Stock Code: 3058
Annual Report Website
Market Observation Post System:
https://mops.twse.com.tw
Company Website:
http://www.lei.com.tw

Leader Electronics Inc.

Handbook for the 2024 Annual Meeting of Shareholders

MEETING TIME
Jun 21, 2024
PLACE
7F., No. 138, Ln. 235, Baoqiao Rd., Xindian Dist., New Taipei City 23145, Taiwan R.O.C.
MEETING FORMAT
Physical Shareholders' Meeting

Notice to readers:
This is a translation of the agenda for the 2024 Annual General Shareholders' Meeting of Leader Electronics Inc. The translation is for reference only. If there is any discrepancy between the English version and Chinese version, the Chinese version shall prevail.

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Annual General Meeting for 2024 of Leader Electronics Inc.

Meeting Procedures

I. Number of shares held by the shareholders attending the meeting

II. Call to Order

III. Chairperson’s Address

IV. Reports on Company Affairs

V. Matters to be Ratified

VI. Questions and Motions

VII. Adjournment

Agenda of the Annual General Meeting of 2024 for Leader Electronics Inc.

Time: 9 a.m. on June 21, 2024, Republic of China.

Location: 7F., No. 138, Ln. 235, Baoqiao Rd., Xindian Dist., New Taipei City, Taiwan (R.O.C.)

Type of Meeting: Physical Shareholders' Meeting

I. Number of shares held by the shareholders attending the meeting

II. Call to Order

III. Chairperson's Address

IV. Reports on Company Affairs:

(I) Business Report for 2023

(II) Review of the report on final accounts for 2023 by the Audit Committee

(III) Rewards to employees and board of directors in 2023.

(IV) Distribution of 2023 cash dividend

(V) The Status of Cash Injection

V. Proposed Resolutions:

(I) The Business Report and Financial Statements for 2023

(II) Adoption of the Proposal for Distribution of 2023 Profits

VI. Questions and Motions

VII. Adjournment

Reports on Company Affairs

No.1 Report

Brief: Business Report for 2023.

Explanation: Please refer to Appendix I of this Handbook for the Company's Business Report of 2023.

No.2 Report
Brief: Review of the report on final accounts for 2023 by the Audit Committee.

Review Report from the Audit Committee

The Board of Directors has prepared the Business Report, Financial Statements, Distribution of Profits Proposals, etc. of the Company for the year of 2023; the Financial Statements have been audited by two certified public accountants from Deloitte Touche Tohmatsu Limited, i.e. CPA Liao, Wan-I and Hsieh, Chien-Hsin, who have issued an Auditor's Report.

The Business Report, Financial Statements, Distribution of Profits Proposals described above are determined as qualified after review by the Audit Committee. Reports have been submitted in accordance with the provisions of Article 14-4 of the Securities and Exchange Act and Article 219 of the Taiwan's Company Act.

It's submitted for review.

Best Regards,

Annual General Meeting for 2023 of Leader Electronics Inc.

Convener of the meeting of the Audit committee: Chao Cherng

March 21, 2024

No.3 Report

Brief: Rewards to employees and board of directors in 2023.

Descriptions:
I. According to Article 32 of the company bylaws, if the company makes a profit during the fiscal year, it shall allocate no less than 5% and no more than 15% as employee compensation, and an amount not exceeding 1% as director compensation.
II. The company has allocated NT$2,164,582 as employee compensation and NT$432,916 as director compensation based on the profit situation for the year 2022, both to be disbursed in cash.

No.4 Report

Brief: Distribution of 2023 cash dividend

Descriptions: For the fiscal year 2023, the distributable surplus of the company is zero. The Board of Directors has decided not to distribute cash dividends to shareholders.

No.5 Report

Brief: The Status of Cash Injection

Descriptions:
I. According to the Financial Supervisory Commission's letter No. 1120365651 issued on January 17, 2024, regarding requirement seven, the execution status of the fiscal year 2023 cash increase and sound business operation plan will be reported to the Board of Directors on a quarterly basis for control, and also reported to the shareholders' meeting.
II. Please refer to Appendix II for the implementation status of the fiscal year 2023 cash increase and sound business operation plan.

Proposed Resolutions

Proposal No.1: Proposed by the Board of Directors

Brief: The Business Report and Financial Statements for 2023 submitted for approval.

Explanation:
I. The Business Report and Financial Statements of the Company for 2023 (including individual financial statement and consolidated Financial Statements) have been approved by the resolution of the Board of Directors, and verified by the Audit Committee,Two certified public accountants from Deloitte Touche Tohmatsu Limited, i.e. CPA Liao, Wan-I and Hsieh, Chien-Hsin have audited and verified the Company’s Financial Statements for 2023, and issued an Auditor’s Report for the record.
II. Please refer to Appendix I and III for the aforementioned business report, auditor's verification report, and financial statements.
III. It’s submitted for approval.

Resolution:

Proposal No.2: Proposed by the Board of Directors

Brief: Distribution of Profits Proposals for 2023 submitted for approval.

Explanation: I. The profit distribution plan for the fiscal year 2023 has been approved by the Audit Committee and passed by the Board of Directors.See Appendix IV for Distribution of Profits Proposals of the Company for 2023.

II. It's submitted for approval.

Resolution:

Questions and Motions

Meeting Adjourned

(Attachment I)

Leader Electronics Inc.
Business Report

Ⅰ. Operating Results for 2023

(I) Results of Business Plans

The Company's consolidated operating revenue for FY 2023 was NT$3.77 billion, down from the previous year. In terms of profits, the after-tax gain was NT$42 million at a gain of NT$0.28 per share.

(II) Budget Implementation: Not applicable. (The Company's undisclosed financial forecast for FY 2023)

(III) Analysis of financial revenue and expenditure and profitability

Unit: %, NT$

Item			2023	2022
Financial structure (%)	Ratio of liabilities to assets		63.78	68.53
	Long-term funds to fixed assets		175.85	114.77
Profitability (%)	Return on assets		2.08	(2.25)
	Return on equity		2.80	(10.92)
	To paid-in capital	Operating profits	(4.07)	(6.60)
		Income before tax	2.81	(9.61)
	Profit ratio		1.11	(3.49)
	Earnings per share (NT$)		0.28	(1.01)

In 2023, Leader adjusted our product portfolio and continued to manage operating expenses efficiently. As a result, our overall financial structure and profitability have shown significant improvement compared to recent years.

(IV) Status of Research and Development

1. The Company's annual R&D expenditure in 2023 was NT$171 Million.
2. The main direction of R&D and the products expected to be developed
   (1) Networking Products:
      A. In line with future networkingadoption of WiFi 7, smaller form factor is key for future success. Consequently, corresponding networking power supplies developed by Leader will require higher power efficiency and power density to meet customer expectation.
      B. Complying with ESG policies, standard designs withs aims to use recycled and low carbon emission mateials will be the future of Leader's designs. Downsizing product dimensions and weight resulting in high power density products, Leader will also reduce transportation emissions level and over product carbon footprint in our future products designs.
      C. Continuous development in low-cost, high-efficiency standardized networking power supplies will keep Leader as the primary competitor in the networking market.
      D. Power Over Ethernet (PoE) standard platform up to 600Watts has been developed and certified by international safety standards. The

promotion of standard products demonstrates our ongoing capability in developing high-wattage and high-power density products in the array of networking markets.

E. Development of high power PoE 1KW non-hot swap parallel circuit design with target power density of 1.44W/cm^3to distinguish Leader from market competitors.

F. The traditional central tap transformer winding structure of LLC is complex. Research team willlook to develop full-wave rectification technology to reduce winding complexity, decrease transformer DCR values, and increase transformer power density to achieve higher efficiency and power density. This will enable the introduction of products with higher power density to help customers reduce product volume and costs.

(2) Industrial Power Supplies:

A. Industrial power supply design for marine applications requires normal operation without abnormalities in extremely harsh temperature environments (-30°C to 85°C) and with extremely high lifespan and EMC requirements. Leader will have both AC to DC and DC to DC power supplies with completely different design architectures to meet high reliability requirements.

B. Power supply for audio equipment (amplifiers) imposes strict requirements on product design and special attention to minimize component noise. Leader exceeds customer expectations, meeting customized design requirements and passing verification tests for lifespan and reliability.

C. Development and production of Leader's first 1KW Smart power devices with UPS (Uninterruptible Power Supply) functionality, operating under normal 100VAC/240VAC, as well as under 48VDC solar power andbackup batteries mode while providing multiple DC output voltages ranging from 7V~57V.

(3) Renewable Energy Power Supplies:

A. 19.2kW Charging Pile: Mainly used in commercial AC charging stations (parking lots, shopping malls, etc.), with a maximum output current limit of 80A, capable of meeting the needs of quick charge for electric vehicles with a maximum 19.2KW OBC. Supports various payment methods and backend EMS (Energy Management System) monitoring the machine function and safety real-time.

B. 7kW Charging Pile: Primarily privately used with maximum output current limit of 32A. Normally used to charge overnight in the convenience of your own home or community park lot.

C. The 3.5kW portable AC charger is developed primarily to address range anxiety. With a maximum output current limit of 16A, it can be used in most household AC sockets to provide an instant charge. The design focuses on being lightweight, portable, and easy to use, allowing it to be placed in the car without taking up space to address unexpected low battery situations during travel.

D. DC Fast Charging Pile: To make the electric vehicle charging product

line more comprehensive, we will proceed to develop DC fast charging piles, providing electric vehicle users with one of the quickest charging experience from the market.

(4) Consumer Power Supplies:
   A. 65W~240W USB PD3.1 Multi-port Output Products: Compliant with EU - 2023/826 standard to reduce energy consumption while compatible to PD & QC charging protocal. Also meets higher surge current suppression and lightening protection specifications required by branding customers.
   B. High Power Density Multi-port Fast Charging Products targeting a minimum of 1.2W/cc.
   C. 100W Dual C-port Product: Smart allocation of power at 65W&35W PD3.0 PPS charging or supports full 100W power output per port, meeting the charging needs of most consumers.

