Festival in accordance with the work rules and benefits.

(9) Presents donated by the employer in the event of a marriage or celebration, or monetary condolences in the event of funeral services/ paid leave: The Company and its publicly traded subsidiary (Liton) provide paid leave in accordance with the Labor Standards Act, and the Employee Welfare Commission gives greetings or ceremonies in accordance with the work rules and benefits.

(10) The Company and its subsidiaries provide lunch to employees with a balanced menu of hygienic, varied and nutritious dishes.

(11) The Company and its subsidiaries provide winter and summer uniforms, as well as gloves, work shoes and necessary protective equipment as required by the workplace.

(12) The Company and its subsidiaries hold regular monthly birthday celebrations for employees and present them with birthday gifts.

(13) The Company and its subsidiaries regularly hold employee competitions for outstanding employees and provide appropriate bonuses and incentives to the selected employees.

2. Employee welfare facilities:

(1) Canteen: The Company and its subsidiaries have established catering facilities to provide a wide range of exquisite food and facilities, while caring for the health and safety of our employees by providing them with a balanced diet.

(2) Library: In order to encourage our employees to read and develop a cultural literacy, the Company and its subsidiaries have set up libraries to provide a wide range of books for borrowing so as to provide our employees with a more diversified and enriched source of knowledge.

(3) The Company and its subsidiaries have established a parking lot for employees' cars and motorbikes.

(4) Recreation room: The Company and its subsidiaries are equipped with recreational facilities such as table tennis rooms, billiard rooms, badminton courts and basketball courts to enrich the spare time of our employees.

(5) Fitness equipment: The Company provides treadmills, exercise bikes and other sports equipment to encourage our employees to develop habits of exercise and fitness and to maintain a healthy body.

(6) The Company has set up a nursery room to provide a safe, private, comfortable and friendly workplace environment for colleagues who are breastfeeding.

3. Communication channel:

I. Staff suggestion box: The Company has a physical staff suggestion box and an intranet online suggestion box to encourage employees to provide feedback and to collate their concerns and expectations for reasonable response and handling by the management department or a designated department.

II. Internal Company Website: The internal company website is a key platform for information dissemination and communication. Employees can access various internal company information and enjoy a collection of excellent articles, thus enhancing the channels for information exchange and enrichment.

III. Lelon monthly e magazine: Lelon monthly magazine is the first place to build and publicize Lelon's corporate culture, which actively focuses on the Company's business management and the working life of its employees and concentrates the most representative thoughts and views of the Company. It also serves as a platform for the Company's corporate image and initiatives, thanks to the excellent content and style of Lelon's monthly magazine.

IV. Regular communication meetings: The subsidiary provides a platform for employees to communicate and encourage them to give their views on the development of the Company, and the management department collates them together for feedback and follow-up for improvement.

V. Worker’s congress: The subsidiary convenes annually with employee representatives and union members to discuss the Company's welfare policies, activities and other matters.

VI. The subsidiary holds regular safety and health committees to improve the safety and health aspects suggested by the employees and regularly checks the production safety status of the whole factory and follows up on the improvement of non-conformities.

4. Employee continuing education and training system and the implementation:

Human resources are an important asset of the Company and a key to its performance. The Company and its subsidiaries provide education and training to new recruits so that they can familiarize themselves with the Company's structure, rules and regulations and job responsibilities quickly, adapt to the Company's environment and build up their job skills. In addition to providing technical expertise to our staff, we also provide them with the opportunity to adapt their duties according to their professionalism and work attitude, so that they can develop their potential.

(1) Annually, professional and managerial competency courses are scheduled, with quarterly announcements inviting employee enrollment.

(2) Newly hired personnel undergo orientation training within one month, covering personnel administration regulations, labor safety and health, and department-specific training.

(3) A talent reserve program is established, featuring a series of courses to foster talent development and succession planning.

(4) Adhering to labor safety and health regulations, regular training and retraining sessions are conducted for employees to ensure compliance with workplace safety requirements.

(5) Education and training achievements from 2024 to 30 April 2025, are as follows:

	Shifts	Total participants	Total hours	Total expense (dollar)
New employee training	8,370	12,090	17,354	-
Professional competency training	2,307	57,546	108,510	126,650
Managerial skills training	14	19	311	46,240
General education training	722	32,814	44,961	24,250
Self-improvement training	-	-	-	-

5. Employee retirement system and its implementation:

(1) The Company and its publicly traded subsidiary (Liton) make monthly contributions to the Company's retirement system in accordance with the retirement provisions of the Labor Standards Act.

(2) The Company has specified the retirement criteria and application procedures in Chapter 2 “Employment, Dismissal, Termination and Retirement” of the “Work Rules” and published/announced them for the attention of all employees, the highlights of which are as follows:

① A worker may apply for voluntary retirement under any of the following conditions:

1). Over 15 years of service and aged 55 or above.

2). Over 25 years of service.

3). Over 10 years of service and aged 60 or above.

② The Company may force a mandatory retirement on employees under any of the following conditions:

1). Aged 65 or above.

2). Where the worker is unable to perform his/ her duties due to disability.

The Company may request the central competent authority to adjust the age prescribed in Subparagraph 1 of the preceding paragraph if the specific job entails risk, requires substantial physical strength or otherwise of a special nature; provided, however, that the age shall not be reduced below 55.

③ The criteria for payment of worker pensions shall be as follows:

1). Two bases are given for each full year of service rendered. But for the rest of the years over 15 years, one base is given for each full year of service rendered. The total number of bases shall be no more than 45. The length of service is calculated as half year when it is less than six months and as one year when it is more than six months.

2). An additional 20% on top of the amount calculated according to the preceding subparagraph shall be given to workers forced to retire due to disability incurred from the execution of their duties.

3). The retirement pension base as specified in the preceding paragraph shall be one month’s average wage of the worker at the time when his or her retirement is approved.

(3) A total of 27 employees have retired from 2006 to 30 April 2025. The Company has paid pensions in accordance with the Act and assisted the required employees to apply for “old-age benefits” of Labor Insurance.

6. Code of conduct or ethics for employees and its implementation:

In accordance with the Labor Standards Act, the Company and its publicly traded subsidiary (Liton) have established work rules to inform all employees of the Company's ethics, business philosophy and requirements for employee conduct, and to ensure that employees are entitled to rights and benefits, and that they have complied with the work rules in general.

All employees at all levels are required to sign a legal and reasonable labor contract, a non-disclosure contract and a confidentiality agreement on material internal information before entering the service of the Company to ensure the rights and obligations of both employers and employees.

The Company has established a “Code of Ethical Conduct” in March 2015 to guide the directors, supervisors, Managerial Personnels and employees to conduct themselves in an ethical manner, to maximize the Company's interests, and to achieve long-term stability, so that the Company's stakeholders can have a better understanding of the Company's ethical standards of conduct, and to follow them. It has been announced and published on the Company's website.

7. Workplace and employee personal safety measures:

The Company has obtained the ISO14001 certification in 2018: 2015 environmental protection certified and has continued to uphold the spirit of ISO14001 and has established an environmental policy since then; Obtained ISO 45001:2018 Occupational Health and Safety Certification in 2020 and continuously comply with environmental protection regulations and labor safety and health management practices to ensure the safety of all employees by focusing on workplace safety and employee health; Since 2010, the Company has followed the EICC system and related regulations to continuously improve and achieve targets in the areas of management systems, ethics, environment, labor, health and safety.

