



Stock Code: 4989
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# **LCY Technology Corp.**

## **2025 Annual Shareholders' Meeting Meeting Handbook (Translation)**

Time: June 20, 2025, 9:00 a.m.

Place: Conference Room 1002, 10F., No. 11, Zhongshan S. Rd.,  
Zhongzheng Dist., Taipei City  
Conference Room 1002, International Conference Center,  
Chang Yung-Fa Foundation

### **Notice to Readers**

The Meeting Handbook has been translated into English from the original Chinese version. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese version shall prevail.

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## **I. . Meeting Procedure**

### **LCY TECHNOLOGY CORP.**

#### **Meeting Procedure for 2025 Annual Shareholders’ Meeting**

1. Call the Meeting to Order
2. Chairman’s Remarks
3. Announcements
4. Matters To Acknowledge
5. Discussions
6. Extempore Motions
7. Adjournment

## II. Meeting Agenda

### LCY TECHNOLOGY CORP.

#### Meeting Agenda for 2025 Annual Shareholders' Meeting

**Convening method:** physical shareholders' meeting

**Time:** At 9:00 a.m. on June 20, 2025

**Location:** Conference Room 1002, 10F., No. 11, Zhongshan S. Rd., Zhongzheng Dist., Taipei City, Taiwan (R.O.C.)

(Room 1002 of International Conference Center of Chang Yung-fa Foundation)

1. Call the Meeting to Order
2. Chairman's Remarks
3. Announcements
  - (1) 2024 Business Report
  - (2) 2024 Audit Committee's Review Report
  - (3) Report of Directors' Compensation for 2024
  - (4) Report on the Amendment to the "Rules of Procedure for Board of Directors Meetings"
4. Matters To Acknowledge
  - (1) 2024 Business Report and Financial Statements
  - (2) To approve the appropriation of profit or loss of 2024
5. Discussions
  - (1) Amendment to the Company's "Articles of Incorporation"
6. Extempore Motions
7. Adjournment



### **III. Announcements**

1. 2024 Business Report, for your review.

**Description:**

- (1) 2024 Business Report, please refer to Attachment 1 (page8-12).
- (2) 2024 Financial Statements, please refer to Attachment 2 (page13-39).

2. 2024 Audit Committee's Review Report for your review.

**Description:**

- (1) The Company's Final Statement was adopted by the resolution of the Audit Committee and the Board of Directors on March 13, 2025. Audit Committee's Review Report, please refer to Attachment 3 (page 40).
- (2) Communication between the Audit Committee and the Head of Internal Audit, please refer to Attachment 4 (page 41).

3. Report of Directors' Compensation for the Year 2024, for your review.

**Description:**

- (1) According to Article 26 of the Company's Articles of Incorporation, the remuneration of all directors is authorized to be determined by the Board of Directors based on their level of participation in the Company's operations and the value of their contributions, with reference to the standard levels commonly seen in the same industry.
- (2) Furthermore, according to Article 30-1 of the Company's Articles of Incorporation, before distributing profits, the Company shall allocate no more than two percent of the earnings as directors' compensation. Independent directors shall not participate in the distribution of directors' compensation.
- (3) The remuneration for all directors of the Company is paid monthly. For the year 2024, no compensation will be distributed to directors and supervisors due to operating losses.
- (4) Please refer to Attachment 5 (page 42) for the content and amount of directors' compensation paid for 2024.

**4. Report on the Amendment of the "Rules of Procedure for Board of Directors Meetings", for your review.**

**Description:**

- (1) In reference to the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" amended and promulgated by the Financial Supervisory Commission of the Republic of China on January 11, 2024, per Order No. 1120383996, the Company has accordingly amended its "Rules of Procedure for Board of Directors Meetings".
- (2) Please refer to Attachment 6 (page 43) for the comparison table of amendments to the Rules of Procedure for Board of Directors Meetings.

## **IV. Matters To Acknowledge**

### **Proposal 1**

**Proposed by the Board of Directors**

**Summary:** 2024 Business Report and Financial Statements

**Description:**

1. The Company's consolidated and individual financial statements for the year 2024 have been prepared and audited by CPAs Kuo, Wen-Chi and Liu, Chien-Liang of Deloitte & Touche, who have issued an unqualified opinion. The financial statements, along with the business report, have been reviewed by the Audit Committee, which has issued its audit report.
2. Please refer to Attachment 1 to 3 (pages 8 to 40).
3. Proposed for ratification.

**Resolution:**

### **Proposal 2**

**Proposed by the Board of Directors**

**Summary:** Deficit Compensation for 2024

**Description:**

1. The Company's after-tax net loss for the year 2024 is NT\$ (same below) 305,228,129, plus the undistributed earnings from previous years of 289,550,563, resulting in a current period deficit of 15,677,566 to be compensated. It is proposed to use the legal reserve of 15,677,566 to compensate for the loss. After compensating for the loss, the remaining deficit amount is NT\$0.
2. The proposed 2024 Deficit Compensation Statement is available for reference in Attachment 7 (page 45).
3. Proposed for ratification.

**Resolution:**

## **V. Discussions**

### **Proposal 1**

**Proposed by the Board of Directors**

#### **Summary: Amendment to the Company's "Articles of Incorporation"**

#### **Description:**

1. According to Paragraph 6, Article 14 of the Securities and Exchange Act, the company shall stipulate in its Articles of Incorporation that a certain percentage of annual profits shall be allocated for adjusting salaries or distributing compensation to basic-level employees; and to comply with Articles 195 and 199-1 of the Company Act, provisions regarding the term of office for re-elected directors are added. The Company hereby amends its "Articles of Incorporation" according to the content.
2. For the comparison table of amendments to the "Articles of Incorporation," please refer to Attachment 8 (page 46).
3. Please discuss.

#### **Resolution:**

## **VI. Extempore Motions**

## **VII. Adjournment**

## LCY TECHNOLOGY CORP.

### 2024 Business Report

#### 1. Business and Profit & Loss Overview

The Company is mainly engaged in the production of electrolytic copper foil. Copper foil is an indispensable material in the copper-clad laminates and printed circuit boards industry, and it is difficult to replace it with other materials.

Based on past experience, the global PCB output value's growth rate is approximately 4% to 5% on average. Benefiting from the dual effects of 5G communication technology and robust global economic activity, the PCB industry delivered outstanding performance for two consecutive years in 2020 and 2021. However, the global economy and demand always follow cyclical patterns. Concerns about an economic slowdown began to emerge in early 2022, and by year-end, terminal demand had indeed weakened significantly. Under the continuous negative factors of international conflicts, high inflation, and high inventory levels, 2022 witnessed a shift from prosperity to decline in demand. Starting from 2023, after experiencing supply chain disruptions during the pandemic and semiconductors becoming strategic materials, major countries have successively introduced policies to strengthen supply chains, and the industry's growth rate is expected to return to its long-term average level.

However, with the confirmed cancellation of ECFA tariff preferences in June 2024, price-cutting competition from China, and electricity price increases, Taiwan's copper foil industry also faces challenges in the second half of 2024.