(5) Energy Storage Systems:
   A. In line with Taiwan Power Company's development of a flexible grid policy, we provide high-security, long-life, and highly integrated battery energy storage cabinets. We evaluate the optimal combination of energy management systems (EMS), battery management systems (BMS), power conversion systems (PCS), fire protection systems, etc., to achieve the highest efficiency in energy storage and sales services. Lide provides comprehensive services to resource owners, including resource development, design review, EPC turnkey projects, asset operation, and management services.
   B. Lide has completed the construction of a 3.5MW demonstration site in Zhuqi, Chiayi, which is currently in the verification stage. It is expected to come online and provide sales services starting in May. Additionally, Lide has plans for two other sites, with capacities of 40MW and 100MW, respectively, and will provide services as per market demand.
   C. Solar Charging and Storage System: Integrating Lide's newly developed charging piles, the green energy trend (solar photovoltaics), and optimized energy storage cabinets to provide seamless integration for energy transformation and create new opportunities for sustainability.

II. Summary of Annual Business Plan for 2024

(I) Business Policies

1. Deepen product line development, continuously enhance competitiveness in quality, cost, and delivery, with profit pursuit as the operational goal, actively penetrating and expanding ourtarget markets.
2. Integrate and streamline supply chain to expand collective bargaining power and continue internal control of operating costs to maximize margin.
3. Continuously expand the product line and capacity of Philippines operations to mitigate risks in Sino-US trade tensions.
4. Focus on technology, quality, and service as the main pillars for success, to

develop new product and applications to meet the demands of our targeted markets and customers.

(II) Business objectives

1. Continue to expand ODM&OEM business opportunities to improve production capacity utilization.
2. Achieve optimal economies of scale by capacity re-allocation, expansion of product lines, and manufacturing automation.
3. Centralized Strategic Procurement team to consolidate corporate resources while maximizing buying power to achieve positive gross margin for all of Leader's product lines.
4. Regional Market penetration and achievable revenue growth targets on yearly basis for Renewable Energy and ESS products to further transform current profit margin structure.
5. Implement austerity policies when need be to secure Company profits and shareholder value.

III. Impact of the external competitive environment, regulatory environment and overall business environment

The company's management team closely monitors global political and economic conditions, changes in domestic and international regulations, industry technology trends, fluctuations in raw material prices, and the potential impacts and influences of competitors on the company's operations and finances. With diligence, Leader will continue to navigate with care in the competitive environment and implement effective risk management practices to achieve annual operational goals and profit.

IV. The Company's Development Strategies in the Future

Cultivate and strengthen existing customers and strategic supplierrelationships in the field of network communication, while enhance vertical integration of components to mitigate impact of increase in raw materials; in addition, R&D investments in the application and development ofcharging stations and energy storage battery cabinets will reshape Leader' s competitive advantage in the years to come. With a lean and flexibilityoperation and dedication, Leader strive toprosper and create profits in the soon future to give back to our shareholders who have long supported us through the thick and thin.

Chairman:C.Y Pao Manager:Andrew Bao Chief Accountant: Erix Chen

(Attachment II)

Improvement of Operational Plan Execution Status Report

I. Operational Strategy

(I) Power Supply and Magnetic Component Products

1. Integration of Manufacturing Capacity in Mainland China

   Our company currently operates three production bases located in mainland China's eastern, southern, and Philippine regions. Over the past three years, the capacity utilization rate of our mainland subsidiaries has declined due to price competition from Chinese counterparts and the impact of the US-China trade war. As fixed expenses and amortization continue to occur, resulting in a decline in gross profit for various products, we are actively consolidating production capacity in the eastern and southern regions of China. This involves streamlining production lines, increasing automation, updating product development technologies, and continuously expanding our ODM/OEM business to help diversify market expansion and enhance the competitiveness of our products.

2. Expanding product versatility through the utilization of existing technology.

   Our company has established a USB integrated product line and is conducting research and development for electric vehicle (EV) charging equipment and industrial automation electronic control products. These initiatives reflect our strategy to develop solutions and system products, with a focus on electric vehicle power electronics, battery energy storage, and microgrid management technologies.

   As the power supply industry is relatively mature within the electronics sector and standardized specifications for mid-to-low-end power supplies have become prevalent, we anticipate leveraging our automated production capacity to reduce costs of standardized products. Further, we are committed to developing fast-charging power supplies, Power over Ethernet (PoE) power supplies, and electric vehicle chargers, aligning with the trend towards miniaturization and high power density in electronic products to enhance our competitiveness.

3. Expanding Overseas Production Bases

   In response to the impact of the US-China trade war and customer demands to avoid geopolitical factors, we are planning to increase production capacity and expand product lines at our Philippine factory. By establishing multiple production bases in different regions and countries, we aim to reduce political and supply chain risks, find regions with ample labor supply and low costs to lower production costs, and create a better operating environment for our

company. Through overseas marketing hubs, we aim to quickly grasp customer needs and market trends to enhance the competitiveness of our products.

(II) Energy storage systems and related components.

1. Constructing energy storage system facilities.

   Our subsidiary, Green Renewable Energy Co., Ltd., is planning to apply for grid connection for a 3.5M AFC facility in March of the FY 2024 . This is expected to increase revenue and net profit in the first quarter of the FY2024 .

   Additionally, our subsidiary, Innovative Energy Co., Ltd., has obtained qualification to build a 40M energy storage system grid connection in Chiayi County. The construction period is estimated to be 18 months, with the expectation of increasing revenue and net profit in the third quarter of the FY2025 .

2. Development of Energy Storage-Related Products

   With over six decades of experience in the power supply industry, our company is committed to developing new products, including electric vehicle charging piles, vehicle-mounted chargers, portable chargers, vehicle-mounted inverters, and high-power energy storage systems. We aim to carve out a place in Taiwan's energy storage industry by closely aligning with industry and government development directions and leveraging the potential of this rapidly growing industry.

II. Operational management

(I) Short-term Plans

1. Marketing

   (1) Deepening market penetration for existing products and concurrently expanding other product lines for existing international brand customers to increase market share.
   (2) Strengthening sales and after-sales service capabilities in various business areas to achieve maximum customer satisfaction.
   (3) Strengthening the marketing unit's ability to gather market information and identify potential market opportunities.
   (4) Enhancing coordination between marketing, research and development, engineering, and manufacturing to improve project success rates.
   (5) Prioritizing service for partners that align with long-term development goals and mutual benefits.

2. Research and Development

   (1) Enhancing the competitiveness and added value of existing products.
   (2) Developing products that align with future market trends and customer needs, designing products that conform to international trends and competitive trends.
   (3) Enhancing the quality of research and development personnel to improve

the capability to develop high-value-added products.

(4) Strategic collaboration with technology-oriented design firms to enhance design capabilities and technology.

(5) Standardizing and automating components through research and development to reduce component diversification, lower supply and production costs, reduce manual labor, and improve production quality stability.

(6) Accelerating development speed through automated testing equipment and simulation software.

(7) Accelerating sample delivery speed and strengthening sample quality.

3. Production

(1) To enhance production capacity utilization and reduce costs, the plan involves diversifying and making the product line more flexible.

(2) Increasing the level of automation in production lines, reducing manual labor, and implementing strict quality control.

(3) Integrating business information to prepare material procurement mechanisms in advance, shortening lead times to meet delivery schedules.

(4) Improve employees' living and working environments and implement a mechanism for talent selection, cultivation, and retention

(5) Screening qualified and strategically prioritized suppliers, increasing negotiation capabilities, and developing materials of high quality and low cost to reduce material costs.

4. Finance

(1) Optimizing transaction terms and financial fund planning and scheduling to provide adequate operating funds.

(2) Utilizing derivative financial instruments to reduce and mitigate exchange rate risks.

(c) Switching to international strong currencies for purchase and sale transactions to achieve natural hedging.

(II) Long-term Plans

1. Marketing

(1) Adjusting to niche markets and commodity markets.

(2) Actively seeking orders from international giants to increase production volume, achieve economies of scale production, and reduce production costs to enhance market competitiveness.

(3) Continuously developing marketing channels and strengthening the global service network to achieve global marketing goals.

(4) Planning standardized products that are environmentally friendly and suitable for automation.

(5) Carefully selecting markets and customers and strengthening market penetration.

2. Research and Development

(1) Enhancing technological research and product development.

(2) Embracing changes driven by innovation and factors.

(3) Continuously cultivating professional technical talents to develop products that meet customer needs, actively recruiting research and development talents to develop products that align with future market development trends.
(4) Actively investing in new product and technology development and patent applications to enhance the company's core competitiveness.
(5) Optimizing product development information systems to increase the reuse rate of product data and shorten product development cycles.

3. Production

(1) Continuously enhancing manufacturing technology capabilities and expanding production capacity to reduce costs, strengthen quality, and ultimately establish a foothold in the international market with superior quality.
(2) Actively improving procurement negotiation capabilities, developing suppliers with good quality and low cost of materials to reduce costs and enhance competitiveness.
(3) Continuously strengthening and establishing new production sites to serve customers nearby, implementing international division of labor operations, and improving logistics service quality.
(4) Moving towards artificial intelligence and digital automation production, advancing towards smart manufacturing.

4. Finance

(1) Continuously adopting a prudent financial operation method, coordinating with long-term operational development plans, raising funds needed for operations through diversified financial instruments in the capital market, and reducing the cost of funds to strengthen operational capabilities and enhance competitiveness.
(2) Accurately grasp the capital demand plan, strengthen the flexibility of group fund scheduling, and achieve the purpose of hedging against exchange rate risks.

(III) Explanation of the Execution Status for the Fiscal Year 2023

COA	FY2023		Diff	%
	Forecast	Actual		
Revenues	3,775,789	3,771,506	-4,283	-0.1%
COGS	3,236,769	3,223,343	-13,426	-0.4%
GM	539,020	548,163	9,143	1.7%
Operation Expense	596,410	615,836	19,426	3.3%
Operation Income	-57,390	-67,673	-10,283	17.9%
Non Operation gain	75,450	114,458	39,008	51.7%
Net Income	18,060	46,785	28,725	159.1%

Explanation: (a) Operating Expenses - Primarily due to the provision for credit impairment losses on overdue accounts receivable. (b) Non-operating Income and Expenses - Mainly attributable to gains on disposal of investment properties and net foreign exchange gains.

(Attachment III)

Independent Auditor's Report

To Leader Electronics Inc.,

Audit opinions

We have reviewed the accompanying parent company only balance sheets of Leader Electronics Inc. (the "Company") for the years ended December 31, 2023 and 2022 and the relevant parent company only statements of comprehensive income, changes in equity, and cash flows for the years then ended, and relevant notes, including a summary of significant accounting policies (collectively referred to as the "parent company only financial statements").