(II) Losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to labor disputes and estimate of

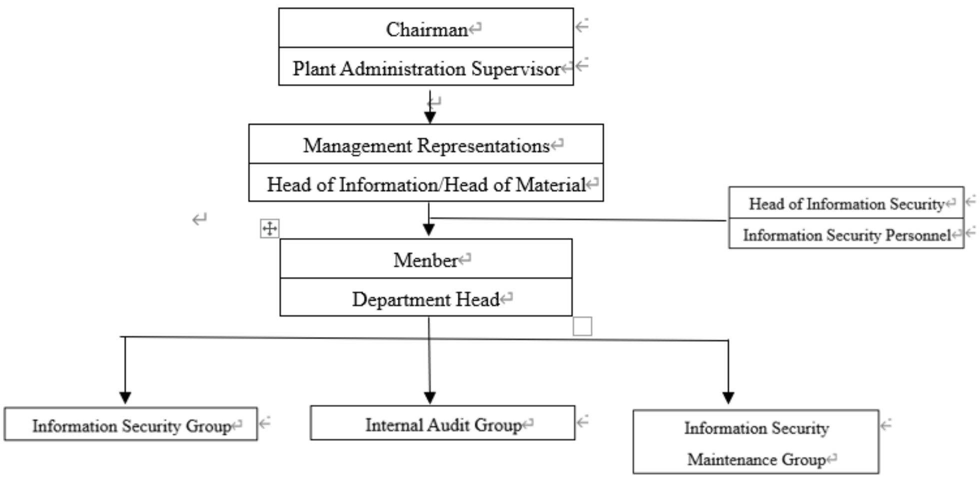
possible expenses that could be incurred currently and in the future and measures being or to be taken

(1)The Company has maintained harmonious labor relations since its establishment and has not incurred any losses due to labor disputes.

(2)Given the harmonious labor relations, there are no current or anticipated future losses due to labor disputes, and consequently, there are no corresponding measures needed.

VI. Information Security Management

(I) Information security risk management framework



(II) Information security policies and concrete management programs

1. The information security policy of the Company is as follows:

(1) Implementing information security and enhancing service quality

The ISMS shall be implemented by all employees to ensure the confidentiality, integrity and availability of business information from external threats or improper management by internal staff, and to protect it from the risk of compromise, destruction or loss. Appropriate protection measures are chosen to reduce risks to an acceptable level and continuously monitor, review and audit information security systems to enhance service quality and improve service standards.

(2) Enhance information security training to ensure sustainable operations

Supervising all colleagues in the implementation of information security management. Continuous and appropriate information security training is conducted every year to establish the concept of “Everybody is responsible for information security”, so that employees can understand the importance of information security and comply with information security regulations, thereby enhancing information security intelligence and emergency response capability, reducing information security risks and achieving the goal of sustainable operation.

(3) Immediate emergency response and rapid recovery from disaster

Emergency response plans and disaster recovery plans for critical information assets and business-critical operations are established, and emergency response procedures are regularly rehearsed to ensure rapid recovery in the event of information system failure or a major disaster, to ensure continued operation of critical operations and to minimize losses.

2. In response to the information security risk management, the Company has established the relevant information security management systems (ISMS: Information security management systems), which are specified in the Information Security Management Policy and are implemented as follows:

① Personal computer management.

② Computer data backup and storage.

③ Host system management.

④ Information system access control.

⑤ Security and confidentiality principles.

⑥ Intellectual property advocacy.

⑦ Risk management and output.

⑧ External information management.

The audit unit has included the information security inspection items in the annual audit plan in accordance with the regulations.

(III) Investments in resources for information security management

1. Human resource allocation

In accordance with the provisions of the Information Security Management Policy, the Company has established a dedicated information security staff with the following division of labor.

Job Classification	Headcount	Job Description
Information security compliance management	2	Manage the addition or modification of compliance regulations
Internal audit management	2	1. Audit to ensure adherence to management regulations, conduct periodic audits of all departments 2. Collect criminal data
Information security operations management	2	1. Crisis reporting 2. Handle technical issues and equipment setup

2. Information security professional training

The Company shall strengthen the training of information security personnel and enhance the professional information security management capability of the Company's information security personnel when dealing with information security human resources business.

In the event of a shortage of human resources or experience in the field of information security, the Company may seek the advice of experts or professional bodies in the field of information security.

3. Funds Allocation

(1) The Information Security Facilitator plans the allocation of funds and resources to support the Company's information security policy and objectives and provides the

resources required to establish, implement, maintain and continually improve the information security maintenance program.

(2) When planning the construction of an information and communications system, the information and security requirements of the information and communications system are planned together, and a reasonable proportion of the overall budget is allocated to the information security budget.

(3) Information security funding and resourcing is regularly reviewed on an annual basis and continuous improvements are made to the information security management program.

(IV) Losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken

There have been no significant cyber security incidents. Therefore, this section is not applicable.

VII. Important Contracts

Important Contracts

Nature of contract	Parties		Beginning and end dates of contract	Major content	Restrictive clauses
Credit Agreement	LELON ELECTRONICS CORP.	KGI Commercial Bank	2025.1.17-2032.1.17	Long-term borrowings	Financial Ratio Covenants Reviewed by CPA Based on Annual and Semi-Annual Consolidated Financial Statements (1) Current ratio must exceed 100%. (2) Debt ratio must not exceed 120%. (3) Interest coverage ratio must be greater than 3 times. During the credit period, the land, plant, and machinery under the name of LELON ELECTRONICS (THAILAND) CO., LTD. may not be sold, transferred, or encumbered with any other rights or obligations to third parties.
Engineering Contract	LELON ELECTRONICS (THAILAND) CO., LTD.	Contractor A Co., Ltd.	2025.10.26~	Plant and Office Construction Contract	None

Credit Agreement	LITON TECHNOLOGY CORP.	CTBC Bank	2024.7.26-2027.1.23	Long term borrowings	None
Credit Agreement	LITON TECHNOLOGY CORP.	E.SUN Commercial Bank	2024.9.12-2027.9.10	Long term borrowings	None
Engineering Contract	LITON TECHNOLOGY CORP.	RePV Tech , INC.	2024.6.27-2025.6.30	Commissioned Design and Construction Contract for Renewable Energy Power Generation Equipment	None

Chapter V. Review and Analysis of the Financial Position and Financial Performance, and Assessment of Risks.