Unit: Ton

Electrolytic copper foil	2023	2024	Comparison of Increase (Decrease)	Percentage Increase (Decrease)
Production Volume	9,771	8,056	(1,715)	(17.55)
Sales Volume	9,969	7,795	(2,174)	(21.81)

In 2024, the Company's consolidated operating revenue was NT\$2,993,614 thousand, consolidated gross loss was NT\$253,138 thousand, consolidated net loss after tax was NT\$305,228 thousand, and consolidated basic loss per share after tax was NT\$2.22.

#### 2. Research and Development

With the rapid development of automotive electronics, 5G, and other end-product applications, requirements for high-frequency interference and high-speed transmission have become increasingly stringent in 2024. Therefore, regarding raw materials, there is a need for reverse-

## Attachment 1

treated copper foil with thinner thickness and lower roughness. We have already developed a series of reverse-treated foil products, among which PK-HTE-2RT can be used for high-speed multilayer fine-line circuit boards and has been verified and approved by customers. It can also be used for high-frequency signal transmission boards (such as automotive collision avoidance radar, GPS safety systems, and servers) and the high-end flexible circuit board market.

In addition to continuously deepening our presence in the existing market for electrolytic copper foil needed for copper clad laminates and printed circuit boards, we have also developed and invested in: (1) ultra-low roughness reverse-treated copper foil (PK-HTE-2RT), (2) 8  $\mu\text{m}$  PK-HTE-LP3 ultra-thin copper foil, and (3) ultra-low roughness double-sided shiny copper foil (HVLP-4, HVLP-5) for big data transfer and low-loss applications.

To increase its revenue and profit, the company has been focusing on the development of high value-added products and increasing the revenue proportion of niche products. We are also committed to reducing the production of process waste, highlighting our focus on ESG (environmental, social, and corporate governance).

### 3. Execution of Revenue and Expenditure and Profitability

#### Revenue and Expense

Unit: NT\$ thousand

Item	2023	2024	Comparison of Increase (Decrease)	Percentage of Increase (Decrease) %
Sales revenue	3,557,969	2,993,614	(564,355)	(15.86)
Sales cost	3,598,751	3,246,752	(351,999)	(9.78)
Gross Profit (Loss) from Sales	(40,782)	(253,138)	(212,356)	(520.71)
Operating Expenses	140,729	155,008	(14,279)	(10.15)
Operating Income	(181,511)	(408,146)	(226,635)	(124.86)
Non-operating Income (Expenses) Net value	15,020	99,391	84,371	561.72
Pre-tax Net Income (Loss)	(166,491)	(308,755)	(142,264)	(85.45)
After-tax Net Income (Loss)	(133,765)	(305,228)	(171,463)	(128.18)

## (2) Profitability

Item	2023	2024
Return on total assets (%)	(4.47)	(11.60)
Return on shareholders' equity (%)	(5.83)	(14.73)
Ratio of operating profit to paid-in capital (%)	(13.17)	(29.62)
Net income pre tax to paid-in capital (%)	(12.08)	(22.40)
Net profit margin (%)	(3.75)	(10.19)
Earnings per share before tax (NT\$)	(1.21)	(2.24)
After-Tax Earnings Per Share (NT\$)	(0.97)	(2.22)

#### 4. Summary of 2024 Business Plan

Looking back at the international political and economic situation in 2024, various perspectives consider this year to be a turning point for the global economy. Compared to a year ago, although the global economy shows some signs of recovery, unstable global geopolitics, the impact of monetary policies, and inflationary pressures remain the main risk factors, and Trump's victory in the US election on issues such as tariffs, corporate tax rates, and immigration may bring new risks to the global economy.

Furthermore, the green technology subsidy competition could escalate into a global trade war. Major economies such as the United States and Europe are implementing incentive measures to encourage companies to invest in clean energy technologies to achieve net-zero greenhouse gas emissions, while fiercely competing with China, the global leader in green technology production. Therefore, major international forecasting institutions believe that the global economic growth rate in 2025 will be slightly lower than in 2024, although global commodity trade is expected to recover, which should help stabilize Taiwan's foreign trade performance.

Additionally, with the great leap in the development of artificial intelligence (AI), the current mainstream of AI in cloud computing has sparked a wave of server business opportunities. Our company has formulated flexible strategies to respond to the global economic soft landing and the fermentation in the AI field. At the same time, we are cooperating with advanced Japanese companies to leverage synergies, developing special copper foils and high-end market specifications to increase product added value and sustainable stable operations. Our production process aims to save energy and reduce carbon emissions to meet international ESG trends and carbon neutrality requirements. We work closely with customers to jointly develop high-frequency and high-speed materials and product certifications, perfecting our product lines to meet the needs of end-product applications and market demands.



Furthermore, the company is strengthening operational resilience by integrating internal and external resource sharing, enhancing research and development, and improving manufacturing processes to achieve lean production. This will increase production efficiency and enable the manufacture of more high-quality products. The Company's annual operating target in 2025 is to produce 8,346 tons and sell 8,584 tons of electrolytic copper foil.

## 5. Future Outlook

The company adheres to the business philosophy of "integrity-based, quality-focused, customer satisfaction, profit creation, and employee care". It continues to develop new products, accurately grasping the needs of new-generation products, and inheriting its cost control policies as well as continuously increasing the production and sales ratio of niche products to expand its market reach. The company aims to provide customers with diverse and customized products, striving to become a benchmark enterprise for diverse copper foil products and achieve a win-win goal.

With the advantage of long-term good cooperative relationships with customers and collaborative development, the company's product specifications range from 8μm to 4oz, and it has developed special copper foils for printed circuit boards. The company is gradually developing products for end-use applications and obtaining certifications. It continues to maintain good relationships with customers and further develop potential markets.

In terms of our continuous ESG promotion, the company launched the "Carbon Footprint" program in 2022. Through third-party verification, it obtained the ISO 14607 Carbon Footprint Verification Statement and the UL 2809 certification for 100% recycled copper content. The company has previously obtained ISO 14001:2015 Environmental Management System Certification, ISO 50001 2018 Energy Management System Certification, and ISO 9001 2015 Quality Management System Certification. It has implemented lead-free and arsenic-free processes throughout its operations, complying with international environmental regulations such as RoHS, POHS, and REACH. The company has also obtained ISO 45001 2018 Occupational Health and Safety Management System Certification and CNS 45001 2018 Taiwan Occupational Health and Safety Management System Certification. It continues to promote company-wide environmental risk management, upholding its commitment and responsibility to safety, environment, and health as its basic requirements. In 2022, the company issued its first ESG report in the industry and is currently using green energy certificates in 2023.

In terms of corporate governance, the company adheres to integrity as the highest guiding principle for its operations. It has established the "Ethical Corporate Management Best Practice Principles", "Codes of Ethical Conduct", and "Ethical Conduct Guidelines" to avoid damaging the company's and shareholders' interests due to unethical behavior, improper benefits, or improper donations. The company has also established a whistleblowing system. Regarding the board structure, the Corporate Governance Best Practice Principles clearly stipulate the

## Attachment 1

diversity policy and relevant capabilities for board members. The board comprises seven members (including three independent directors) with extensive experience in operational judgment, accounting and financial analysis, risk management, industry analysis, international market perspectives, leadership, and decision-making abilities. They provide suggestions on long-term and short-term goals and operational development strategies, allowing them to fully utilize their professional functions.