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

The basis for opinions

We concluded our audits in accordance with the regulations governing auditing and attestation of financial statements by certified public accountants and auditing standards. Our responsibilities under those standards are further described in the responsibilities of auditors for the audit of the parent company only financial statements. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We are convinced that we have acquired enough and appropriate audit evidence to serve as the basis of audit opinion.

Key audit matter

Key audit matters refer to the most vital matters in our audit of the Company's parent company only financial statements for the year ended December 31, 2023 based on our professional judgment. These matters were addressed in the content of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide separate opinions on those matters.

Key audit matters of the Company's parent company only financial statements for the year ended December 31, 2023, are stated as follows

Authenticity of sales revenue from major customers

Management is under pressure to meet its targets, and therefore the auditing standards presume that there is a risk of fraud in revenue recognition. We consider that the sales revenue of the sales targets of Leader Electronics Inc. and its equity-method subsidiaries with material sales amount and revenue growth or new customers will have a material impact on the financial statements. Therefore, the sales revenue of the above-mentioned customers is considered a key audit matter. See Note 4(13) to the parent company only financial statements for the related accounting policy for revenue recognition.

We performed control tests to understand the design and implementation of the Company's revenue recognition process and related control systems. We also reviewed the sales details of the above customers by selecting appropriate samples of original orders, external shipping documents or customer sign-off documents to confirm the authenticity of the sales transactions. We also reviewed whether material sales returns occurred after the balance sheet date to confirm whether there is material misstatement of sales revenue from the above customers.

Responsibilities of Management and Those in Charge with Governance of the parent company only Financial Statements

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

In preparing the parent company only financial statements, the management is responsible for assessing the ability of the Company in continuing as a going concern, disclosing relevant matters, and adopting the going concern basis of accounting unless the management intends to liquidate the Company or cease the operations without other viable alternatives.

The Company's governing bodies (including the Audit Committee) are responsible for supervising the financial reporting process.

Auditor's Responsibilities for the Audit of the parent company only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue and auditor's report. Reasonable assurance is a high level of assurance, but is not a guarantee that any audit conducted in accordance with the accounting principles will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. If fraud or errors are considered material, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the accounting principles, we exercise professional judgment and professional skepticism throughout the audit. We also performed the following works:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error; design, and perform countermeasures for assessed risks; and obtain evidence that is sufficient and appropriate to provide a basis of audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
2. Understood the internal control related to the audit in order to design appropriate audit procedures under the circumstances, while not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonability of accounting estimates and related disclosures made by the management.
4. Concluded on the appropriateness of the management's adoption of the going concern basis of accounting based on the audit evidence obtained and whether a material uncertainty exists for events or conditions that may cast significant doubt over the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosure is inappropriate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the parent company only statements, including related notes, whether the parent company only statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtained sufficient and appropriate audit evidence concerning the financial information of entities within the Company, to express an opinion on the parent company only financial statements. We were responsible for guiding, supervising, and performing the audit and forming an audit opinion on the Company.

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

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

From the matters communicated with the governing bodies, we determined the key audit matters for the audit of the Company's parent company only financial statements for the year ended December 31, 2023. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

Deloitte & Touche

CPA Liao Wan I

CPA Hsieh Chien Hsin

Financial Supervisory Commission Approval Document No.
Jin-Guan-Zheng-Shen-Zi No. 1010028123

Securities and Futures Bureau Approval Document No.
Tai-Cai-Zheng (6) Zi No. 0920123784

March 14, 2024

Leader Electronics Inc.

Parent company only Balance Sheet

December 31, 2023 and 2022

Unit: Thousands of NTD

Code	Assets	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	$ 139,729	3	$ 96,060	2
1110	Financial assets at fair value through profit or loss (Notes 4 and 7)	61,852	1	-	-
1170	Accounts receivable, net (Notes 4, 9 and 24)	770,483	17	644,785	15
1180	Accounts receivable – related parties (Notes 4, 24 and 32)	23,043	-	23,478	1
1200	Other receivables (Notes 4 and 9)	2,213	-	1,733	-
1210	Other receivables – related parties (Notes 4 and 32)	23,607	1	8,556	-
1220	Current tax assets (Notes 4 and 26)	385	-	187	-
130X	Inventory (Notes 4 and 10)	305,374	7	226,889	5
1410	Prepayments (Note 11)	111,495	2	122,892	3
1470	Other current assets (Note 33)	63,699	1	124,433	3
11XX	Total current assets	1,501,880	32	1,249,013	29
	Non-current assets				
1510	Financial assets at fair value through profit or loss (Notes 4 and 7)	-	-	32,957	1
1517	Financial assets at fair value through other comprehensive income (Notes 4 and 8)	96,601	2	40,873	1
1550	Investments using the equity method (Notes 4 and 12)	2,467,927	53	2,319,826	53
1600	Property, plant and equipment (Notes 4, 13 and 33)	505,433	11	637,006	15
1755	Right-of-use assets (Notes 4 and 14)	8,762	-	5,360	-
1760	Investment property (Notes 4, 15 and 33)	36,303	1	36,336	1
1780	Intangible assets (Notes 4 and 16)	12,449	-	12,555	-
1840	Deferred tax assets (Notes 4 and 26)	9,073	-	3,683	-
1975	Net defined benefit liability (Notes 4 and 22)	1,238	-	2,597	-
1990	Other non-current assets (Notes 17 and 33)	26,394	1	3,342	-
15XX	Total non-current assets	3,164,180	68	3,094,535	71
1XXX	Total assets	$ 4,666,060	100	$ 4,343,548	100
Code	Liabilities and equity				
	Current liabilities				
2100	Short-term borrowings (Notes 18 and 33)	$ 347,000	8	$ 995,820	23
2120	Financial assets at fair value through profit or loss (Notes 4, 7 and 19)	-	-	396	-
2130	Contract liabilities (Notes 24 and 32)	8,548	-	46,455	1
2170	Accounts payable (Note 20)	189,015	4	10,693	-
2180	Accounts payable – related parties (Note 32)	1,309,789	28	1,315,880	30
2200	Other payables (Note 21)	87,611	2	80,747	2
2220	Other payables – related parties (Note 32)	354,517	8	261,438	6
2280	Lease liabilities – current (Notes 4 and 14)	5,866	-	3,237	-
2321	Corporate bonds due or subject to sell-back rights within one year (Notes 4 and 19)	-	-	69,855	2
2322	Long-term borrowings with maturity of less than one year (Notes 18 and 33)	333,269	7	72,275	2
2399	Other current liabilities	57,952	1	47,441	1
21XX	Total current liabilities	2,693,567	58	2,904,237	67
	Non-current liabilities				
2540	Long-term borrowings (Notes 18 and 33)	390,151	8	25,265	1
2580	Lease liabilities – current (Notes 4 and 14)	6,318	-	2,142	-
2645	Deposits received (Note 32)	293	-	305	-
25XX	Total non-current liabilities	396,762	8	27,712	1
2XXX	Total liabilities	3,090,329	66	2,931,949	68
	Equity				
3110	Common stock	1,663,628	36	1,585,764	36
3200	Capital surplus	3,367	-	164,325	4
	Accumulated losses				
3310	Legal reserve	-	-	-	-
3320	Special reserve	36,687	1	36,687	1
3350	Undistributed earnings (losses to be made up)	41,362	1	(156,427)	(4)
3300	Total accumulated losses	78,049	2	(119,740)	(3)
3400	Other equity	(159,532)	(4)	(207,760)	(5)
3500	Treasury stock	(9,781)	-	(10,990)	-
3XXX	Total equity	1,575,731	34	1,411,599	32
	Total liabilities and equity	$ 4,666,060	100	$ 4,343,548	100

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

Chairman: C.Y Pao Managerial Officer: Andrew Bao Accounting Officer: Erix Chen

Leader Electronics Inc.

Parent company only Statements of Comprehensive Income

January 1 to December 31, 2023 and 2022

Unit: Thousand NTD; except for earnings (losses) per share in NTD

Code		2023 Amount	2023 %	2022 Amount	2022 %
4000	Operating revenues (Notes 4, 24 and 32)	$ 2,706,812	100	$ 3,278,949	100
5000	Operating costs (Notes 10, 25 and 32)	2,449,855	91	3,033,034	93
5900	Operating gross margins	256,957	9	245,915	7
5910	Unrealized profit on sales with affiliates	(822)	-	(1,075)	-
5950	Realized operating gross margins	256,135	9	244,840	7
	Operating expenses (Note 25)				
6100	Selling expenses (Note 32)	71,275	3	69,989	2
6200	Administrative expenses	120,959	4	109,044	3
6300	R&D expenses	99,393	4	90,429	3
6450	Expected credit impairment losses (reversal of losses) (Note 9)	2,110	-	(44)	-
6000	Total operating expenses	293,737	11	269,418	8
6900	Net operating loss	(37,602)	(2)	(24,578)	(1)
	Non-operating incomes and expenses				
7100	Interest incomes (Notes 25 and 32)	2,681	-	1,444	-
7010	Other income (Notes 25 and 32)	39,027	1	23,505	1
7020	Other gains and losses (Note 25)	18,075	1	(66,177)	(2)

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Code		2023 Amount	2023 %	2022 Amount	2022 %
7050	Financial costs (Notes 25 and 32)	($ 31,280)	(1)	($ 24,052)	(1)
7070	Share of profits or losses of subsidiaries and affiliates accounted for using the equity method	49,793	2	(69,222)	(2)
7000	Total non-operating income and expenses	78,296	3	(134,502)	(4)
7900	Profit (loss) before tax	40,694	1	(159,080)	(5)
7950	Income tax benefit (Notes 4 and 26)	(3,553)	-	(590)	-
8200	Net income (loss)	44,247	1	(158,490)	(5)
	Other comprehensive income				
8310	Items not reclassified to profit or loss:				
8311	Remeasurement of defined benefit plan	(2,000)	-	2,063	-
8316	Unrealized gains or losses on investment in equity instruments at fair value through other comprehensive income	56,798	2	(33,407)	(1)
8330	Share of other comprehensive income of subsidiaries and affiliates accounted for using the equity method	14,224	1	1,869	-
8360	Items that may subsequently be reclassified to profit or loss:				
8361	Exchange differences on the translation of financial statements of foreign operations	(22,724)	(1)	109,173	4
8300	Other comprehensive income	46,298	2	79,698	3
8500	Total comprehensive income	$ 90,545	3	($ 78,792)	(2)
	Earnings (losses) per share (Note 27)				
9710	Basic	$ 0.28		($ 1.01)	
9810	Diluted	$ 0.27		($ 1.01)	

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

Chairman: C.Y Pao Managerial Officer: Andrew Bao Accounting Officer: Erix Chen

Leader Electronics Inc.