I. Financial Position

Comparative Analysis of Financial Position

Unit: NT$ thousands

Item \ Fiscal year	2023	2024	Difference	
			Amount	%
Current assets	8,308,652	10,297,741	1,989,089	23.94%
Property, plant and equipment	5,995,368	6,040,472	45,104	0.75%
Other assets	472,864	395,876	(76,988)	(16.28%)
Total assets	14,776,884	16,734,089	1,957,205	13.25%
Current liabilities	3,994,210	4,026,238	32,028	0.80%
Non-current liabilities	270,119	425,146	155,027	57.39%
Total liabilities	4,264,329	4,451,384	187,055	4.39%
Capital stock	1,647,351	1,647,351	0	0%
Additional paid-in capital	2,013,165	2,054,205	41,040	2.04%
Retained earnings	3,761,070	4,459,741	698,671	18.58%
Other components of equity	(358,961)	(113,971)	244,990	68.25%
Treasury Stock	0	0	0	0%
Non-controlling interests	3,449,930	4,235,379	785,449	22.77%
Total equity	10,512,555	12,282,705	1,770,150	16.84%

The **explanations** for the variances (items with differences of ±10% or more) are as follows:

1. The increase in current assets and total assets was mainly due to an increase in cash and accounts receivable during the period.
2. The decrease in other assets was mainly due to a reduction in deferred income tax assets and the reclassification of the Suzhou plant's right-of-use assets to non-current assets held for sale.
3. The increase in non-current liabilities was mainly due to long-term borrowings undertaken by Liton.
4. The increase in retained earnings, non-controlling interests, and total equity was mainly attributable to profits and the increase in undistributed earnings.

5. The increase in other equity was mainly due to the exchange differences arising from the translation of the financial statements of foreign operations recognized under other comprehensive income.

II. Financial Performance

(I) Comparative analysis of operating results

Unit: NT$ thousands

Item \ Fiscal Year	2023	2024	Increase (Decrease) Amount	Change Percentage %
Net Sales Revenue	8,998,265	10,486,953	1,488,688	16.54%
Cost of Goods Sold	(6,417,467)	(7,252,189)	(834,722)	13.01%
Gross Profit	2,580,798	3,234,764	653,966	25.34%
Operating Expenses	(1,107,742)	(1,360,700)	(252,958)	22.84%
Operating Income	1,473,056	1,874,064	401,008	27.22%
Non-operating Income and Expenses	117,782	364,100	246,318	209.13%
Profit Before Tax	1,590,838	2,238,164	647,326	40.69%
Income Tax Expense	(342,454)	(528,594)	(186,140)	54.35%
Net Profit	1,248,384	1,709,570	461,186	36.94%
Net Profit Attributable to Owners of the Parent	922,333	1,155,486	233,153	25.28%

Explanation of major reasons for changes in the ±10% variations in the past two fiscal years:

1. The increases in net sales revenue, cost of goods sold, gross profit, operating expenses, and operating income were primarily due to higher market demand in 2024.
2. The increase in non-operating income and expenses was mainly attributable to higher foreign exchange gains.
3. The increases in profit before tax, income tax expense, net profit for the period, net profit attributable to owners of the parent, and net profit attributable to non-controlling interests were primarily due to increased profitability during the period.

(II) Analysis of changes in gross operating profit:

Unit: NT$ thousands

	Increase (Decrease) Amount	Reason for change			
		Price Variance Favorable (Unfavorable)	Cost Variance Favorable (Unfavorable)	Sales Mix Variance Favorable (Unfavorable)	Quantity Variance Favorable (Unfavorable)
Aluminum Electrolytic Capacitors	411,962	(220,295)	(206,593)	(3,096)	428,760
Aluminum Foil and Others	242,004	(180,726)	273,679	32,215	116,836
Total	653,966	(401,021)	480,272	29,119	545,596

The reasons for gross profit variance in 2024 compared to 2023 are as follows:

Aluminum Electrolytic Capacitors: Favorable variance in sales volume and cost was mainly attributable to increased market demand and larger production scale, which led to improved economies of scale.

Aluminum Foil and Others: Due to higher market demand in 2024, revenue increased compared to the same period last year, resulting in a favorable sales mix variance and a favorable volume variance.

(III) Sales volume forecast and the basis therefor

The automotive electronics and other related markets show promising growth momentum, which is expected to drive demand for aluminum capacitors.

(IV) Effect upon the company's financial operations and measures to be taken in response

The company's future financial operations will continue to focus on increasing sales of high-end products. There is no significant impact anticipated on the company's future financial business.

III. Cash Flow

Review and Analysis of Cash Flow

Unit: NT$ thousands

Cash Balance, Beginning of Year (A)	Net Cash Flow from Operating Activities	Total Cash Inflow (Outflow) for the Year (B)	Cash Surplus (Deficit) (A)+(B)	Remedial Measures for Cash Deficit	
				Investment Plans	Financing Plans
2,839,511	2,176,264	1,209,705	4,049,216	-	-

1. Analysis of cash flow changes for the current year:
   ① Operating Activities: Net cash inflow from operating activities amounted to 2,176,264 thousand, primarily resulting from solid profitability during the period and the net change in operating assets and liabilities generated from operating activities.
   ② Investing Activities: Net cash outflow from investing activities mainly stemmed from the acquisition of property, plant, and equipment.
   ③ Financing Activities: Net cash outflow from financing activities was primarily due to the the net amount paid after dividends were distributed.
2. Remedial Measures for Cash Deficit: Not applicable, as there are no anticipated cash flow deficiencies.
3. liquidity analysis for the coming year:

Unit: NT$ thousands

Cash Balance, Beginning of Year (A)	Projected Net Cash Flow from Operating Activities for the Entire Year	Projected Total Net Cash Inflow/ Outflow for the Year (B)	Projected Cash Surplus (Deficiency) for the Year (A)+(B)	Remedial Measures for Cash Deficit	
				Investment Plans	Financing Plans
4,049,216	2,287,690	788,665	4,837,881	-	-

① Operating Activities: The net cash inflow from operating activities amounted to 2,287,690 thousand, primarily generated from the net changes in operating assets and liabilities resulting from operating activities.

③ Investment and Financing Activities: The net cash outflow from investment and financing activities was mainly attributed to additions to property, plant, and equipment, repayment of borrowings, and net cash dividends paid.

IV. Effect Upon Financial Operations of Any Major Capital Expenditures During the Most Recent Fiscal Year

(I) Utilization of major capital expenditures and funding sources

1. Construction of a factory in Thailand is planned for 2025, with funding expected to come from internal resources or borrowing.

2. The Group plans to expand its equipment for electrolytic capacitors and electroforming power supplies, and related equipment, using internal resources.

(II) Expected benefits

1. Establishment of the factory in Thailand is in response to customer demands and international expansion strategies.

2. Expansion of equipment is aimed at production needs, support newly developed manufacturing technologies, and enhance product quality.

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

Analysis of Investment

Unit: NT$ thousands

Explanation / Item	Investment Amount (Note 1)	Shareholding %	Investment Gain/Loss	Policy	Main Reasons for Profit or Loss	Improvement Plan	Future Investment Plans
Liton Technology Corp.	468,471	29.30%	141,000	Long-term investment	Normal operating conditions	None	-

LIRO ELECTRONICS CO., LTD.	818,824	89.47%	865,663	Long-term investment	Normal operating conditions	None	-
Lelon Electronics (Thailand) Co., Ltd.	355,255	100.00%	(1,784)	Long-term investment	Not yet operational	None	Construction of factory in 2025

Note 1: Refers to the investment amount for the current fiscal year exceeds 5% of the paid-in capital.
Note 2: Included in the financial statements of consolidated entities.