Looking ahead, the external regulatory and overall business environment is becoming increasingly stringent, with intense external competition, high inflationary pressures, difficult declines in raw material prices, and no significant improvement in end-user demand. Additionally, geopolitical factors and trade barriers create uncertainties, posing short-term challenges. However, the company will adhere to steady and step-by-step operations, striving to maintain its existing advantages, enhance product and service quality, and continuously develop differentiated copper foil products. It aims to increase the revenue share of niche products and achieve sustainable operations.

Chairman:  
Paul Chen

General Manager:  
LIU, CHIA HE

Accounting Supervisor:  
LEE, LING CHIH

## Auditor's Opinion and Consolidated Financial Statements



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### INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders  
LCY Technology Corp.

#### Opinion

We have audited the accompanying consolidated financial statements of LCY Technology Corp. and its subsidiary (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

#### Basis for Opinion

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the consolidated financial statements for the year ended December 31, 2024 are stated as follows:

**Timing of Revenue Recognition**

The Group recognizes revenue when goods arrive at the agreed destination pursuant to the shipping terms of the sale, which increases the risk that the sale of goods may not be recognized in the correct period at or near the end of the reporting period; therefore, we considered the timing of revenue recognition a key audit matter. Refer to Note 4 to the consolidated financial statements for the accounting policies on revenue recognition.

Our audit procedures performed related to the timing of revenue recognition included the following:

1. We evaluated the design of the internal controls with respect to the recognition of revenue from sales under the terms that the transfer of control over the goods to customers is based on the time when goods arrive at the agreed destination; we tested the operating effectiveness of the controls.
2. We performed cut-off tests and confirmed that sales are recognized in the correct period; we traced the recorded sales to third-party notification and related supporting documentation.

**Other Matter**

We have also audited the parent company only financial statements of LCY Technology Corp. as of and for the years ended December 31, 2024 and 2023 on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS, IAS, IFRIC and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including audit committee, are responsible for overseeing the Group's financial reporting process.



### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Wen-Chi Kuo and Chien-Liang Liu.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 13, 2025

Notice to Readers

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

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

## Attachment 2

### LCY TECHNOLOGY CORP. AND SUBSIDIARY

#### CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

ASSETS	2024		2023	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash (Note 6)	\$ 434,938	18	\$ 558,512	20
Notes receivable (Note 8)	29	-	-	-
Trade receivable (Notes 8 and 20)	618,417	26	818,184	29
Other receivables (Notes 8 and 26)	58,698	2	116,119	4
Other receivables - related parties (Note 27)	13	-	25	-
Current tax assets (Note 22)	7,294	-	1,351	-
Inventories (Note 9)	592,105	24	587,404	21
Prepayments (Note 14)	15,851	1	9,067	-
Other current assets (Note 14)	44,342	2	42,822	2
<b>Total current assets</b>	<b>1,771,687</b>	<b>73</b>	<b>2,133,484</b>	<b>76</b>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through other comprehensive income (Note 7)	121,388	5	81,716	3
Investments accounted for using the equity method (Note 11)	2,027	-	2,022	-
Property, plant and equipment (Notes 12 and 27)	368,162	15	410,525	15
Right-of-use assets (Notes 13 and 27)	108,927	5	117,954	4
Intangible assets	3,566	-	4,277	-
Deferred tax assets (Note 22)	42,089	2	39,762	2
Refundable deposits (Note 27)	3,020	-	3,687	-
Long-term prepayments	115	-	241	-
<b>Total non-current assets</b>	<b>649,294</b>	<b>27</b>	<b>660,184</b>	<b>24</b>
<b>TOTAL</b>	<b>\$ 2,420,981</b>	<b>100</b>	<b>\$ 2,793,668</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Note 15)	\$ 110,000	4	\$ 37,500	1
Trade payables (Note 16)	113,833	5	288,855	10
Trade payables - related parties (Note 27)	16,403	1	41,237	2
Other payables (Note 17)	99,649	4	80,355	3
Other payables - related parties (Note 27)	15,229	1	13,607	1
Lease liabilities (Notes 13 and 27)	8,247	-	9,961	-
Other current liabilities (Notes 17 and 20)	9,216	-	5,584	-
<b>Total current liabilities</b>	<b>372,577</b>	<b>15</b>	<b>477,099</b>	<b>17</b>
<b>NON-CURRENT LIABILITIES</b>				
Deferred tax liabilities (Note 22)	3,325	-	101	-
Lease liabilities (Notes 13 and 27)	105,712	5	112,405	4
<b>Total non-current liabilities</b>	<b>109,037</b>	<b>5</b>	<b>112,506</b>	<b>4</b>
<b>Total liabilities</b>	<b>481,614</b>	<b>20</b>	<b>589,605</b>	<b>21</b>
<b>EQUITY (Note 19)</b>				
Share capital	1,377,765	57	1,377,765	49
Capital surplus	324,530	13	323,671	12
Retained earnings				
Legal reserve	179,164	8	179,164	7
Unappropriated earnings (accumulated deficit)	(15,676)	(1)	289,552	10
Total retained earnings	163,488	7	468,716	17
Other equity	73,584	3	33,911	1
<b>Total equity</b>	<b>1,939,367</b>	<b>80</b>	<b>2,204,063</b>	<b>79</b>
<b>TOTAL</b>	<b>\$ 2,420,981</b>	<b>100</b>	<b>\$ 2,793,668</b>	<b>100</b>

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

# **LCY TECHNOLOGY CORP. AND SUBSIDIARY**

## **CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME** **FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023** **(In Thousands of New Taiwan Dollars, Except Loss Per Share)**

	<b>2024</b>		<b>2023</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
SALES (Note 27)	\$ 2,993,614	100	\$ 3,557,969	100
COST OF GOODS SOLD (Notes 9, 21 and 27)	<u>3,246,752</u>	<u>108</u>	<u>3,598,751</u>	<u>101</u>
GROSS LOSS	<u>(253,138)</u>	<u>(8)</u>	<u>(40,782)</u>	<u>(1)</u>
OPERATING EXPENSES (Notes 21 and 27)				
Selling and marketing expenses	64,290	2	68,406	2
General and administrative expenses	79,550	3	61,051	2
Research and development expenses	<u>11,168</u>	<u>-</u>	<u>11,272</u>	<u>-</u>
Total operating expenses	<u>155,008</u>	<u>5</u>	<u>140,729</u>	<u>4</u>
LOSS FROM OPERATIONS	<u>(408,146)</u>	<u>(13)</u>	<u>(181,511)</u>	<u>(5)</u>
NON-OPERATING INCOME AND EXPENSES (Notes 21 and 27)				
Interest income	15,352	-	13,476	-
Other income	20,868	1	13,012	-
Other gains and losses	66,344	2	(8,741)	-
Finance costs	(3,197)	-	(2,748)	-
Share of profit or loss of associates (Note 11)	<u>24</u>	<u>-</u>	<u>21</u>	<u>-</u>
Total non-operating income and expenses	<u>99,391</u>	<u>3</u>	<u>15,020</u>	<u>-</u>
LOSS BEFORE INCOME TAX	(308,755)	(10)	(166,491)	(5)
INCOME TAX BENEFIT (Note 22)	<u>(3,527)</u>	<u>-</u>	<u>(32,726)</u>	<u>(1)</u>
NET LOSS	<u>(305,228)</u>	<u>(10)</u>	<u>(133,765)</u>	<u>(4)</u>
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss				
Unrealized gain or loss on investments in equity instruments at fair value through other comprehensive income	39,672	1	24,646	1
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other comprehensive income	<u>39,673</u>	<u>1</u>	<u>24,646</u>	<u>1</u>