Parent company only Statements of Changes in Shareholders' Equity

January 1 to December 31, 2023 and 2022

Unit: Thousands of NTD

Code		Common stock (Note 23)	Capital surplus (Note 23)	Retained earnings (accumulated losses) (Notes 4 and 23)		Other equity (Note 23)		Treasury stock (Note 23)	Total equity
				Special reserve	Undistributed earnings (losses to be made up)	Exchange differences on the translation of financial statements of foreign operations	Unrealized valuation gain or loss on financial assets measured at fair value through other comprehensive income		
A1	Balance as of January 1, 2022	$ 1,585,764	$ 471,619	$ 36,687	($ 303,395)	($ 179,064)	($ 106,331)	($ 10,990)	$ 1,494,290
	Other changes in capital surplus								
C7	Changes in affiliates accounted for using the equity method (Note 12)	-	(3,899)	-	-	-	-	-	(3,899)
C11	Capital surplus to cover losses	-	(303,395)	-	303,395	-	-	-	-
D1	Net losses for 2022	-	-	-	(158,490)	-	-	-	(158,490)
D3	2022 other comprehensive income	-	-	-	2,063	109,173	(31,538)	-	79,698
D5	Total comprehensive income in 2022	-	-	-	(156,427)	109,173	(31,538)	-	(78,792)
Z1	Balance as of December 31, 2022	1,585,764	164,325	36,687	(156,427)	(69,891)	(137,869)	(10,990)	1,411,599
	Earnings appropriation and distribution for 2022	-	-	-	-	-	-	-	-
	Other changes in capital surplus								
C11	Capital surplus to cover losses	-	(156,427)	-	156,427	-	-	-	-
D1	Net income for 2023	-	-	-	44,247	-	-	-	44,247
D3	2023 other comprehensive income	-	-	-	(2,000)	(22,724)	71,022	-	46,298
D5	Total comprehensive income in 2023	-	-	-	42,247	(22,724)	71,022	-	90,545
I1	Capitalization of convertible corporate bonds (Notes 19 and 23)	77,864	(7,898)	-	(955)	-	-	-	69,011
L5	Treasury shares transferred to employees (Note 23)	-	3,367	-	-	-	-	1,209	4,576
Q1	Disposal of equity instruments measured at fair value through other comprehensive income (Note 8)	-	-	-	70	-	(70)	-	-
Z1	Balance as of December 31, 2023	$ 1,663,628	$ 3,367	$ 36,687	$ 41,362	($ 92,615)	($ 66,917)	($ 9,781)	$ 1,575,731

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

Chairman: C.Y Pao Managerial Officer: Andrew Bao Accounting Officer: Erix Chen

Leader Electronics Inc.

Parent company only Statements of Cash Flows

January 1 to December 31, 2023 and 2022

Unit: Thousands of NTD

Code		2023	2022
	Cash flows from operating activities		
A10000	Profit (loss) before tax	$ 40,694	($ 159,080)
A20010	Income and expense items		
A20100	Depreciation expenses	15,224	18,137
A20200	Amortization expenses	6,752	4,981
A20300	Expected (reversal of losses) credit impairment losses	2,110	(44)
A20400	Net loss on financial instruments at fair value through profit or loss	1,457	26,007
A20900	Financial costs	31,280	24,052
A21200	Interest income	(2,681)	(1,444)
A21300	Dividend income	-	(3,671)
A21900	Cost of remuneration - employee stock options	3,367	-
A22400	Share of profits or losses of subsidiaries and affiliates accounted for using the equity method	(49,793)	69,222
A22500	Net gains on disposal of property, plant and equipment	(48,696)	-
A23700	Inventory valuation losses	2,255	1,304
A23900	Unrealized profit on sales with affiliates	822	1,075
A24100	Foreign exchange losses (gains)	3,274	(42,207)
A24200	Loss on redemption of convertible bonds	56	2,490
A24600	Gain on lease modification	(80)	-
A30000	Net changes in operating assets and liabilities		
A31115	Financial assets mandatorily measured at fair value through profit or loss	(61,200)	(4,139)
A31150	Accounts receivable	(127,808)	152,893
A31160	Accounts receivable – related parties	435	6,793
A31180	Other receivables	(480)	2,407
A31190	Other receivables – related parties	(15,051)	2,769
A31200	Inventory	(80,740)	(50,844)
A31230	Prepayments	11,397	(79,172)
A31240	Other current assets	(1,699)	-
A31990	Net defined benefit asset	(641)	(534)
A32125	Contract liabilities	(37,907)	46,271
A32150	Accounts payable	178,322	(11,227)
A32160	Accounts payable – related parties	(6,091)	341,043
A32180	Other payables	6,983	(8,157)
A32190	Other payables – related parties	2,989	427
A32230	Other current liabilities	10,511	12,405
A32240	Net defined benefit liability	-	(185)
A33000	Cash inflow (outflow) from operations	(114,939)	351,572

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Code		2023	2022
A33100	Interest received	$ 2,681	$ 1,444
A33200	Dividend received	-	3,671
A33300	Interests paid	(30,769)	(21,394)
A33500	Income tax paid	(2,035)	(86)
AAAA	Net cash inflow (outflow) from operating activities	(145,062)	335,207
	Cash flows from investing activities		
B00200	Disposal of financial assets measured at fair value through profit or loss	30,452	-
B00010	Purchase of financial assets measured at fair value through other comprehensive income	(7,000)	-
B00020	Disposal of financial assets at fair value through other comprehensive income (Note 8)	4,470	-
B00030	Refund of share price for capital reduction of financial assets at fair value through other comprehensive income	3,600	-
B01800	Increase in Investments accounted for using the equity method (Note 29)	(107,630)	(32,520)
B02000	Increase in prepayments for investment (Note 29)	(5,000)	-
B02700	Purchase of property, plant, and equipment (Note 29)	(13,727)	(6,316)
B02800	Proceeds from disposal of property, plant and equipment	182,467	-
B03800	Increase in guarantee deposits paid	(15,892)	(1,073)
B04500	Acquisition of intangible assets (Note 29)	(2,430)	(2,632)
B06500	Decrease (Increase) in other financial assets	62,433	(118,178)
BBBB	Net cash inflow (outflow) from investing activities	131,743	(160,719)
	Cash flows from financing activities		
C00100	Decrease in short-term borrowings	(651,830)	(16,370)
C01300	Repayments of corporate bonds	(1,530)	(45,399)
C01600	Proceeds from long-term borrowings	802,704	-
C01700	Repayments of long-term borrowings	(176,824)	(140,604)
C03100	Decrease in deposits received	(12)	(18)
C03700	Increase (Decrease) in other payables – related parties	90,090	(41,995)
C04020	Principal repayment of lease liabilities	(6,555)	(3,700)
C05100	Treasury shares purchased by employees	1,209	-
CCCC	Net cash inflow (outflow) from financing activities	57,252	(248,086)
DDDD	Impact of changes in exchange rate on cash and cash equivalents	(264)	11,226
EEEE	Increase (decrease) in cash and cash equivalents	43,669	(62,372)
E00100	Cash and cash equivalents balance – beginning of year	96,060	158,432
E00200	Cash and cash equivalents balance – end of year	$ 139,729	$ 96,060

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

Chairman: C.Y Pao Managerial Officer: Andrew Bao Accounting Officer: Erix Chen

Independent Auditor's Report

To Leader Electronics Inc.,

Audit opinions

We have reviewed the accompanying consolidated balance sheets of Leader Electronics Inc. and its subsidiaries (Leader Group) for the years ended December 31, 2023 and 2022 and the relevant consolidated statements of comprehensive income, changes in equity, and cash flows for the years then ended, and relevant notes, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022 and for the years then ended, and its consolidated financial performance and its consolidated cash flows for the years then ended in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China, based on our audit results and the audit reports of other certified public accountants (CPAs) (refer to the section of "Other matters").

The basis for opinions

We concluded our audits in accordance with the regulations governing auditing and attestation of financial statements by certified public accountants and auditing standards. Our responsibilities under those standards are further described in the responsibilities of auditors for the audit of the consolidated financial statements. We are independent of Leader Group in accordance with the Code of Professional Ethics for Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with the Code. We are convinced that we have acquired enough and appropriate audit evidence to serve as the basis of audit opinion.

Key audit matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 2023 consolidated financial statements of Leader Group. These matters were addressed in the content of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide separate opinions on those matters.

Key audit matters of the 2023 consolidated financial statements of Leader Group are as follows:

Authenticity of sales revenue from major customers

Management is under pressure to meet its targets, and therefore the auditing standards presume that there is a risk of fraud in revenue recognition. We consider that the sales revenue of Leader Group's sales targets with material sales amount and revenue growth or new customers will have a material impact on the financial statements. Therefore, the sales revenue of the above-mentioned customers is considered a key audit matter. See Note 4(13) to the consolidated financial statements for the related accounting policy for revenue recognition.

We performed control tests to understand the design and implementation of the Company's revenue recognition process and related control systems. We also reviewed the sales details of the above customers by selecting appropriate samples of original orders, external shipping documents or customer sign-off documents to confirm the authenticity of the sales transactions. We also reviewed whether material sales returns occurred after the balance sheet date to confirm whether there is material misstatement of sales revenue from the above customers.

Other information

Leader Electronics Inc. has also prepared the parent company-only financial statements for the years ended December 31, 2023 and 2022, for which we have issued an audit report, along with an unqualified opinion, for reference.

Responsibilities of Management and Those in Charge with Governance of the Consolidated Financial Statements

The management's responsibilities are to prepare the consolidated financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively referred to as "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China and to maintain necessary internal control associated with the preparation in order to ensure that the consolidated financial statements are free from material misstatement arising from fraud or error.

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

Those in charge of governance (including the Auditing Committee) are responsible for overseeing the reporting process of the financial statements of Leader Group.