The Company's investments accounted for under the equity method are all consolidated in the financial statements. The amount recorded in the accounts of non-consolidated investments accounted for 0.17% of total consolidated assets. In the future, the Company will continue to pay attention to existing investments in order to reduce investment risks.

VI. Risks

(I) The effect upon the company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future

1. Interest rate:

The Group's interest rate risk arises primarily from borrowings at fixed rates and fluctuating rates.

The Group' s net interest expense for 2024 amounted to NT$52,535 thousand, accounting for 0. 50% of net revenue, and had no material impact on the Company' s profit or loss. Based on the loan terms in 2024, a 10-basis point increase/decrease in market interest rates would increase/decrease the Group's interest expense by NT$2,355 thousand respectively.

2. Exchange rate:

The Group's exchange rate risk relates primarily to operating activities (where revenues or expenses are denominated in a currency different from the Group's functional currency) and the net investments in foreign operating entities.

The Company is primarily engaged in export and holds a high level of assets in foreign currencies; therefore, any significant and adverse changes in international exchange rates could have an adverse effect on the Company's financial position. The Company's response is to reduce its net exposure to exchange rate fluctuations by offsetting assets and liabilities to the extent possible, and to enter into forward foreign exchange contracts and option contracts for hedging purposes; When quoting customers, a more conservative exchange rate is adopted as the basis for quoting, considering the possible impact of exchange rate changes, so that exchange rate fluctuations would have less impact on the profits of the orders received; Forward foreign exchange contracts and option contracts are undertaken in accordance with the “Guidelines for Derivatives Trading” established by the Company. This risk management concept will continue to be adopted in the future.

Based on the receivables and payables in foreign currency held by the Group in 2024, a

1% appreciation/depreciation of the New Taiwan dollar against the U.S. dollar would result decrease/increase in the Group’s profit or loss of approximately $32,628 thousand. When the New Taiwan dollar appreciates/depreciates by 1% against the RMB, it will result in decrease/increase in the Group’s profit or loss of approximately $25,648 thousand.

3. Inflation:

The Company's import and sales prices are quoted with reference to fluctuating market prices. The Company continues to pay close attention to raw material prices and remains committed to various cost reduction measures.

(II) Policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future

The Group does not engage in high risk, high leveraged investments and all investments are carefully evaluated and executed. Loans of funds to others and endorsements of guarantees are made to the Company's subsidiaries and are carefully carried out in accordance with the established “Procedures for Loaning of Funds to Others” and “Procedures for Making of Endorsements/ Guarantees”.

The purpose of the Group's derivative trading is to hedge the exchange risk of debt payables in foreign currencies arising from the import of raw materials and debt receivable in foreign currencies arising from the sale of products, and to exercise prudence in accordance with the established “Guidelines for Derivatives Trading”.

(III) Research and development work to be carried out in the future, and further expenditures expected for research and development work

1. Research and development plan for the most recent year and up to the date of publication of the annual report

① Development of high-capacitance Hybrid capacitors rated at 150℃, 2000 hours.
② Development of high-temperature Snap-In capacitors rated at 125℃, 3000 hours.
③ Development of high-voltage Radial capacitors rated at 105℃, 15,000-20,000 hours.
④ Development of high-temperature low-voltage Radial capacitors rated at 150℃, 1000 hours.
⑤ Development of V-Chip capacitors (6.3 φ 10 φ) rated at 105℃, 63~80V, 2000 hours.

2. Future research and development plans

① Development of high-temperature V-Chip capacitors rated at 105℃, 450V, 5000 hours.
② Development of high-capacitance, miniaturized V-Chip capacitors rated at 105℃, 2000 hours.
③ Development of low-voltage Radial capacitors (R1012) rated at 105℃, 12,000 hours.
④ Development of high-ripple Hybrid capacitors rated at 135℃, 4000 hours.
⑤ Development of high-voltage Radial capacitors (R0611) rated at 105℃, 8000~12,000 hours.

3. Expenditures expected for research and development work

The estimated budget for research and development for this year is approximately NT$280,000 thousand.

(IV) Effect on the company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response

(1) The Company conducts its business in accordance with the policies and legal requirements of each location and has its own direct management personnel at each location. Any changes in policy or legislation will be reported to Head Office promptly, with necessary countermeasures, preventive measures and adjustments to management procedures or operational requirements as appropriate.

(2) The Company's operations are conducted in accordance with the laws and regulations of the competent authorities. There have been no material changes in domestic or external policies and laws that have had a material impact on the Company's finances and operations in the most recent year and up to the date of printing of the Annual Report.

(3) Due to the impact of geopolitical tensions and trade wars, economic predictability has declined. The Company maintains a prudent and flexible management approach to respond to market volatility.

(4) Energy-efficient products are flourishing as countries continue to stricter regulations on the energy efficiency of electronic products. New energy-related products are subject to greater variability due to national subsidy requirements, but in the long term they will remain the dominant direction of development.

(5) The extension of anti-dumping duties on Japan-made electrolytic paper in China has kept the cost of specialty electrolytic paper at a high level.

(6) ESG and carbon reduction targets have become key criteria for major customers when evaluating suppliers. In response to environmental protection requirements, factories are required to increase investments to improve pollution control, leading to higher costs.

(V) Effect on the company's financial operations of developments in science and technology (including cyber security risks) as well as industrial change, and measures to be taken in response

(1) Technological changes (including information security risks) and rapid changes in the industry have exposed the Company to price competition from the industry, product changes and customer demands for immediate supply. In response to such factors, the Company would actively develop high value-added products, reduce sales of low margin products, control costs to reduce costs and lower the Company's inventory, provide satisfactory customer service in sales and increase the Company's profit.

(2) Lelon has not only developed its own key technologies but has also actively introduced new technologies and materials. The development of new products is properly validated in accordance with the product development procedures to ensure that the safety and characteristics of the products meet the design requirements before they are officially launched.

(3) Continuously advancing the concept of Industry 4.0 to enhance production management automation technologies and strengthen the company's internal information management systems.

(4) The dedicated cybersecurity unit is constantly vigilant of the evolving information technology landscape, technological advancements, and changes in product demands relevant to the industry. They swiftly grasp the latest developments, assess their impact on company operations, and devise response strategies accordingly. Moreover, it continuously updates and enhances network and computer security measures and equipment to ensure the security of information activities and services, thus mitigating any potential impact or disruption on company financial operations.

(VI) Effect on the company's crisis management of changes in the company's corporate image, and measures to be taken in response

The Company has been established for over 40 years and has maintained a good corporate image of integrity and sound operation. There have been no material changes that have caused a crisis in the management of the Company.

(VII) Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken

The Company has not engaged in any merger or acquisition activities, and therefore, this section is not applicable.

(VIII) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken

The investment in Lelon Electronics (Thailand) Co., Ltd. was established in response to customer demands and to expand internationally. The construction of the plant is expected to be completed in 2025, and the capital expenditure for the construction will be financed through internal funds or bank loans. This investment is not expected to have a significant impact on the company's financial operations.

(IX) Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken

1. Risk associated with consolidation of purchasing operations and mitigation measures

   The company implements a procurement strategy involving the integration and centralization of materials procurement across three factories. It selects two or more suppliers to diversify risks and coordinates supply mechanisms with some key suppliers.