(Continued)



**LCY TECHNOLOGY CORP. AND SUBSIDIARY****CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(In Thousands of New Taiwan Dollars, Except Loss Per Share)**

	<u>2024</u>		<u>2023</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
TOTAL COMPREHENSIVE LOSS	<u>\$ (265,555)</u>	<u>(9)</u>	<u>\$ (109,119)</u>	<u>(3)</u>
LOSS PER SHARE (Note 23)				
Basic	<u>\$ (2.22)</u>		<u>\$ (0.97)</u>	
Diluted	<u>\$ (2.22)</u>		<u>\$ (0.97)</u>	

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

(Concluded)

## Attachment 2

### LCY TECHNOLOGY CORP. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(In Thousands of New Taiwan Dollars)

	Share Capital			Retained Earnings		Other Equity		Total Equity
	Number of Shares (In Thousands)	Ordinary Share	Capital Surplus	Legal Reserve	Unappropriated Earnings (Accumulated Deficit)	Exchange Differences on Translation of Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	
BALANCE AT JANUARY 1, 2023	137,776	\$ 1,377,765	\$ 318,594	\$ 158,865	\$ 512,504	\$ 136	\$ 9,129	\$ 2,376,993
Appropriation of 2022 earnings	-	-	-	20,299	(20,299)	-	-	-
Legal reserve	-	-	-	-	(68,888)	-	-	(68,888)
Cash dividends	-	-	5,077	-	-	-	-	5,077
Share-based payment	-	-	-	-	(133,765)	-	-	(133,765)
Net loss in 2023	-	-	-	-	-	-	-	-
Other comprehensive income in 2023	-	-	-	-	-	-	24,646	24,646
Total comprehensive loss in 2023	-	-	-	-	(133,765)	-	24,646	(109,119)
BALANCE AT DECEMBER 31, 2023	137,776	1,377,765	323,671	179,164	289,552	136	33,775	2,204,063
Share-based payment	-	-	859	-	-	-	-	859
Net loss in 2024	-	-	-	-	(305,228)	-	-	(305,228)
Other comprehensive income in 2024	-	-	-	-	-	1	39,672	39,672
Total comprehensive loss in 2024	-	-	-	-	(305,228)	1	39,672	(265,555)
BALANCE AT DECEMBER 31, 2024	137,776	\$ 1,377,765	\$ 324,530	\$ 179,164	\$ (15,676)	\$ 137	\$ 73,447	\$ 1,939,367

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

# LCY TECHNOLOGY CORP. AND SUBSIDIARY

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	\$ (308,755)	\$ (166,491)
Adjustments for:		
Depreciation expense	82,586	88,899
Amortization expense	1,132	1,291
Amortization of prepayments	633	3,426
Expected credit gain reversed on trade receivables	-	(2)
Share-based payment	859	5,077
Finance costs	3,197	2,748
Interest income	(15,352)	(13,476)
Dividend income	3,536	-
Share of profit of associates	(24)	(21)
Loss on disposal of property, plant and equipment	-	1,027
Write-down of inventories	46,491	8,134
Net (gain) loss on unrealized foreign currency exchange	(50,016)	22,434
Gain on modification of lease	(6)	-
Changes in operating assets and liabilities		
Notes receivable	(29)	-
Trade receivables	242,075	19,253
Trade receivables - related parties	-	2,339
Other receivables	62,109	30,511
Other receivables - related parties	12	235
Inventories	(51,192)	58,256
Prepayments	(13,256)	(1,326)
Other current assets	(1,520)	(5,119)
Trade payables	(181,818)	(14,122)
Trade payables - related parties	(26,781)	1,975
Other payables	11,479	(24,487)
Other payables - related parties	1,622	(7,434)
Other current liabilities	3,632	(1,768)
Cash (used in) generated from operations	(189,386)	11,359
Interest paid	(3,227)	(2,756)
Income tax paid	(1,519)	(67,245)
Net cash used in operating activities	(194,132)	(58,642)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(22,517)	(71,918)
Decrease (increase) in refundable deposits	667	(460)
Interest received	15,352	13,476
Dividends received	19	5
Net cash used in investing activities	(6,479)	(58,897)

(Continued)

**LCY TECHNOLOGY CORP. AND SUBSIDIARY****CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(In Thousands of New Taiwan Dollars)**

	<b>2024</b>	<b>2023</b>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	\$ 250,000	\$ 37,500
Repayments of short-term borrowings	(177,500)	-
Repayment of the principal portion of lease liabilities	(9,832)	(9,614)
Dividends paid	<u>-</u>	<u>(68,888)</u>
Net cash generated from (used in) financing activities	<u>62,668</u>	<u>(41,002)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>14,369</u>	<u>(4,002)</u>
NET DECREASE IN CASH	(123,574)	(162,543)
CASH AT THE BEGINNING OF THE YEAR	<u>558,512</u>	<u>721,055</u>
CASH AT THE END OF THE YEAR	<u>\$ 434,938</u>	<u>\$ 558,512</u>

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

(Concluded)



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## INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders  
LCY Technology Corp.

### Opinion

We have audited the accompanying parent company only financial statements of LCY Technology Corp. (the "Corporation"), which comprise the parent company only balance sheets as of December 31, 2024 and 2023, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including material accounting policy information (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 parent company only financial position of the Corporation as of December 31, 2024 and 2023, and its parent company only financial performance and its parent company only cash flows for the years then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Corporation in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the Corporation's parent company only financial statements for the year ended December 31, 2024 are stated as follows:

Timing of Revenue Recognition

The Corporation recognizes revenue when goods arrive at the agreed destination pursuant to the shipping terms of the sale, which increases the risk that the sale of goods may not be recognized in the correct period at or near the end of the reporting period; therefore, we considered the timing of revenue recognition a key audit matter. Refer to Note 4 to the parent company only financial statements for the accounting policies on revenue recognition.

Our audit procedures performed related to the timing of revenue recognition included the following:

1. We evaluated the design of the internal controls with respect to the recognition of revenue from sales under the terms that the transfer of control over the goods to customers is based on the time when goods arrive at the agreed destination; we tested the operating effectiveness of the controls.
2. We performed cut-off tests and confirmed that sales are recognized in the correct period; we traced the recorded sales to third-party notification and related supporting documentation.

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

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

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

Those charged with governance, including audit committee, are responsible for overseeing the Corporation's financial reporting process.

**Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements**

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



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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Wen-Chi Kuo and Chien-Liang Liu.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 13, 2025

Notice to Readers

*The accompanying parent company only financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China (ROC) and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally applied in the ROC.*

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



## Attachment 2

### LCY TECHNOLOGY CORP.

PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2024 AND 2023  
(In Thousands of New Taiwan Dollars)

ASSETS	2024		2023	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash (Note 6)	\$ 434,924	18	\$ 558,499	20
Notes receivable (Note 8)	29	-	-	-
Trade receivable (Notes 8 and 19)	618,417	26	818,184	29
Other receivables (Notes 8 and 25)	58,698	2	116,119	4
Other receivables - related parties (Note 26)	13	-	25	-
Current tax assets (Note 21)	7,294	-	1,351	-
Inventories (Note 9)	592,105	24	587,404	21
Prepayments (Note 13)	15,851	1	9,067	-
Other current assets (Note 13)	44,342	2	42,822	2
Total current assets	1,771,673	73	2,133,471	76
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income (Note 7)	121,388	5	81,716	3
Investments accounted for using the equity method (Note 10)	2,041	-	2,035	-
Property, plant and equipment (Notes 11 and 26)	368,162	15	410,525	15
Right-of-use assets (Note 12 and 26)	108,927	5	117,954	4
Intangible assets	3,566	-	4,277	-
Deferred tax assets (Note 21)	42,089	2	39,762	2
Refundable deposits (Note 26)	3,020	-	3,687	-
Long-term prepayments	115	-	241	-
Total non-current assets	649,308	27	660,197	24
TOTAL	\$ 2,420,981	100	\$ 2,793,668	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 14)	\$ 110,000	4	\$ 37,500	1
Trade payables (Note 15)	113,833	5	288,855	10
Trade payables - related parties (Note 26)	16,403	1	41,237	2
Other payables (Note 16)	99,649	4	80,355	3
Other payables - related parties (Note 26)	15,229	1	13,607	1
Lease liabilities (Notes 12 and 26)	8,247	-	9,961	-
Other current liabilities (Notes 16 and 19)	9,216	-	5,584	-
Total current liabilities	372,577	15	477,099	17
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Note 21)	3,325	-	101	-
Lease liabilities (Notes 12 and 26)	105,712	5	112,405	4
Total non-current liabilities	109,037	5	112,506	4
Total liabilities	481,614	20	589,605	21
EQUITY (Note 18)				
Share capital	1,377,765	57	1,377,765	49
Capital surplus	324,530	13	323,671	12
Retained earnings				
Legal reserve	179,164	8	179,164	7
Unappropriated earnings (accumulated deficit)	(15,676)	(1)	289,552	10
Total retained earnings	163,488	7	468,716	17
Other equity	73,584	3	33,911	1
Total equity	1,939,367	80	2,204,063	79
TOTAL	\$ 2,420,981	100	\$ 2,793,668	100

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

**LCY TECHNOLOGY CORP.**
**PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**  
**(In Thousands of New Taiwan Dollars, Except Loss Per Share)**

	<b>2024</b>		<b>2023</b>	
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Total operating expenses	<u>155,008</u>	<u>5</u>	<u>140,729</u>	<u>4</u>
LOSS FROM OPERATIONS	<u>(408,146)</u>	<u>(13)</u>	<u>(181,511)</u>	<u>(5)</u>
NON-OPERATING INCOME AND EXPENSES (Notes 20 and 26)				
Interest income	15,352	-	13,476	-
Other income	20,868	1	13,012	-
Other gains and losses	66,344	2	(8,741)	-
Finance costs	(3,197)	-	(2,748)	-
Share of profit or loss of subsidiaries and associates (Note 10)	<u>24</u>	<u>-</u>	<u>21</u>	<u>-</u>
Total non-operating income and expenses	<u>99,391</u>	<u>3</u>	<u>15,020</u>	<u>-</u>
LOSS BEFORE INCOME TAX	(308,755)	(10)	(166,491)	(5)
INCOME TAX BENEFIT (Note 21)	<u>(3,527)</u>	<u>-</u>	<u>(32,726)</u>	<u>(1)</u>
NET LOSS	<u>(305,228)</u>	<u>(10)</u>	<u>(133,765)</u>	<u>(4)</u>
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Items that will not be reclassified subsequently to profit or loss				
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Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Continued)

**LCY TECHNOLOGY CORP.**
**PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**  
**(In Thousands of New Taiwan Dollars, Except Loss Per Share)**

	<b>2024</b>		<b>2023</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
Total other comprehensive income	\$ 39,673	1	\$ 24,646	1
TOTAL COMPREHENSIVE LOSS	\$ (265,555)	(9)	\$ (109,119)	(3)
LOSS PER SHARE (Note 22)				
Basic	\$ (2.22)		\$ (0.97)	
Diluted	\$ (2.22)		\$ (0.97)	

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

Auditor's Opinion and Separate Financial Statements (p.21~30) 10 pages reserved



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## INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders  
LCY Technology Corp.

### Opinion

We have audited the accompanying parent company only financial statements of LCY Technology Corp. (the "Corporation"), which comprise the parent company only balance sheets as of December 31, 2024 and 2023, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including material accounting policy information (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 parent company only financial position of the Corporation as of December 31, 2024 and 2023, and its parent company only financial performance and its parent company only cash flows for the years then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Corporation in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the Corporation's parent company only financial statements for the year ended December 31, 2024 are stated as follows:

**Timing of Revenue Recognition**

The Corporation recognizes revenue when goods arrive at the agreed destination pursuant to the shipping terms of the sale, which increases the risk that the sale of goods may not be recognized in the correct period at or near the end of the reporting period; therefore, we considered the timing of revenue recognition a key audit matter. Refer to Note 4 to the parent company only financial statements for the accounting policies on revenue recognition.

Our audit procedures performed related to the timing of revenue recognition included the following:

1. We evaluated the design of the internal controls with respect to the recognition of revenue from sales under the terms that the transfer of control over the goods to customers is based on the time when goods arrive at the agreed destination; we tested the operating effectiveness of the controls.
2. We performed cut-off tests and confirmed that sales are recognized in the correct period; we traced the recorded sales to third-party notification and related supporting documentation.

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

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

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

Those charged with governance, including audit committee, are responsible for overseeing the Corporation's financial reporting process.

**Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements**

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



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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Wen-Chi Kuo and Chien-Liang Liu.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 13, 2025

Notice to Readers

*The accompanying parent company only financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China (ROC) and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally applied in the ROC.*

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

## Attachment 2

### LCY TECHNOLOGY CORP.

PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2024 AND 2023  
(In Thousands of New Taiwan Dollars)