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

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

As part of an audit in accordance with the accounting principles, we exercise professional judgment and professional skepticism throughout the audit. We also performed the following works:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; design, and perform countermeasures for assessed risks; and obtain evidence that is sufficient and appropriate to provide a basis of audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control effective in Leader Group.
3. Evaluate the appropriateness of accounting policies used and the reasonability of accounting estimates and related disclosures made by the management.
4. Conclude the appropriateness of the use of the going concern basis of accounting by the management, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Leader Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosure is inappropriate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause Leader Group to cease as a going concern.
5. Evaluate the overall presentation, structure, and content of the consolidated statements, including related notes, whether the consolidated statements represent the underlying transactions and events in a matter that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information or the entities or business activities of the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit of the Group. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those in charge of governance, we determine those matters that were of most significance in the audit of the 2023 consolidated financial statements of Leader Group and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

Deloitte & Touche

CPA Liao Wan I

CPA Hsieh Chien Hsin

Financial Supervisory Commission Approval Document No.
Jin-Guan-Zheng-Shen-Zi No. 1010028123

Securities and Futures Bureau Approval Document No.
Tai-Cai-Zheng (6) Zi No. 0920123784

March 14, 2024

Leader Electronics Inc. and Its Subsidiaries

Consolidated Balance Sheet

December 31, 2023 and 2022

Unit: Thousands of NTD

Code	Assets	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	$ 420,209	10	$ 328,175	7
1110	Financial assets at fair value through profit or loss – current (Notes 4 and 7)	61,852	1	-	-
1150	Notes receivable (Notes 4, 9 and 25)	140,859	3	83,686	2
1170	Accounts receivable, net (Notes 4, 9 and 25)	1,052,528	24	1,044,156	23
1200	Other receivables (Notes 4 and 9)	5,723	-	2,832	-
1220	Current tax assets (Notes 4 and 27)	1,781	-	1,490	-
130X	Inventory (Notes 4 and 10)	744,284	17	895,246	20
1410	Prepayments (Note 11)	163,777	4	170,289	4
1470	Other current assets (Note 35)	73,660	2	142,273	3
11XX	Total current assets	2,664,673	61	2,668,147	59
	Non-current assets				
1510	Financial assets at fair value through profit or loss (Notes 4 and 7)	-	-	32,957	1
1517	Financial assets at fair value through other comprehensive income (Notes 4 and 8)	144,157	3	74,987	2
1550	Investments using the equity method (Notes 4 and 13)	36,033	1	32,998	1
1600	Property, plant and equipment (Notes 4, 14, 31 and 35)	1,217,971	28	1,385,691	31
1755	Right-of-use assets (Notes 4 and 15)	132,923	3	146,826	3
1760	Investment property (Notes 4, 16 and 35)	85,176	2	98,720	2
1780	Intangible assets (Notes 4 and 17)	28,944	1	17,372	-
1840	Deferred tax assets (Notes 4 and 27)	9,073	-	3,683	-
1990	Other non-current assets (Notes 18, 23 and 35)	62,866	1	39,092	1
15XX	Total non-current assets	1,717,143	39	1,832,326	41
1XXX	Total assets	$ 4,381,816	100	$ 4,500,473	100
Code	Liabilities and equity				
	Current liabilities				
2100	Short-term borrowings (Notes 19 and 35)	$ 411,982	9	$ 1,149,518	26
2120	Financial assets at fair value through profit or loss (Notes 4, 7 and 20)	-	-	396	-
2130	Contract liabilities (Notes 4, 25 and 34)	11,905	-	49,138	1
2150	Notes payable (Note 21)	2,557	-	2,162	-
2170	Accounts payable (Note 21)	965,468	22	1,037,577	23
2200	Other payables (Note 22)	210,529	5	210,425	5
2230	Current tax liabilities (Notes 4 and 27)	19,958	-	16,434	-
2280	Lease liabilities – current (Notes 4 and 15)	21,697	1	18,165	-
2321	Corporate bonds due or subject to sell-back rights within one year (Notes 4 and 20)	-	-	69,855	2
2322	Long-term borrowings with maturity of less than one year (Notes 19 and 35)	393,243	9	162,958	4
2399	Other current liabilities	72,290	2	58,176	1
21XX	Total current liabilities	2,109,629	48	2,774,804	62
	Non-current liabilities				
2540	Long-term borrowings (Notes 19 and 35)	566,122	13	178,709	4
2580	Lease liabilities – current (Notes 4 and 15)	116,997	3	128,116	3
2645	Deposits received (Note 34)	2,157	-	2,521	-
25XX	Total non-current liabilities	685,276	16	309,346	7
2XXX	Total liabilities	2,794,905	64	3,084,150	69
	Equity attributable to owners of the Parent				
3110	Common stock	1,663,628	38	1,585,764	35
3200	Capital surplus	3,367	-	164,325	4
	Accumulated losses				
3320	Special reserve	36,687	1	36,687	1
3350	Undistributed earnings (losses to be made up)	41,362	1	(156,427)	(4)
3300	Total undistributed earnings (accumulated losses)	78,049	2	(119,740)	(3)
3400	Other equity	(159,532)	(4)	(207,760)	(5)
3500	Treasury stock	(9,781)	-	(10,990)	-
31XX	Total equity attributable to owners of the Parent	1,575,731	36	1,411,599	31
36XX	Non-controlling interests	11,180	-	4,724	-
3XXX	Total equity	1,586,911	36	1,416,323	31
	Total liabilities and equity	$ 4,381,816	100	$ 4,500,473	100

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

Chairman: C.Y Pao Managerial Officer: Andrew Bao Accounting Officer: Erix Chen

Leader Electronics Inc. and Its Subsidiaries

Consolidated Statements of Comprehensive Income

January 1 to December 31, 2023 and 2022

Unit: Thousand NTD; except for earnings (losses) per share in NTD

Code		2023 Amount	2023 %	2022 Amount	2022 %
4000	Operating revenues (Notes 4, 25 and 34)	$ 3,771,506	100	$ 4,544,285	100
5000	Operating costs (Notes 10 and 26)	3,222,521	86	4,041,888	89
5900	Operating gross margins	548,985	14	502,397	11
5910	Unrealized profit on sales with affiliates	(822)	-	(1,075)	-
5950	Realized operating gross margins	548,163	14	501,322	11
	Operating expenses (Notes 23 and 26)				
6100	Selling expenses	157,989	4	173,748	4
6200	Administrative expenses	282,172	7	267,730	6
6300	R&D expenses	170,510	5	165,416	4
6450	Expected credit impairment losses (reversal of losses) (Note 9)	5,165	-	(860)	-
6000	Total operating expenses	615,836	16	606,034	14
6900	Net operating loss	(67,673)	(2)	(104,712)	(3)
	Non-operating incomes and expenses				
7100	Interest incomes (Notes 26 and 34)	3,775	-	2,635	-
7190	Other income (Notes 26 and 34)	64,750	2	65,867	2
7020	Other gains and losses (Note 26)	98,832	3	(77,812)	(2)
7050	Financial costs (Notes 26 and 34)	(56,756)	(2)	(47,420)	(1)
7060	Share of profits or losses of affiliates accounted for using the equity method (Note 13)	3,857	-	9,036	-
7000	Total non-operating income and expenses	114,458	3	(47,694)	(1)

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Code		2023 Amount	2023 %	2022 Amount	2022 %
7900	Profit (loss) before tax	$ 46,785	1	($ 152,406)	(4)
7950	Income tax expense (Notes 4 and 27)	4,948	-	6,312	-
8200	Net income (loss)	41,837	1	(158,718)	(4)
	Other comprehensive income				
8310	Items not reclassified to profit or loss:				
8311	Remeasurement of defined benefit plan	(2,000)	-	2,063	-
8316	Unrealized gains or losses on investment in equity instruments at fair value through other comprehensive income	71,022	2	(31,538)	(1)
8360	Items that may subsequently be reclassified to profit or loss:				
8361	Exchange differences on the translation of financial statements of foreign operations	(22,858)	(1)	109,173	3
8300	Other comprehensive income	46,164	1	79,698	2
8500	Total comprehensive income	$ 88,001	2	($ 79,020)	(2)
	Net income (loss) attributable to:				
8610	Owners of the parent company.	$ 44,247	1	($ 158,490)	(4)
8620	Non-controlling interests	(2,410)	-	(228)	-
8600		$ 41,837	1	($ 158,718)	(4)
	Comprehensive income attributable to:				
8710	Owners of the parent company.	$ 90,545	2	($ 78,792)	(2)
8720	Non-controlling interests	(2,544)	-	(228)	-
8700		$ 88,001	2	($ 79,020)	(2)
	Earnings (losses) per share (Note 28)				
9710	Basic	$ 0.28		($ 1.01)	
9810	Diluted	$ 0.27		($ 1.01)	

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

Chairman: C.Y Pao Managerial Officer: Andrew Bao Accounting Officer: Erix Chen

Leader Electronics Inc. and Its Subsidiaries

Consolidated Statements of Changes in Equity

January 1 to December 31, 2023 and 2022

Unit: Thousands of NTD

Code		Equity attributable to owners of the Parent (Notes 4 and 24)								Non-controlling interests (Note 24)	Total equity
				Retained earnings (accumulated losses)		Other equity					
		Common stock	Capital surplus	Special reserve	Undistributed earnings (losses to be made up)	Exchange differences on the translation of financial statements of foreign operations	Unrealized valuation gain or loss on financial assets measured at fair value through other comprehensive income	Treasury stock	Total		
A1	Balance as of January 1, 2022	$ 1,585,764	$ 471,619	$ 36,687	($ 303,395)	($ 179,064)	($ 106,331)	($ 10,990)	$ 1,494,290	$ 4,952	$ 1,499,242
	Other changes in capital surplus										
C7	Changes in affiliates accounted for using the equity method (Note 13)	-	(3,899)	-	-	-	-	-	(3,899)	-	(3,899)
C11	Capital surplus to cover losses	-	(303,395)	-	303,395	-	-	-	-	-	-
D1	Net losses for 2022	-	-	-	(158,490)	-	-	-	(158,490)	(228)	(158,718)
D3	2022 other comprehensive income	-	-	-	2,063	109,173	(31,538)	-	79,698	-	79,698
D5	Total comprehensive income in 2022	-	-	-	(156,427)	109,173	(31,538)	-	(78,792)	(228)	(79,020)
Z1	Balance as of December 31, 2022	1,585,764	164,325	36,687	(156,427)	(69,891)	(137,869)	(10,990)	1,411,599	4,724	1,416,323
	Earnings appropriation and distribution for 2022	-	-	-	-	-	-	-	-	-	-
	Other changes in capital surplus										
C11	Capital surplus to cover losses	-	(156,427)	-	156,427	-	-	-	-	-	-
D1	Net income (loss) for 2023	-	-	-	44,247	-	-	-	44,247	(2,410)	41,837
D3	2023 other comprehensive income	-	-	-	(2,000)	(22,724)	71,022	-	46,298	(134)	46,164
D5	Total comprehensive income in 2023	-	-	-	42,247	(22,724)	71,022	-	90,545	(2,544)	88,001
I1	Capitalization of convertible corporate bonds (Notes 20 and 24)	77,864	(7,898)	-	(955)	-	-	-	69,011	-	69,011
O1	Increase in non-controlling interests	-	-	-	-	-	-	-	-	9,000	9,000
L5	Treasury shares transferred to employees (Notes 24 and 29)	-	3,367	-	-	-	-	1,209	4,576	-	4,576
Q1	Disposal of equity instruments measured at fair value through other comprehensive income (Note 8)	-	-	-	70	-	(70)	-	-	-	-
Z1	Balance as of December 31, 2023	$ 1,663,628	$ 3,367	$ 36,687	$ 41,362	($ 92,615)	($ 66,917)	($ 9,781)	$ 1,575,731	$ 11,180	$ 1,586,911