   Mitigation measures:

   Utilizing the COKE warehouse management system to fully understand material demand and reduce raw material inventory, thus avoiding the risk of excessive concentration in procurement and affecting the source of supply.

2. Risk associated with consolidation of sales operations and mitigation measures

The customer base of Lelon is diversified, with no concentration risk in sales. In case of a sudden significant increase in customer orders, the company will immediately understand the reasons and evaluate whether it is a short-term phenomenon, thereby avoiding the impact of large fluctuations in orders from a single customer on normal order production and sales arrangements.

(X) Effect upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken

There has been no substantial transfer or change in the shareholding of Directors, Supervisors or substantial Shareholders holding more than 10% of the shares of the Company during the most recent year and up to the date of printing of the Annual Report.

(XI) Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken

There have been no significant transfers or changes in ownership of shares held by directors, supervisors, or shareholders with stakes exceeding 10 percent of the company's shares during the most recent fiscal year and up to the date of publication of the annual report.

(XII) Major litigious, non-litigious or administrative disputes that involve the company and/or any company director, any company supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company; and have been concluded by means of a final and unappealable judgment, or are still under litigation

The company, its directors, supervisors, general Managerial Personnels, the person with actual responsibility for the firm, major shareholders holding greater than ten percent of the shares, and its subsidiaries have not been involved in any significant litigation matters that have been concluded or are still under litigation as of the most recent fiscal year and up to the date of publication of the annual report.

(XIII) Other important risks, and mitigation measures being or to be taken

None.

VII. Other Important Matters

None.

Chapter VI. Special Items to be Included

I. Information related to the Company's Affiliates

(I) Consolidated business report

Refer to pages 113 to 120 for details.

(II) Consolidated financial statement

Refer to page 121 for details.

(III) Affiliation report

The company is not a subsidiary of any other company, therefore an affiliation report is not required to be prepared.

II. Private Placement of Securities During the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report

None.

III. Other Matters That Require Additional Description

None.

Chapter VII. The Situations Listed in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act, Which Might Materially Affect Shareholders' Equity or the Price of the Company's Securities, has Occurred During the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report

None.

Chapter VIII. Index for Information Disclosure in Accordance with Article 10, Paragraph 1, Subparagraph 3, Item 8 and the Former Part

of Subparagraph 7, Article 17, and Article 21, Subparagraphs 1 and 2 of the Regulations Governing Information to be Published in Annual Reports of Public Companies

None.

Chapter IX. Appendices

I. Statement of Internal Control System

Statement of Internal Control System for Public Companies Indicating Effective Design and Operation

(This statement applies when all applicable laws and regulations have been complied with)

Lelon Electronics Corp.
Statement of Internal Control System

Date: 13 March 2025

Based on the findings of a self-assessment, the Company states the following with regard to its internal control system during the year 2024:

1. The Company's Board of Directors and management are responsible for establishing, implementing, and maintaining an adequate internal control system. Internal control system is designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of assets), reliability, timeliness, transparency and regulatory compliance of our reporting, and compliance with applicable rulings, laws and regulations.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and the Company takes immediate remedial actions in response to any identified deficiencies.
3. The Company evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the Regulations). The criteria adopted by the Regulations identify five key components of managerial internal control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities. Each component also includes several items which can be found in the Regulations.
4. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.
5. Based on the findings of such evaluation, the Company believes that, on 31 December 2024, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency and regulatory compliance of reporting, and compliance with applicable rulings, laws and regulations.
6. This Statement is an integral part of the Company's annual report and prospectus and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
7. This Statement was passed by the Board of Directors in their meeting held on 13 March 2025, with none of the 8 attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

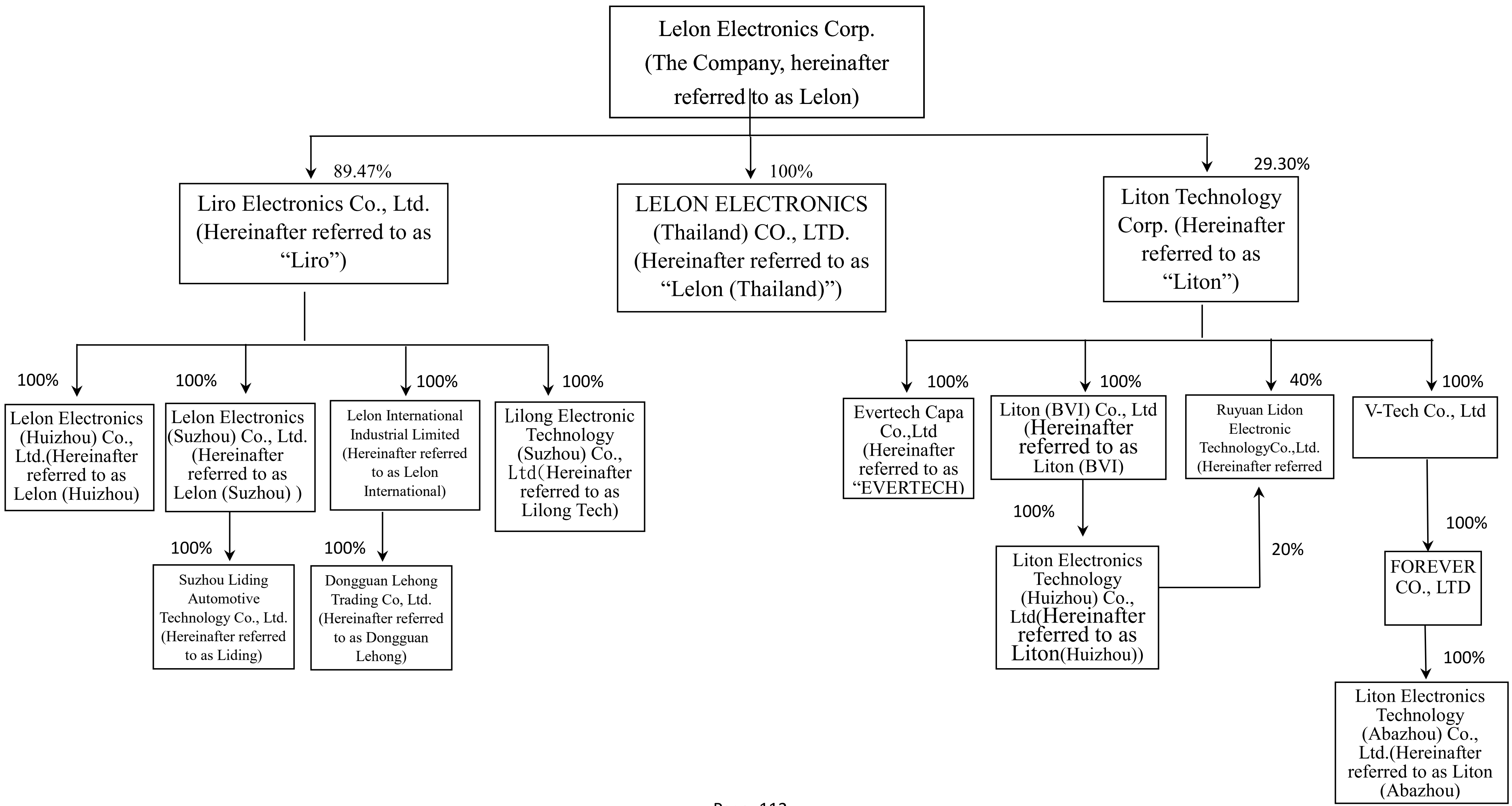
Lelon Electronics Corp.