ASSETS	2024		2023	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash (Note 6)	\$ 434,924	18	\$ 558,499	20
Notes receivable (Note 8)	29	-	-	-
Trade receivable (Notes 8 and 19)	618,417	26	818,184	29
Other receivables (Notes 8 and 25)	58,698	2	116,119	4
Other receivables - related parties (Note 26)	13	-	25	-
Current tax assets (Note 21)	7,294	-	1,351	-
Inventories (Note 9)	592,105	24	587,404	21
Prepayments (Note 13)	15,851	1	9,067	-
Other current assets (Note 13)	44,342	2	42,822	2
Total current assets	1,771,673	73	2,133,471	76
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income (Note 7)	121,388	5	81,716	3
Investments accounted for using the equity method (Note 10)	2,041	-	2,035	-
Property, plant and equipment (Notes 11 and 26)	368,162	15	410,525	15
Right-of-use assets (Note 12 and 26)	108,927	5	117,954	4
Intangible assets	3,566	-	4,277	-
Deferred tax assets (Note 21)	42,089	2	39,762	2
Refundable deposits (Note 26)	3,020	-	3,687	-
Long-term prepayments	115	-	241	-
Total non-current assets	649,308	27	660,197	24
TOTAL	\$ 2,420,981	100	\$ 2,793,668	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 14)	\$ 110,000	4	\$ 37,500	1
Trade payables (Note 15)	113,833	5	288,855	10
Trade payables - related parties (Note 26)	16,403	1	41,237	2
Other payables (Note 16)	99,649	4	80,355	3
Other payables - related parties (Note 26)	15,229	1	13,607	1
Lease liabilities (Notes 12 and 26)	8,247	-	9,961	-
Other current liabilities (Notes 16 and 19)	9,216	-	5,584	-
Total current liabilities	372,577	15	477,099	17
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Note 21)	3,325	-	101	-
Lease liabilities (Notes 12 and 26)	105,712	5	112,405	4
Total non-current liabilities	109,037	5	112,506	4
Total liabilities	481,614	20	589,605	21
EQUITY (Note 18)				
Share capital	1,377,765	57	1,377,765	49
Capital surplus	324,530	13	323,671	12
Retained earnings				
Legal reserve	179,164	8	179,164	7
Unappropriated earnings (accumulated deficit)	(15,676)	(1)	289,552	10
Total retained earnings	163,488	7	468,716	17
Other equity	73,584	3	33,911	1
Total equity	1,939,367	80	2,204,063	79
TOTAL	\$ 2,420,981	100	\$ 2,793,668	100

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



**LCY TECHNOLOGY CORP.**
**PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**  
**(In Thousands of New Taiwan Dollars, Except Loss Per Share)**

	<b>2024</b>		<b>2023</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
SALES (Note 26)	\$ 2,993,614	100	\$ 3,557,969	100
COST OF GOODS SOLD (Notes 9, 20 and 26)	<u>3,246,752</u>	<u>108</u>	<u>3,598,751</u>	<u>101</u>
GROSS LOSS	<u>(253,138)</u>	<u>(8)</u>	<u>(40,782)</u>	<u>(1)</u>
OPERATING EXPENSES (Notes 20 and 26)				
Selling and marketing expenses	64,290	2	68,406	2
General and administrative expenses	79,550	3	61,051	2
Research and development expenses	<u>11,168</u>	<u>-</u>	<u>11,272</u>	<u>-</u>
Total operating expenses	<u>155,008</u>	<u>5</u>	<u>140,729</u>	<u>4</u>
LOSS FROM OPERATIONS	<u>(408,146)</u>	<u>(13)</u>	<u>(181,511)</u>	<u>(5)</u>
NON-OPERATING INCOME AND EXPENSES (Notes 20 and 26)				
Interest income	15,352	-	13,476	-
Other income	20,868	1	13,012	-
Other gains and losses	66,344	2	(8,741)	-
Finance costs	(3,197)	-	(2,748)	-
Share of profit or loss of subsidiaries and associates (Note 10)	<u>24</u>	<u>-</u>	<u>21</u>	<u>-</u>
Total non-operating income and expenses	<u>99,391</u>	<u>3</u>	<u>15,020</u>	<u>-</u>
LOSS BEFORE INCOME TAX	(308,755)	(10)	(166,491)	(5)
INCOME TAX BENEFIT (Note 21)	<u>(3,527)</u>	<u>-</u>	<u>(32,726)</u>	<u>(1)</u>
NET LOSS	<u>(305,228)</u>	<u>(10)</u>	<u>(133,765)</u>	<u>(4)</u>
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss				
Unrealized gain or loss on investments in equity instruments at fair value through other comprehensive income	39,672	1	24,646	1
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Continued)

**LCY TECHNOLOGY CORP.**
**PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**  
**(In Thousands of New Taiwan Dollars, Except Loss Per Share)**

	<b>2024</b>		<b>2023</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
Total other comprehensive income	\$ 39,673	1	\$ 24,646	1
TOTAL COMPREHENSIVE LOSS	\$ (265,555)	(9)	\$ (109,119)	(3)
LOSS PER SHARE (Note 22)				
Basic	\$ (2.22)		\$ (0.97)	
Diluted	\$ (2.22)		\$ (0.97)	

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

## Attachment 2

### LCY TECHNOLOGY CORP.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(In Thousands of New Taiwan Dollars)

	Share Capital			Retained Earnings		Other Equity		Total Equity
	Number of Shares (In Thousands)	Ordinary Share	Capital Surplus	Legal Reserve	Unappropriated Earnings (Accumulated Deficit)	Exchange Differences on Translation of Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	
BALANCE AT JANUARY 1, 2023	137,776	\$ 1,377,765	\$ 318,594	\$ 158,865	\$ 512,504	\$ 136	\$ 9,129	\$ 2,376,993
Appropriation of 2022 earnings	-	-	-	20,299	(20,299)	-	-	-
Legal reserve	-	-	-	-	(68,888)	-	-	(68,888)
Cash dividends	-	-	-	-	-	-	-	-
Share-based payment	-	-	5,077	-	-	-	-	5,077
Net loss in 2023	-	-	-	-	(133,765)	-	-	(133,765)
Other comprehensive income in 2023	-	-	-	-	-	-	24,646	24,646
Total comprehensive loss in 2023	-	-	-	-	(133,765)	-	24,646	(109,119)
BALANCE AT DECEMBER 31, 2023	137,776	1,377,765	323,671	179,164	289,552	136	33,775	2,204,063
Share-based payment	-	-	859	-	-	-	-	859
Net loss in 2024	-	-	-	-	(305,228)	-	-	(305,228)
Other comprehensive loss in 2024	-	-	-	-	-	1	39,672	39,673
Total comprehensive income in 2024	-	-	-	-	(305,228)	1	39,672	(265,555)
BALANCE AT DECEMBER 31, 2024	137,776	\$ 1,377,765	\$ 324,530	\$ 179,164	\$ (15,676)	\$ 137	\$ 73,447	\$ 1,939,367

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

**LCY TECHNOLOGY CORP.**
**PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**  
**(In Thousands of New Taiwan Dollars)**

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before income tax	\$ (308,755)	\$ (166,491)
Adjustments for:		
Depreciation expense	82,586	88,899
Amortization expense	1,132	1,291
Amortization of prepayments	633	3,426
Expected credit gain reversed on trade receivables	-	(2)
Share-based payment	859	5,077
Finance costs	3,197	2,748
Interest income	(15,352)	(13,476)
Dividend income	3,536	-
Share of profit of subsidiaries and associates	(24)	(21)
Loss on disposal of property, plant and equipment	-	1,027
Write-down of inventories	46,491	8,134
Net (gain) loss on unrealized foreign currency exchange	(50,016)	22,434
Gain on modification of lease	(6)	-
Changes in operating assets and liabilities		
Notes receivable	(29)	-
Trade receivables	242,075	19,253
Trade receivables - related parties	-	2,339
Other receivables	62,109	30,511
Other receivables - related parties	12	235
Inventories	(51,192)	58,256
Prepayments	(13,256)	(1,326)
Other current assets	(1,520)	(5,119)
Trade payables	(181,818)	(14,122)
Trade payables - related parties	(26,781)	1,975
Other payables	11,479	(24,487)
Other payables - related parties	1,622	(7,434)
Other current liabilities	3,632	(1,768)
Cash (used in) generated from operations	(189,386)	11,359
Interest paid	(3,227)	(2,756)
Income tax paid	(1,519)	(67,245)
Net cash used in operating activities	(194,132)	(58,642)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for property, plant and equipment	(22,517)	(71,918)
Decrease (increase) in refundable deposits	667	(460)
Interest received	15,352	13,476
Dividends received	19	5
Net cash used in investing activities	(6,479)	(58,897)