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

Chairman: C.Y Pao Managerial Officer: Andrew Bao Accounting Officer: Erix Chen

Leader Electronics Inc. and Its Subsidiaries

Consolidated Statements of Cash Flows

January 1 to December 31, 2023 and 2022

Unit: Thousands of NTD

Code		2023	2022
	Cash flows from operating activities		
A10000	Profit (loss) before tax	$ 46,785	($ 152,406)
A20010	Income and expense items		
A20100	Depreciation expenses	133,178	150,394
A20200	Amortization expenses	10,578	7,556
A20300	Expected (reversal of losses) credit impairment losses	5,165	(860)
A20400	Net loss on financial instruments at fair value through profit or loss	1,457	26,007
A20900	Financial costs	56,756	47,420
A21200	Interest income	(3,775)	(2,635)
A21300	Dividend income	(1,099)	(4,555)
A21900	Cost of remuneration - employee stock options	3,367	-
A22300	Share of profit of affiliates using the equity method	(3,857)	(9,036)
A22500	Net loss (gains) on disposal of property, plant and equipment	(42,901)	2,903
A22600	Impairment of Property, plant, and equipment	3,456	15,991
A22700	Gain on disposal of investment property	(53,838)	-
A23700	Inventory valuation losses	2,503	-
A23900	Unrealized profit on sales with affiliates	822	1,075
A24100	Net foreign exchange loss	10,863	95,838
A24200	Loss on redemption of convertible bonds	56	2,490
A24600	Gain on lease modification	(84)	-
A30000	Net changes in operating assets and liabilities		
A31115	Financial assets mandatorily measured at fair value through profit or loss	(61,200)	-
A31130	Notes receivable	(59,429)	(75,096)
A31150	Accounts receivable	(19,313)	233,678
A31180	Other receivables	(6,745)	(2,343)
A31190	Other receivables – related parties	-	75
A31990	Net defined benefit asset	(641)	(534)
A31200	Inventory	141,977	276,242
A31230	Prepayments	5,943	(35,841)
A31240	Other current assets	(1,715)	3,669
A32125	Contract liabilities	(37,058)	38,995
A32130	Notes payable	393	(16,145)
A32150	Accounts payable	(58,765)	(476,778)
A32180	Other payables	1,984	(56,845)

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Code		2023	2022
A32230	Other current liabilities	$ 14,334	$ 16,675
A32240	Net defined benefit liability	-	(185)
A33000	Cash inflow from operations	89,197	85,749
A33100	Interest received	3,775	2,635
A33200	Dividend received	1,099	4,555
A33300	Interests paid	(56,245)	(44,762)
A33500	Income tax paid	(7,105)	(2,409)
AAAA	Net cash inflow from operating activities	30,721	45,768
	Cash flows from investing activities		
B00100	Disposal of financial assets measured at fair value through profit or loss	30,452	-
B00010	Purchase of financial assets measured at fair value through other comprehensive income	(7,000)	-
B00020	Proceeds from disposal of financial assets measured at fair value through other comprehensive income	4,470	-
B00030	Refund of share price for capital reduction of financial assets at fair value through other comprehensive income	3,600	-
B01800	Increase in Investments accounted for using the equity method (Note 31)	-	(3,342)
B02000	Prepayments for investment	(5,000)	-
B02200	Net cash outflow from subsidiary acquired (Note 30)	(9,218)	-
B02700	Purchase of property, plant, and equipment (Note 31)	(102,103)	(60,063)
B02800	Proceeds from disposal of property, plant and equipment	185,666	-
B03800	Decrease (increase) in guarantee deposits paid	(17,868)	27,755
B04500	Acquisition of intangible assets (Note 31)	(8,554)	(2,866)
B05500	Proceeds from disposal of investment property	64,385	-
B06600	Decrease (Increase) in other financial assets	70,230	(114,743)
BBBB	Net cash inflow (outflow) from investing activities	209,060	(153,259)
	Cash flows from financing activities		
C00100	Decrease in short-term borrowings	(739,117)	(103,016)
C01300	Repayments of corporate bonds	(1,530)	(45,399)
C01600	Proceeds from long-term borrowings	960,526	193,183
C01700	Repayments of long-term borrowings	(341,860)	(239,594)
C03100	Decrease in deposits received	(335)	(18)
C04020	Principal repayment of lease liabilities	(21,639)	(17,555)
C05100	Treasury shares purchased by employees	1,209	-
CCCC	Net cash outflow from financing activities	(142,746)	(212,399)
DDDD	Impact of changes in exchange rate on cash and cash equivalents	(5,001)	7,563

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Code		2023	2022
EEEE	Increase (decrease) in cash and cash equivalents	$ 92,034	($ 312,327)
E00100	Cash and cash equivalents balance – beginning of year	328,175	640,502
E00200	Cash and cash equivalents balance – end of year	$ 420,209	$ 328,175

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

Chairman: C.Y Pao Managerial Officer: Andrew Bao Accounting Officer: Erix Chen

(Attachment IV)

Leader Electronics Inc.
Earnings Distribution Table
2023

Unit: NT$

Earnings undistributed at the beginning of the period	$	0
Add: Net profit of this year		44,246,924
Less: Remeasured value of the determined business plan recognized in retained earnings		(2,000,123)
Less: Loss on conversion of convertible corporate bonds into common stock		(954,974)
Add: Gains on disposal of FVOCI		70,400
Distributable earnings		41,362,227
Less: 10% legal reserve		(4,136,223)
Less: Gains on disposal of FVOCI		(37,226,004)
Earnings undistributed at the end of the reporting period		0

Chairman: C.Y Pao Manager: Andrew Bao Chief Accountant: Erix Chen

(Appendix I)

LEADER Electronics Inc.

Article of Incorporation

Chapter 1 General Rules

Article 1: The Company shall be incorporated under the Company Act and its name shall be LEADER Electronics Inc.English Name is LEADER ELECTRONICS INC.

Article 2: The scope of business of the Company shall be as follows:

CB01010 Mechanical Equipment Manufacturing

CC01010 Manufacture of Power Generation, Transmission and Distribution Machinery

CC01020 Electric Wires and Cables Manufacturing

CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing

CC01040 Lighting Equipment Manufacturing

CC01060 Wired Communication Mechanical Equipment Manufacturing

CC01070 Wireless Communication Mechanical Equipment Manufacturing

CC01080 Electronics Components Manufacturing

CC01090 Manufacture of Batteries and Accumulators

CC01100 Controlled Telecommunications Radio-Frequency Devices and Materials Manufacturing

CC01110 Computer and Peripheral Equipment Manufacturing

CC01120 Data Storage Media Manufacturing and Duplicating

CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing

CD01010 Ships and Parts Manufacturing

CD01020 Rail Vehicle and Parts Manufacturing

CD01030 Motor Vehicles and Parts Manufacturing

CD01040 Motorcycles and Parts Manufacturing

CD01050 Bicycles and Parts Manufacturing

CD01060 Aircraft and Parts Manufacturing

CD01990 Other Transport Equipment and Parts Manufacturing

CE01010 General Instrument Manufacturing

D101060 self-usage power generation equipment utilizing renewable energy

	industry
E599010	Piping Engineering
E601010	Electric Appliance Construction
E601020	Electric Appliance Installation
E603010	Cable Installation Engineering
E603040	Fire Safety Equipment Installation Engineering
E603050	Automatic Control Equipment Engineering
E603080	Traffic Signs Installation Engineering
E603090	Lighting Equipments Construction
E604010	Machinery Installation
E605010	Computer Equipment Installation
E606010	Power Consuming Equipment Inspecting and Maintenance
EZ05010	Instrument and Meters Installation Engineering
EZ99990	Other Engineering
F113020	Wholesale of Electrical Appliances
F113050	Wholesale of Computers and Clerical Machinery Equipment
F113070	Wholesale of Telecommunication Apparatus
F113110	Wholesale of Batteries
F114030	Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories
F214030	Retail Sale of Motor Vehicle Parts and Motorcycle Parts, Accessories
F118010	Wholesale of Computer Software
F119010	Wholesale of Electronic Materials
F213010	Retail Sale of Electrical Appliances
F213060	Retail Sale of Telecommunication Apparatus
F213110	Retail Sale of Batteries
F218010	Retail Sale of Computer Software
F219010	Retail Sale of Electronic Materials
F401010	International Trade
G801010	Warehousing
G202010	Parking area Operators
G799990	Other Transportation Support
H701050	Investment, Development and Construction in Public Construction
I103060	Management Consulting

I199990	Other Consulting Service
I301010	Information Software Services
I301020	Data Processing Services
I301030	Electronic Information Supply Services
I501010	Product Designing
I599990	Other Designing
IF04010	Non-destructive Testing
IG02010	Research and Development Service
IG03010	Energy Technical Services
IZ99990	Other Industrial and Commercial Services
JA02020	Motorcycle Repair
JA02030	Bicycle Repair
JA02990	Other Repair
JE01010	Rental and Leasing
ZZ99999	All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The Company shall have its head office in New Taipei City, R.O.C. When it is determined to be necessary, branch offices may be established domestically or overseas, and the establishment and abolishment of branch offices shall be based on the resolution of Board of Directors.

Article 4: Deleted.