Chairman: Jimmy Wu

President: Jimmy Wu

II. Consolidated Business Report

(I) Organizational Chart of Affiliated Enterprises



Explanation of Shareholdings in Affiliates for Lelon Electronics Corp. (2472) for 2024

Affiliated Enterprise Name	Mutual Shareholding Relationship	Shareholding %	Investment Shares (Shares)	Investment Amount (NT$ Thousand)
LIRO	Lelon's shareholding in LIRO LIRO's shareholding in Lelon	89.47% None	26,005,137 None	818,824 None
Lelon (Huizhou)	LIRO's shareholding in Lelon (Huizhou) Lelon (Huizhou)'s shareholding in LIRO	100% None	- None	334,996 (USD10,216,403) None
Lelon (Suzhou)	LIRO's shareholding in Lelon (Suzhou) Lelon (Suzhou)'s shareholding in LIRO	100% None	- None	313,344 (USD 9,556,084) None
Lelon International	LIRO's shareholding in Lelon International Lelon International's shareholding in LIRO	100% None	3,000,000 None	12,692 (USD387,059) None
Lelon Technology	LIRO's shareholding in Lelon Technology Lelon Technology's shareholding in LIRO	100% None	- None	2,131,350(USD65,000 thousand) None
Dongguan Lehong	Lelon International's shareholding in Dongguan Lehong Dongguan Lehong's shareholding in Lelon International	100% None	- None	12,672(HKD3,000,000) None
Liding	Lelon (Suzhou)'s shareholding in Liding Liding 's shareholding in Lelon	100% None	- None	134,280(RMB30,000,000) None
Lelon (Thailand)	Lelon's shareholding in Lelon (Thailand) Lelon (Thailand)'s shareholding in Lelon	100% None	- None	355,255 (THB391,959 thousand)
Liton	Lelon's shareholding in Liton Liton's shareholding in Lelon	30.81% None	43,731,598 None	468,471 None
Liton (BVI)	Liton's shareholding in LITON (BVI) LITON (BVI)'s shareholding in Liton	100% None	4,208,862 None	138,013(USD4,209 thousand) None
Liton (Huizhou)	LITON (BVI)'s shareholding in Liton(Huizhou) Liton(Huizhou)'s shareholding in LITON (BVI)	100% None	12,500,000 None	409,875(USD12,500 thousand) None
V-TECH CO., LTD	Liton's shareholding in V-TECH V-TECH's shareholding in Liton	100% None	43,647,362 None	1,431,185(USD 43,647 thousand) None
EVERTECH CAPA CO., LTD.	Liton's shareholding in EVERTECH EVERTECH's shareholding in Liton	100% None	10,000 None	328(USD10 thousand) None
FOREVER CO., LTD	V-TECH 's shareholding in FOREVER FOREVER's shareholding in V-TECH	100% None	38,353,012 None	1,257,595(USD38,353 thousand) None
Liton (Abazhou)	FOREVER's shareholding in Liton(Abazhou) Liton(Abazhou)'s shareholding in FOREVER	100% None	42,600,000 None	1,396,854(USD42,600 thousand) None
Lidon	Liton's shareholding in Lidon Lidon's shareholding in Liton	40% None	64,000,000 None	286,464(RMB64,000 thousand) None
	Liton(Huizhou)'s shareholding in Lidon Lidon's shareholding in Liton(Huizhou)	20% None	32,000,000 None	143,232(RMB32,000 thousand) None

Exchange Rate as at 31 December 2024: USD/NTD=32.79 RMB/NTD=4.476 HKD/NTD=4.224 THB/NTD=0.9567

Chairman: Jimmy Wu President: Jimmy Wu Preparer: Erica Lin

(II) Basic information on affiliates

Name of entities	Date of establishment	Address	Paid-in capital	Main business scope or manufacturing items
LIRO	05 February 1996	P.O.BOX 3340, Damson Bldg. Road Town, Tortola British Virgin Islands	NTD 902,243,729	• Equity investment
Lelon(Huizhou)	14 February 1996	Taiyang Industrial Zone, Baihua Town, Huidong County, Huizhou City, Guangdong, China	RMB 84,627,532	• Manufacturing and trading of aluminum electrolytic capacitors and related product lines.
Lelon(Suzhou)	13 April 1999	Taiyang Industrial Zone, Baihua Town, Huidong County, Huizhou City, Guangdong, China	RMB 79,028,807	• Manufacturing and trading of aluminum electrolytic capacitors and related product lines.
Lelon International	12 November 2008	140-142 Austin Rd. Tsimshatsui Hong Kong	HKD 3,000,000	• Equity investment and trading
Lelon Technology	05 February 2018	No. 788, Xinzi Rd., Wujiang Economic and Technological Development Zone, Suzhou City, Jiangsu, China	RMB 446,241,785	• Manufacturing and trading of aluminum electrolytic capacitors and related product lines.
Dongguan Lehong	27 March 2009	5B, 298, Zhang Qing S. Road, Changan Town, Dongguan City, Guangdong Province, China	RMB 2,643,003	• Trading of electronic components.
Liding	03 June 2015	No. 788, Xinzi Rd., Wujiang Economic and Technological Development Zone, Suzhou City, Jiangsu, China	RMB 30,000,000	• Trading of automotive electronic components
Lelon (Thailand)	22 August 2023	Thailand552 Moo. 5, Nong Khakha Subdistrict, Phan	THB 391,958,920	• Production and Sales of Aluminum Electrolytic Capacitors and Related Products
Liton	09 November 1993	9, Zhonglong 2nd Rd., Tongluo Township, Miaoli County, Taiwan	NTD 1,505,718,120	• Manufacturing and trading of aluminum-based converted foils
LITON (BVI)	16 November 1999	P.O.BOX 3340, Road Town, Tortola, British Virgin Islands	USD 4,208,862	• Equity investment
Liton(Huizhou)	28 January 2000	Taiyang Industrial Zone, Huidong County, Huizhou City, Guangdong, China	USD 12,500,000	• Manufacturing, contract manufacturing, and trading of converted aluminum foil and conductive pins
V-TECH CO., LTD	29 April 2002	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	USD 43,647,362	• Equity investment and trading
EVERTECH CAPA CO., LTD	14 September 2001	Jipfa Buiding,3rd Floor, Road Town, Tortola, British Virgin Islands	USD 10,000	• Trading
FOREVER CO., LTD	29 April 2002	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	USD 38,353,012	• Equity investment
Liton (Abazhou)	15 August 2002	Guxigou Village, Xuankou Town, Wenchuan County, Aba Prefecture, Sichuan Province, China	USD 42,600,000	• Manufacturing, contract manufacturing, and trading of converted aluminum foil
Lidon	29 January 2015	Phase II Low Voltage Plant of Huacheng Foil in East Sunshine Industrial Park, Rucheng Town, Ruyuan County, Guangdong Province, China	RMB 160,000,000	• Manufacturing and trading of etched aluminum foil and electroformed aluminum foil

Exchange Rate as at 31 December 2024: USD/NTD=32.79 RMB/NTD=4.476 HKD/NTD=4.224 THB/NTD=0.9567

Chairman: Jimmy Wu President: Jimmy Wu Preparer: Erica Lin

(III) Information on identical shareholders presumed to have control and subsidiary relationship

Reason for presumption	Name (Note 1)	Shareholding (Note 2)		Date of establishment	Address	Paid-in capital	Main business scope
		Share	%				
(N/A)							

Note 1: Where the shareholders in common are juristic persons, the reason that affiliation is presumed, and the juristic persons' names, shareholding details, dates of incorporation, addresses, paid-in capital, and main business items.