(Continued)

**LCY TECHNOLOGY CORP.**
**PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**  
**(In Thousands of New Taiwan Dollars)**

	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	\$ 250,000	\$ 37,500
Repayments of short-term borrowings	(177,500)	-
Repayment of the principal portion of lease liabilities	(9,832)	(9,614)
Dividends paid	<u>-</u>	<u>(68,888)</u>
Net cash generated from (used in) financing activities	<u>62,668</u>	<u>(41,002)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>14,368</u>	<u>(4,002)</u>
NET DECREASE IN CASH	(123,575)	(162,543)
CASH AT THE BEGINNING OF THE YEAR	<u>558,499</u>	<u>721,042</u>
CASH AT THE END OF THE YEAR	<u>\$ 434,924</u>	<u>\$ 558,499</u>

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

Attachme

## **Audit Committee's Review Report**

The Board of Directors has prepared the Company's 2024 Business Report, Individual Financial Statements and Consolidated Financial Statements, and Deficit Compensation Proposal. The Individual Financial Statements and Consolidated Financial Statements have been audited by Deloitte & Touche CPAs Kuo, Wen-Chi and Liu, Chien-Liang, who have issued audit reports. The aforementioned business report, individual financial statements, consolidated financial statements, and loss offsetting proposals have been reviewed by this Audit Committee and found to be in compliance with no irregularities. This report is hereby submitted in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Please review.

Sincerely,

2025 Annual Shareholders' Meeting of LCY TECHNOLOGY CORP.

Convener of the Audit Committee: LIU, SAN CHYI

March 13, 2025

## **Communication between the Audit Committee and the Head of Internal Audit**

- **Regular Communication**

- (1) Submit monthly audit reports to all independent directors as required by law.
- (2) Convene the Audit Committee meeting every quarter to report audit activities to the independent directors and track improvement.
- (3) Report the results of the previous year's evaluation of the company's internal control system to the independent directors at the audit committee meeting of the first quarter.
- (4) Report the audit plan of the previous year to the independent directors at the last Audit Committee meeting of the year.

- **Irregular Communication**

- (1) Handle the assignments of audit committee members and report by E-mail or at the latest Audit Committee meeting after sorting the information and completing the recommendations.

- **Please refer to the website of the company for details:**

<https://lcyt.lcycic.com/zh/investors/corporate-governance/corporate-governance>

Communication between Independent Directors, Internal Audit Supervisor, and Accountants

# Attachment 5

## Details of Directors' Compensation for 2024:

Unit: NT\$ thousand

Title	Name	Remuneration Paid to Directors								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors who Are Also Employees								Ratio of Total Remuneration (A+B+C+D+E+F+G) to Net Income (%)		Remuneration from Invested Companies Other than Subsidiaries or the Parent Company
		Base Compensation (A)		Severance Pay and Pension (B)		Directors (C) Note		Business Execution Expenses (D)				Salary, Bonus, and Allowance (E)		Severance Pay and Pension (F)		Employee Compensation (G)						
		The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company		All Companies in Consolidated Financial Statements		The Company	All Companies in Consolidated Financial Statements	
																Cash	Stock	Cash	Stock			
Director	LCY CHEMICAL CORP. Representative: Paul Chen	0	0	0	0	0	0	3,800	3,800	3,800 -1.24%	3,800 -1.24%	0	0	0	0	0	0	0	0	3,800 -1.24%	3,800 -1.24%	0
	LCY CHEMICAL CORP. Representative: SUNG, TING PANG	0	0	0	0	0	0	180	180	180 -0.06%	180 -0.06%	0	0	0	0	0	0	0	0	180 -0.06%	180 -0.06%	64
	LEE CHANG YUNG COMPANY, LTD. Representative: PAN, LI LIN	0	0	0	0	0	0	150	150	150 -0.05%	150 -0.05%	0	0	0	0	0	0	0	0	150 -0.05%	150 -0.05%	0
	WEI, CHENG CHEN	0	0	0	0	0	0	180	180	180 -0.06%	180 -0.06%	0	0	0	0	0	0	0	0	180 -0.06%	180 -0.06%	4,128
Independent Director	LIU, SAN CHYI	0	0	0	0	0	0	600	600	600 -0.20%	600 -0.20%	0	0	0	0	0	0	0	0	600 -0.20%	600 -0.20%	0
	TU, WEI HUA	0	0	0	0	0	0	600	600	600 -0.20%	600 -0.20%	0	0	0	0	0	0	0	0	600 -0.20%	600 -0.20%	0
	PENG, YU MIN	0	0	0	0	0	0	600	600	600 -0.20%	600 -0.20%	0	0	0	0	0	0	0	0	600 -0.20%	600 -0.20%	0

Note 1: Paul Chen, SUNG, TING PANG and PAN, LI LIN are directors representing legal entities. Some of the director's remuneration is received by the juristic-person shareholders they represent.

Note 2: PAN, LI LIN resigned on October 27, 2024, and her data is calculated from January 1, 2024 to October 27, 2024.

Note 3: Rationality Report: Originally, the Chairman of our company also served as the General Manager. In 2024, based on considerations of corporate governance and separation of powers and responsibilities, we formally separated the positions of Chairman and General Manager. The newly appointed General Manager is now exclusively responsible for operational management, while the Chairman continues to be responsible for the company's overall strategic development based on the principle of succession. Therefore, the employee compensation received by the Chairman while serving as the General Manager in 2023 was reclassified as directors' remuneration in 2024, which is why there was an increase in directors' and supervisors' remuneration in 2024. This is an adjustment between remuneration items and does not add to the company's overall salary total. Therefore, the increase in directors' compensation is reasonable and there are no improper circumstances.