Chapter 2 Shares

Article 5: The total capital of the Company shall be NT$ 3,000,000,000 dollars, divided into 300,000,000 shares at a par value of NT$ 10 dollars. For the unissued shares, the Board of Directors is authorized to perform issuance at discrete times depending upon the needs of business. Among which, an amount of NT$ 100,000,000 dollars, divided into 10,000,000 shares, is reserved for employee share subscription warrant.

Article 6: Deleted.

Article 7: For the shares issued by the Company, the printing of share certificates may be exempted; however, they shall be registered with the Centralized Securities Depository Enterprises.

Article 8: The administration of the shareholder services of the Company shall be handled according to the “Regulations Governing the Administration of Shareholder Services of Public Companies” and relevant laws.

Article 9: For the transfer of shares or setting of pledges, the transferor and transferee or pledgor or pledgee shall jointly submit application forms and relevant

documents, after signing and stamping with seals, the documents shall be submitted to the Company or its designated stock agency for registration of transfer.

Article 10: Deleted.

Article 11: Deleted.

Article 12: Deleted.

Article 13: Any transfer registration of shares shall be prohibited within 60 days prior to the ordinary shareholders' meeting, 30 days prior to the extraordinary shareholders' meeting, or 5 days prior to the record date for the distribution of dividends and bonuses or other interests by the Company.

Chapter 3 Shareholders' Meeting

Article 14: (1) The shareholders' meeting shall be classified into two types of the ordinary shareholders' meeting and extraordinary shareholders' meeting. The ordinary shareholders' meeting shall be convened at least once per year, and shall be convened within six months after the close of each fiscal year. The extraordinary shareholders' meeting shall be convened whenever necessary according to laws.

(2) The shareholders' meetings of the Company may be held by video conference or other means announced by the central competent authority. The relevant provisions such as the conditions, operating procedures and other matters to be transacted by which the shareholders' meetings are held by video conference shall be subject to those otherwise stipulated by the securities authorities.

(3) All shareholders shall be informed of the date, location and reasons of convention 30 days before the convention of the ordinary shareholders' meeting, and 15 days before the convention of the extraordinary shareholders' meeting. The convention notice of shareholders' meeting, upon the consent of counter parties, may be made via the electronic method. For shareholders holding registered shares less than 1,000 shares, the aforementioned convention notice may be made via the announcement method.

Article 15: Unless otherwise specified in the law, each shareholder of the Company shall have one vote for each share held.

Article 16: Where a shareholder for any reasons cannot attend the shareholders' meeting in person, he or she may appoint a proxy to attend a shareholders' meeting in his/her/its behalf by executing a power of attorney printed by the Company. The regulations for authorizing proxies to attend meetings on behalf of shareholders shall comply with the regulations of the Company Act and shall also be handled accordingly to the "Regulations Governing the Administration of Shareholder Services of Public Companies" announced by the competent authority.

Article 17: Unless otherwise specified in the Company Act, any resolution at a shareholders' meeting shall be convened with the attendance of a majority of

the shareholders representing more than half of the total number of the company's outstanding shares, and shall be executed based on the majority of the voting rights of attending shareholders. Where the Company lists the electronic method as one of the ways for exercising the voting right according to regulations of the competent authority, the shareholders of the Company may also exercise the voting right via the electronic method. Shareholders using the electronic method to exercise his or her voting right shall be deemed to attend the meeting in person, and relevant matters shall be handed according to the laws.

Chapter 4 Directors and Audit Committee

Article 18: The Company shall have seven to eleven directors (wherein the number of independent directors shall not be less than three directors, and shall not be less one fifth of the total number of directors). , for which the candidates to be elected shall be appointed by the Board of Directors for a term of three years and may be re-elected following appointment.

Directors of the Company shall be elected by way of nomination of candidates set out in Article 192-1 of the Company Act at the shareholders' meeting from the list of candidates; independent directors and non-independent directors shall be elected together, and the number of elected directors shall be calculated separately.

Total number of the registered shares in the Company held by all the directors shall be subject to the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies promulgated by the competent authorities.

Article 18-1: The Company has set up an Audit Committee in lieu of supervisors in accordance with the provisions of Article 14-4 of the Securities and Exchange Act. The Audit Committee is composed entirely of independent directors, who shall exercise functions and powers to deal with related matters as resolved separately by the Board of Directors in accordance with the relevant laws and regulations.

Article 19: Where the directors organize the Board of Directors, one Chairman and one Vice Chairman shall be selected from the directors among themselves in order to execute all affairs of the Company according to the laws, Article of Incorporation, resolutions of the shareholders' meeting and Board of Directors' meeting.

Article 20: The authorities of the Board of Directors are as follows:

(1) Determination of business plan.

(2) Review of important rules and contracts.

(3) Establishment and abolishment of branch institutions.

(4) Review of budget and final accounts.

(5) Appointment and discharge of important employees above the rank of Vice President.

(6) Other matters specified in the Company Act or relevant laws and this Article of Incorporation.

Article 20-1: The purchase of liability insurance for all of the directors shall be determined by the Board of Directors.

Article 21: The convention of Board of Directors' meeting shall indicate the reasons of convention, and all directors shall be informed in writing or through e-mail method seven days in advance; provided that in case of emergencies, such meeting may be convened at any time. The Chairman shall be the chairperson of the Board of Directors' meeting. In case where the Chairman is on leave or absent or cannot exercise his power and authority for any cause, the proxy thereof shall be handled according to the regulation of Article 208 of the Company Act.

Article 22: Unless otherwise specified in the Company Act, resolutions of Board of Directors' meeting shall be executed based on the attendance of a majority of Directors and the consents of more than half of the attending Directors.

Article 23: Where a director cannot attend the Board of Directors' meeting due to reasons, he or she may issue a power of attorney to authorize another director to attend the meeting as a proxy on his or her behalf.

Article 24: When the number of vacancies of directors reaches one third of the total number of directors, the Board of Directors shall convene an extraordinary shareholders' meeting within sixty days to fill the vacancies. The term of office of the directors elected to fill the vacancies shall be limited to fulfill the unexposed term of office of the predecessor.

Article 25: Deleted.

Article 26: Deleted.

Chapter 5 Managerial Officers

Article 27: The Company shall have one President for managing all affairs of the Company according to the directions of the Board of Directors, and may have several Vice Presidents to provide assistance thereto. The appointment and discharge thereof shall be made based on the consents of a majority of all of the directors.

Article 28: Deleted.

Chapter 6 Accounting

Article 29: The accounting fiscal year of the Company shall start from January 1 to December 31.

Article 30: After the end of each fiscal year of the Company, the following documents and statements should be prepared by the Board of Directors, which shall be submitted to the Shareholders' Meeting in accordance with legal procedures for approval:

(1) Business report.

(2) Financial statements.

(3) Proposal on distribution of surplus earnings or covering losses.

Article 31: The directors of the Company may collect allowances. Shareholders or directors taking the role of managerial personnel or employees shall be treated as regular employees entitled to the collection of salaries.

Article 31-1: The remuneration of directors shall be paid according to the common standard of the same industry and based on the resolution of the Board of Directors' meeting authorized.

Article 32: Where there is a profit in a fiscal year, the Company shall allocate no less than 5% of the profit but not higher than 15% thereof as the employees' remuneration; in addition, no more than 1% of the profit for the remuneration of directors. However, in case where there is accumulated loss, the Company shall deduct the amount for the accumulated loss first, followed by making appropriation based on the calculation of remaining balance.

The employees' remuneration may be made in shares or cash, and the distribution recipients may include employees of affiliates of the Company specified in the Company Act.

Article 32-1:

Where there is a surplus in the settlement of a fiscal year, the Company shall distribute the surplus according to the following sequence.

1. Appropriate amount to pay for the income tax according to the law.
2. Compensate the losses of previous years.
3. Allocate 10% for legal reserve.
4. Appropriate or reserve special reserve according to the law or business operation needs.
5. After deducting all of the above amounts described in the preceding paragraphs, the Board of Directors shall combine the remaining balance thereof along with the accumulated undistributed surplus from the previous years in order to establish a shareholders' bonus distribution proposal and to submit such proposal to the shareholders' meeting for resolution on the distribution thereof. The distribution of shareholders' bonus may be made in the form of share dividends or cash dividends.

If a provision made by the Company for special surplus reserves is a net reduction of other equity and the net increase in the fair value of real estate for investment accumulated in the previous period, special surplus reserves of the same amount shall be exacted from the undistributed earnings for the prior period; if there is a shortfall, net profits after tax for the current period, plus the items other than the net profits after tax for the current period shall be included in the provision for undistributed earnings for the current period.

The Company has authorized the Board of Directors to declare dividends and bonuses or statutory surplus reserves and capital surplus in entirely or partially in cash, and reports such declaration at the meeting of shareholders at which more than two thirds of the directors are present, and a resolution on such declaration is approved by more than half of the attending directors.

Article 32-2:

The dividend policy of the Company is as follows:

The Company is current under the developing stage, and to cope with the future business development and expansion, the distribution of surplus shall consider the future capital expense budget and the demand for funds of the Company, such that the appropriation of the distributable surplus shall not be less than 50% for the distribution of shareholders' bonus in each year; provided that when the total amount of distributable surplus fails to reach NT$ 0.5 dollar per share, no distribution may be made. The distribution of shareholders' bonus may be made in the form of share dividends or cash dividends, wherein the share dividends shall not exceed 50% of the total amount of shareholders' bonus distributed in the current year.

Chapter 7 Supplementary Provisions

Article 33: The Company may be a shareholder of limited liability of another company. Regarding the reinvestment total amount, the Company shall not be limited to the reinvestment total amount specified in Article 13 of the Company Act.

Article 34: The Company may provide guarantees to relevant operators in the same industry.

Article 35: According to the regulations of the Securities and Exchange Act or other laws, where a shareholders' meeting is attended by shareholders representing a majority of the total number of shares issued and the consents of two thirds of the voting rights of attending shareholders, the Company may transfer the treasury stocks to employees at price lower than the average price of the shares actually purchased back.

Article 36: The organization regulation and enforcement rules of the Company are established separately.

Article 37: Any matters not specified in this Article of Incorporation shall be handled according to the regulations of the Company Act.

Article 38: These Articles were made effective as of February 18, 1970.

The 1st amendment hereto was made on March 31, 1971.

The 2nd amendment hereto was made on March 31, 1972.

The 3rd amendment hereto was made on August 11, 1972.

The 4th amendment hereto was made on February 14, 1976.

The 5th amendment hereto was made on November 30, 1977.

The 6th amendment hereto was made on January 15, 1981.

The 7th amendment hereto was made on July 4, 1981.