Note 2: Fill in the information on shareholders' shareholdings in controlled companies.

Chairman: Jimmy Wu President: Jimmy Wu Preparer: Erica Lin

(IV) Description of business relationships

1. Industries covered by the overall business operations of affiliated enterprises:

Affiliated Enterprise Name	Industry
LIRO	Equity investment
Lelon (Huizhou)	Manufacturing and trading
Lelon (Suzhou)	Manufacturing and trading
Lelon International	Equity investment and trading
Lelon Technology	Manufacturing and trading
Dongguan Lehong	Trading
Liding	Manufacturing and trading
Lelon (Thailand)	Manufacturing and trading
Liton	Manufacturing and trading
Liton (BVI)	Equity investment
Liton (Huizhou)	Manufacturing, contract manufacturing, and trading of low-voltage aluminum foil and conductive pins
V-TECH CO., LTD	Equity investment and sales of products from Liton
EVERTECH CAPA CO., LTD.	Sales of products from Liton
FOREVER CO., LTD	Equity investment
Liton (Abazhou)	Manufacturing, contract manufacturing, and trading of medium-to-high and low-voltage aluminum foil
Lidon	Manufacturing and trading of etched aluminum foil and chemically-etched aluminum foil

2. Interrelated business operations and division of work among affiliated enterprises:

Affiliated Enterprise Name	Division of Work
LIRO	Engaging in equity investment
Lelon (Huizhou)	Manufacturing and trading of electrolytic capacitor products
Lelon (Suzhou)	Manufacturing and trading of electrolytic capacitor products
Lelon International	Equity investment and trading of electrolytic capacitor products
Lelon Technology	Manufacturing and trading of electrolytic capacitor products
Dongguan Lehong	Trading of electronic components
Liding	Manufacturing and sales of automotive electronic components
Lelon (Thailand)	Manufacturing and trading of electrolytic capacitor
Liton	Manufacturing and trading of low-voltage aluminum foil, electroforming foil, and conductive pins.
LITON (BVI)	Equity investment
Liton (Huizhou)	Manufacturing, contract manufacturing, and sales of low-voltage aluminum foil
V-TECH CO., LTD	Equity investment and sales of products from Liton
EVERTECH CAPA CO., LTD	Sales of products from Liton
FOREVER CO., LTD	Equity investment
Liton (Abazhou)	Manufacturing, contract manufacturing, and sales of medium-to-high and low-voltage aluminum foil
Lidon	Manufacturing and trading of etched aluminum foil and chemically etched aluminum foil

Manager: Jimmy Wu　　President: Jimmy Wu　　Preparer: Erica Lin

(V) Information on directors, supervisors and presidents of affiliates

Lelon Electronics Corp.

The names of the Directors, Supervisors, and Presidents of Each Affiliate

As at 31 December 2024

Unit: NT$ thousands; Share; %

Name of entities	Title	Name or representative	Shareholding	
			Number of shares (capital contribution)	Capital contribution %
LIRO	Chairman	Jimmy Wu	300,000 shares	1.03%
	Supervisor	None	-	-
Lelon (Huizhou)	Chairman	Jimmy Wu	-	-
	Director	T.C. Wu	-	-
	Director	Cheng-Hung Chang	-	-
	Supervisor	Peggy Lo	-	-
	President	David Wang	-	-
Lelon (Suzhou)	Chairman/ President	Jimmy Wu	-	-
	Director	Peggy Lo	-	-
	Director	Cheng-Hung Chang	-	-
	Supervisor	Yu-Chi Feng	-	-
Lelon Technology	Chairman/ President	Jimmy Wu	-	-
	Director	Peggy Lo	-	-
	Director	Jackson Yen	-	-
	Supervisor	Yu-Chi Feng	-	-
Liding	Director	C.M. Wu	-	-
Lelon International	Director	LIRO Legal representative: Jimmy Wu	3,000,000 shares	100%
Dongguan Lehong	Director	Jimmy Wu	-	-
	Director	Linda Chen	-	-
	Director	Raven Tai	-	-
Lelon (Thailand)	Chairman	Jimmy Wu	1 share	0%
	Director	Peggy Lo	1 share	0%
Liton	Chairman	Jimmy Wu	470,701 shares	0.32%
	Director	Lelon Electronics Corp. Legal representative: Hung-Te Lu	43,731,598 shares	29.30%
	Director	Cun-Xian Ke	635,309 shares	0.43%
	Independent Director	Yong-Chang Zhu	810,092 shares	0.54%
	Independent Director	Yan-Chong Zou	-	-
	Independent Director	Li-Hua Huang	-	-
	Independent Director	Jung Meng Tseng		
	President	Dong-Rong Li	20,923 shares	0.01%

Chairman: Jimmy Wu President: Jimmy Wu Preparer: Erica Lin

Lelon Electronics Corp.

Information on the Directors, Supervisors and Presidents of Each Affiliate

Unit: NT$ thousand; Share; %

Name of entities	Title	Name or representative	Shareholding	
			Number of shares (capital contribution)	Capital contribution %
LITON (BVI)	Director	Jimmy Wu	-	-
Liton (Huizhou)	Director Director Director/ President Supervisor	LITON (BVI) CO., LTD Legal representative： Jimmy Wu Cun-Xian Ke Dong-Rong Li Kun-Ren Gu	USD 12,500,000 - - - -	100% - - - -
V-TECH CO., LTD	Director	Jimmy Wu	-	-
EVERTECH CAPA CO., LTD	Director	T.C. Wu	-	-
FOREVER CO., LTD	Director	Jimmy Wu	-	-
Liton (Abazhou)	Director Director Director/ Presidents Supervisor	FOREVER CO., LTD Legal representative： Jimmy Wu Cun-Xian Ke Dong-Rong Li Roger Wang	USD 42,600,000 - - - -	100% - - - -
Lidon	Director Director/ Presidents Director Supervisor	Liton Technology Corp. Legal representative： Cun-Xian Ke Liton (Huizhou) Legal representative： Jun-Ying Liu Guangdong Hec Technology Holding Co., Ltd. Legal representative： Xiang-Jun Luo Liton Technology Corp. Legal representative： Jimmy Wu	RMB 64,000,000 - RMB 32,000,000 - RMB 64,000,000 - -	40% - 20% - 40% - -