The 8th amendment hereto was made on June 11, 1983.

The 9th amendment hereto was made on July 4, 1983.

The 10th amendment hereto was made on November 10, 1983.

The 11st amendment hereto was made on April 13, 1984.

The 12nd amendment hereto was made on May 14, 1985.

The 13rd amendment hereto was made on January 19, 1986.

The 14th amendment hereto was made on April 25, 1987.

The 15th amendment hereto was made on March 27, 1988.

The 16th amendment hereto was made on April 30, 1990.

The 17th amendment hereto was made on April 20, 1991.

The 18th amendment hereto was made on January 31, 1996.

The 19th amendment hereto was made on April 26, 1997.

The 20th amendment hereto was made on December 15, 1998.

The 21st amendment hereto was made on March 18, 2000.

The 22nd amendment hereto was made on May 22, 2002.

The 23rd amendment hereto was made on June 25, 2003.

The 24th amendment hereto was made on June 15, 2004.

The 25th amendment hereto was made on June 14, 2005.

The 26th amendment hereto was made on June 14, 2006.

The 27th amendment hereto was made on June 13, 2007.

The 28th amendment hereto was made on June 19, 2008.

The 29th amendment hereto was made on June 10, 2009.

The 30th amendment hereto was made on June 25, 2010.

The 31st amendment hereto was made on June 28, 2011.

The 32nd amendment hereto was made on June 5, 2012.

The 33rd amendment hereto was made on June 7, 2016.

The 34th amendment hereto was made on June 13, 2017.

The 35th amendment hereto was made on June 18, 2019.

The 36th amendment hereto was made on June 24, 2020.

The 37th amendment hereto was made on July 22, 2021.

The 38th amendment hereto was made on June 24, 2022.

(Appendix II)

Leader Electronics Inc.
Procedural Rules of General Meetings

Article 1 The Procedural Rules of General Meetings of Leader Electronics Inc. (the "Company"), except as otherwise provided for by laws, regulations, or the articles of association, shall be as specified in these Rules.

Article 2 Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the board of directors.

Changes to how the Company convenes its shareholders' meeting shall be resolved by the board of directors, and shall be made no later than the mailing of the shareholders' meeting notice.

Before convening a general meeting of shareholders, a notice of meeting shall be given to shareholders at least 30 days in advance, and shareholders holding less than 1,000 registered shares may be notified by means of a public announcement made through the MOPS at least 30 days in advance; before convening an ad hoc meeting of shareholders, a notice of meeting shall be given to shareholders at least 15 days in advance, and the shareholders holding less than 1,000 registered shares may be notified by means of a public announcement made through the MOPS at least 15 days in advance.

The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

According to Article 172, paragraph 5 or Article 185, paragraph 1 of the Company Act or Article 26-1 and 43-6 of the Securities and Exchange Act and Article 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, relevant matters shall be set out in the notice and the reasons forconvening a general meeting shall be explicit and detailed, and shall not be proposed as Questions and Motions.

Full election of directors and their appointment date has been set out in the notice of the reasons for convening a general meeting. After election of directors at a general meeting, the appointment date shall not be changed by Questions and Motions or otherwise at the general meeting.

Article 3 For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company no later than five days before the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

If, after the Company has received a proxy form, a shareholder sending the proxy form decides to attend the shareholders' meeting in personor by video conference, or intends to exercise his or her voting rights in writing or electronically, he or she shall issue a written notice to revoke the authorization to the Company no later than two days before the shareholders' meeting. If the revocation is not provided within the specified

time limit, exercise of the voting rights by the proxy attending the meeting shall prevail.

Article 4 The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.

When the Company convenes a shareholders' meeting by video conference, it is not subject to the limitation on places in the preceding paragraph, however both the chair and recorder shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.

Article 5 The Company shall specify in its shareholders' meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders")will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and there shall be a sufficient number of suitable personnel assigned to handle the registrations.For virtual shareholders' meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed to have attended the shareholders' meeting in person.

A shareholder shall attend the general meeting in person or by proxy with the attendance certificate, sign-in card or other certificate of attendance. The proxy acting on behalf of the shareholder shall provide an ID document for verification.

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

The attending shareholdersshallissue the sign-in cards instead.

In the event of a virtual shareholders' meeting, shareholders wishing to attend the meeting online shall register with the Company no later than two days before the meeting date.

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

In the event of a virtual shareholders' meeting, the Company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

Article 6 The chairman of the Board shall chair a general meeting if the meeting is convened by the Board of Directors. If the chairman of the Board is on leave or cannot exercise their power and authority for any cause, the chairman of the Board shall appoint one of the directors to act on their behalf. If not, the directors present shall elect one from among themselves to chair the meeting.

Any director acting on behalf of the chairman described in the preceding paragraph shall have served for more than six months and shall be familiar with the Company's financial position and business operations. The same shall be true for a representative of a juristic person director that serves as chair.

If a general meeting is convened by any person entitled to convene the meeting other than a member of the Board, such person shall preside over the meeting.However, if there are two or more persons entitled to convene the meeting, the chairman of the meeting shall be elected from among themselves.

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

Article 7 Sound or video recordings shall be made for entirety of general meetings by the Company and shall be kept for at least one year.If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recordings shall be retained until the conclusion of the litigation.

Where a shareholders' meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, with sound or video recordings made for the whole course of general meeting, which shall be properly preserved during the existence of the Company, and provided for the preservation of those entrusted with video conference affairs.

Article 8 Attendance and votingat a general meeting shall be based on the number of shares. The number of shares in attendance shall be calculated according to the shares indicated by the sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chairman shall call the general meeting to order at the time scheduled for the meeting. If the number of shares represented by the shareholders present at the meeting has not yet constituted the quorum at the scheduled time, the chairman may postpone the meeting, provided there are no more than two such postponements and for no longer than a total of one hour.If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders' meeting, the Company shall also declare the meeting adjourned on the virtual meeting platform.

If the quorum is not met after two postponements as referred to in the precedingparagraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month.In the event of a virtual shareholders' meeting, shareholders intending to attend the meeting online shall re-register with the Company in accordance with Article 5.

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

Article 9 If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

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

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including questions and motions), except by a resolution of the shareholders' meeting. If the chair declares the

meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.

Article 10 Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, their shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

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

A shareholder may not speak more than twiceon the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

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

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

Where a virtual shareholders' meeting is convened, shareholders attending the virtual meeting online may raise questions in writing on the virtual meeting platform from the time the chair declares the meeting open until the chair declares the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.

Article 11 A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares.

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

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company no later than two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail,except when having received a declaration to revoke a prior expression of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in personor online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, no later than two business days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail.When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.

When the Company convenes a hybrid shareholders' meeting, if shareholders who have registered to attend the meeting online in accordance with Article 5 decide to attend the physical shareholders' meeting in person, they shall revoke their registration no later than two days before the shareholders' meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders' meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders' meeting online, except for questions and motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

Article 12 With respect to resolutions of shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

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

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

Article 13 Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the procedure in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Article 14 Vote monitoring and counting personnel for the voting on a proposal shall be

appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.

Article 15 Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

When the Company convenes a virtual shareholders' meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session closed or will be deemed to have abstained from voting.

In the event of a virtual shareholders' meeting, votes shall be counted at once after the chair announces the voting session closed, and results of votes and elections shall be announced immediately. The Company shall immediately disclose the voting results and election results of proposals on the video conference platform of the shareholders' meetings in accordance with the regulations after the voting is completed.

Article 16 The election of directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected.

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

Article 17 Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting.

The meeting minutes in the preceding paragraph may be produced in electronic form and distributed by means of a public announcement.

The meeting minutes shall accurately record the year, month, date, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results, and shall be retained for the duration of the existence of the Company.

Where a virtual shareholders' meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders' meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.

When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders' meeting online.

Article 18 On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation,the number of shares represented by proxiesand the number of shares represented by shareholders attending the meeting by correspondence or electronic

means, and shall make an express disclosure of the same at the place of the shareholders' meeting.In the event a virtual shareholders' meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

During the Company's virtual shareholders' meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

If the matters resolved at a general meeting contains material information under applicable laws or regulations or specified by the competent authorities, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 19 Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.

The chair may assign the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an armband bearing the word "Proctor."

At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

Article 20 For a virtual shareholders' meeting, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders' meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the first paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders' meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholder's meeting held under the first paragraph, no further discussion or resolution is required for proposals or elections for which votes have been cast and counted and results have been announced.

When the Company convenes a hybrid shareholders' meeting, and the virtual meeting cannot continue as described in first paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders' attending the virtual shareholders' meeting online, still meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue, and no postponement or resumption thereof under the first paragraph is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed to have abstained from voting on all proposals on the meeting agenda of that shareholders' meeting.

Article 21 These Rules shall take effect after having been submitted to and approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.

Article 22 Amended on

The 1st amendment hereto was made on May 22, 2002.

The 2nd amendment hereto was made on June 13, 2007.

The 3rd amendment hereto was made on June 10, 2009.

The 4th amendment hereto was made on June 5, 2012.

The 5th amendment hereto was made on June 19, 2013.

The 6th amendment hereto was made on June 13, 2017.

The 7th amendment hereto was made on June 24, 2020.

The 8th amendment hereto was made on June 21, 2023.

(Appendix III)

Leader Electronics Inc.

Shareholdings by Directors

I. In accordance with the provisions of Article 14-4 of the Securities and Exchange Act, the Company has established an Audit Committee and replaced supervisors with independent directors.

II. In accordance with the provisions of Article 2 of the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, the minimum number of shares to be held by all directors other than independent directors of the Company is 12,000,000 shares.

III. As of the date for suspension of the share transfer at the general meeting in 2024 (April 23, 2024), the total number of outstanding shares of the Company is 202,362,779 shares, and the shareholdings by individual and all directors recorded in its register of members is as follows:

Title	Name	Number of shares	Remarks
Chairman	C.Y Pao	10,278,330	Including 7,049,927 shares reserved for decision on trust holding
Director	Andrew Bao	2,132,557	
Director	Cheng, Ken-Yi	0	
Director	K.Y Chou	604,477	
Director	Yeh Hsieh, Chiu - Chin	1,165,993	
Independent director	Chao Cherng	0	
Independent director	Yang, Ming-Si	0	
Independent director	Jim Cherng	0	
Independent director	Wang, Wei-Tsong	0	
Total number of shares held by all directors		14,181,357	