Chairman: Jimmy Wu President: Jimmy Wu Preparer: Erica Lin

(VI) Operation overview of affiliates

Name of entities	Paid-in capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating income (loss)	Income (loss) after tax	Earnings per share (NT$) (after tax)
LIRO	902,244	7,296,699	23,286	7,273,413	0	0	968,421	33.32
Lelon (Huizhou)	378,793	4,098,176	773,206	3,324,970	3,526,757	811,060	667,558	N/A (Note 3)
Lelon (Suzhou)	353,733	2,194,155	468,376	1,725,779	1,112,232	(89,669)	(21,225)	N/A (Note 3)
Lelon International	12,649	426,559	397,707	28,852	2,341,869	0	972	0.32
Lelon Technology	1,997,378	2,929,378	712,499	2,216,879	2,612,752	376,243	321,117	N/A (Note 3)
Dongguan Lehong	11,830	51,551	22,827	28,724	11,510	833	855	N/A (Note 3)
Liding	134,280	130,446	10,243	120,203	25,697	(5,500)	15,579	N/A (Note 3)
Lelon (Thailand)	374,987	373,457	443	373,014	0	(1,941)	(1,784)	N/A
Liton	1,505,718	4,814,997	981,293	3,833,704	1,118,127	90,093	469,249	3.23
LITON (BVI)	138,013	901,501	0	901,501	0	0	140,751	33.44
Liton (Huizhou)	409,875	1,099,600	198,169	901,431	671,576	64,607	132,784	N/A (Note 3)
V-TECH CO., LTD.	1,431,185	1,902,744	277,188	1,625,556	829,820	(873)	131,998	3.02
EVERTECH CAPA CO., LTD.	328	0	0	0	0	0	0	0
FOREVER CO., LTD.	1,257,595	1,692,021	0	1,692,021	0	0	120,421	3.14
Liton (Abazhou)	1,396,854	1,966,715	274,693	1,692,022	1,568,386	99,311	120,421	N/A (Note 3)
Lidon	716,160	2,709,056	708,500	2,000,556	2,642,953	340,567	326,425	N/A (Note 3)

Exchange Rates as of 31 December 2024:USD/NTD = 32.79 RMB/NTD = 4.476 THB/NTD = 0.9567

Average Exchange Rates for 2024: USD/NTD = 32.115984 RMB/NTD = .455555 THB/NTD = 0.911488

Note 1: All related parties shall be disclosed regardless of their scale.

Note 2: For related parties incorporated in foreign countries, the relevant amounts shall be converted into New Taiwan Dollars using the exchange rate as of the reporting date.

Note 3: As invested entities in Mainland China are registered based on capital amount (without the concept of number of shares), earnings per share are not applicable.

Manager: Jimmy Wu President: Jimmy Wu Preparer: Erica Lin

III. Consolidated Financial Statement

Lelon Electronics Corp.

Statement

The entities that are required to be included in the consolidated statements of affiliates of Lelon Electronics Corp. as of and for the year ended 31 December 2024 under the "Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No.10 "Consolidated Financial Statements". Relevant information required to be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Consequently, Lelon Electronics Corp. and its subsidiaries did not prepare a separate set of consolidated financial statements of affiliates.

Truly yours,

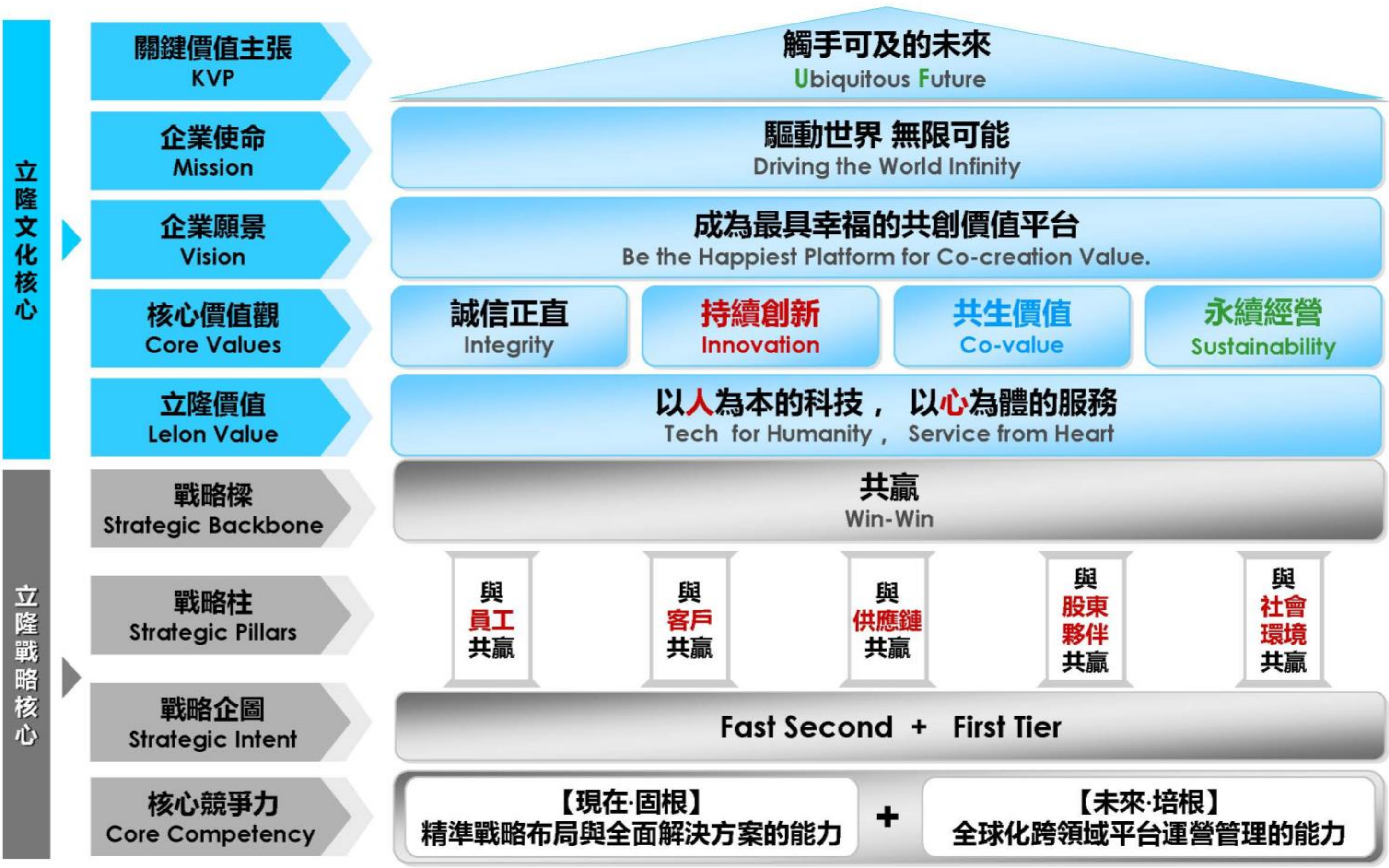
Lelon Electronics Corp.

Chairman: Jimmy Wu

13 March 2025

Lelon Electronics Corp.

Chairman, Jimmy Wu



立隆電子工業股份有限公司
Lelon Electronics Corp.