**LCY TECHNOLOGY CORP.**  
**Comparison of Amended Provisions of Rules of Procedure for Board of Directors**

Article No.	Provision before Amendment	Provision after Amendment	Explanation
Article No.	Provision before Amendment	Provision after Amendment	Explanation
Article 12	<p>When the scheduled time for the board meeting arrives, if less than half of all directors are present, the chairperson may announce a postponement of the meeting on the same day, with a maximum of two postponements. If the quorum is still not met after two such delays, the chair shall re-call the meeting following the procedures provided in Paragraph 2 of Article 3.</p> <p>The term “all directors” as used in the Procedure shall be calculated as the number of directors then in office.</p>	<p>When the time of a meeting has arrived and one-half of all board directors are not present, the meeting chair may announce postponement of the meeting time, provided that only two postponements may be made. If the quorum is still not met after two such delays, the chair shall re-call the meeting following the procedures provided in Paragraph 2 of Article 3.</p> <p>The term “all directors” as used in the Procedure shall be calculated as the number of directors then in office.</p>	<p>In accordance with the Financial Supervisory Commission's Order No. 1120383996 issued on January 11, 2024, which amended and promulgated Article 12, to avoid disputes arising from uncertain extensions of board meeting times, it is clearly stipulated that when there is an insufficient number of attendees, the chairperson may announce a postponement of the meeting limited to the same day.</p>
Article 13	<p>The Company's Board of Directors meeting shall be conducted in accordance with the order of business on the agenda as specified in the meeting notice. However, the order may be changed with the approval of a majority of directors present at the meeting.</p> <p>The meeting chair may not declare the meeting adjourned without the approval of a</p>	<p>The Company's Board of Directors meeting shall be conducted in accordance with the order of business on the agenda as specified in the meeting notice. However, the order may be changed with the approval of a majority of directors present at the meeting.</p> <p>The meeting chair may not declare the meeting adjourned without the approval of a</p>	<p>In accordance with the aforementioned amendment and promulgation of Article 13, considering that during the actual proceedings of a board meeting, when the chairperson is unable to preside over the meeting for any reason or does not directly announce the</p>

## Attachment 6

	<p>majority of directors present at the meeting.</p> <p>If the directors presenting at the meeting are not more than half of the directors present at the meeting at any time during the proceeding of a Board of Directors meeting, then upon motion by the directors sitting at the meeting, the chair shall declare the suspension of the meeting, in which case Paragraph 1 of Article 12 shall apply mutatis mutandis.</p> <p><u>During the proceedings of a board meeting, if the chairperson is unable to preside over the meeting for any reason, or does not directly announce the adjournment of the meeting in accordance with the provisions of Paragraph 2, the selection of a proxy shall be governed, mutatis mutandis, by the provisions of Paragraph 3 of Article 10.</u></p>	<p>majority of directors present at the meeting.</p> <p>If the directors presenting at the meeting are not more than half of the directors present at the meeting at any time during the proceeding of a Board of Directors meeting, then upon motion by the directors sitting at the meeting, the chair shall declare the suspension of the meeting, in which case Paragraph 1 of Article 12 shall apply mutatis mutandis.</p>	<p>adjournment of the meeting in accordance with the regulations, in order to avoid affecting the operation of the board of directors, the method for selecting a proxy for the chairperson of the board is clearly specified.</p>
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## LCY TECHNOLOGY CORP.

### Deficit Compensation for 2024

Unit: NT\$

Item	Amount
Beginning balance of retained earnings	289,550,563
Add: Net loss after tax for the year	(305,228,129)
Current period losses to be offset	(15,677,566)
Add: Legal reserve to offset losses	15,677,566
Unappropriated retained earnings at the end of the period	0

Note 1: There is no interim distribution of surplus for the first three quarters of 2024.

Note 2: It is proposed to use the legal reserve of NT\$15,677,566 to offset losses, after which the remaining loss amount will be NT\$0.

Note 3: The Company has 137,776,500 registered and issued shares, 0 Treasury shares and 137,776,500 outstanding shares.

Chairman:  
Paul Chen

General Manager:  
LIU, CHIA HE

Accounting Supervisor:  
LEE, LING CHIH

## LCY TECHNOLOGY CORP.

### Comparison Table of Amended Articles of Incorporation

Article No.	Provision before Amendment	Provision after Amendment	Explanation
Article 19	<p>The Company shall have seven to nine directors, with 3 years of tenure, and shall be elected from legally competent persons at the shareholders' meeting; re-elected directors may serve consecutive terms.</p> <p><u>When the term of office of a director expires without a timely re-election, their duties shall be extended until the newly elected directors take office.</u></p> <p><u>If the shareholders' meeting re-elects all directors before the expiration of their term of office, and does not resolve that the directors shall be discharged upon the expiration of their term, it shall be deemed as an early dismissal.</u></p> <p>The Company adopts the candidates' nomination system for the election of all directors, and the relevant provisions of the nomination system shall be subject to that in Article 192-1 of the Company Act.</p> <p>In accordance with Article 14-2 and Article 183 of the Securities and Exchange Act, if the Company has independent directors, the number of independent directors shall not be less than three, and shall not be less than one fifth of the directors' seats. The professional qualifications, shareholding, concurrent serving restrictions, nomination and election methods and other matters related to the independent directors shall be handled in accordance with relevant regulations of competent security</p>	<p>The Company shall have seven to nine directors, with 3 years of tenure, and shall be elected from legally competent persons at the shareholders' meeting; re-elected directors may serve consecutive terms.</p> <p>The Company adopts the candidates' nomination system for the election of all directors, and the relevant provisions of the nomination system shall be subject to that in Article 192-1 of the Company Act.</p> <p>In accordance with Article 14-2 and Article 183 of the Securities and Exchange Act, if the Company has independent directors, the number of independent directors shall not be less than three, and shall not be less than one fifth of the directors' seats. The professional qualifications, shareholding, concurrent serving restrictions, nomination and election methods and other matters related to the independent directors shall be handled in accordance with relevant regulations of competent security authorities.</p> <p>After the public issuance of the Company's shares, the total shareholding ratio of all its directors shall be in accordance with relevant</p>	<p>According to Articles 195 and 199-1 of the Company Act, provisions regarding the term of office for re-elected directors are added.</p>

## Attachment 8

	<p>authorities.</p> <p>After the public issuance of the Company's shares, the total shareholding ratio of all its directors shall be in accordance with relevant regulations of competent security authorities.</p>	<p>regulations of competent security authorities.</p>	
Article 31-1	<p>Before the distribution of earnings, the Company shall set aside no less than 0.5% of its annual profits as compensation to employees of the Company and set aside no more than 2% of its annual profits as compensation to directors. The annual profits refer to annual income before tax and before bonuses are set aside for employees and directors. Independent directors shall not participate in the distribution of director's compensation.</p> <p>The compensation in the preceding paragraph shall be distributed in stock or cash by the resolution of the Board of Directors meeting, and employees entitled to the compensation includes those of the companies controlled by or subordinated to the Company and meet such conditions as the Board of Directors is authorized to fix. The preceding directors' compensation shall be distributed in cash. However, if the Company has accumulated losses, it shall reserve an amount thereof first to offset the losses, and then set aside the employee's compensation and directors' compensation in accordance with the proportion mentioned above.</p> <p><u>Of the total employee compensation appropriated according to the first</u></p>	<p>Before the distribution of earnings, the Company shall set aside no less than 0.5% of its annual profits as compensation to employees of the Company and set aside no more than 2% of its annual profits as compensation to directors. The annual profits refer to annual income before tax and before bonuses are set aside for employees and directors. Independent directors shall not participate in the distribution of director's compensation.</p> <p>The compensation in the preceding paragraph shall be distributed in stock or cash by the resolution of the Board of Directors meeting, and employees entitled to the compensation includes those of the companies controlled by or subordinated to the Company and meet such conditions as the Board of Directors is authorized to fix. The preceding directors' compensation shall be distributed in cash. However, if the Company has accumulated losses, it shall reserve an amount thereof first to offset the losses, and then set aside the employee's compensation and directors' compensation in accordance with the proportion mentioned above.</p>	<p>According to Article 14, Paragraph 6 of the Securities and Exchange Act amended on August 7, 2024, the Company has added Paragraph 3 to this Article in its Articles of Incorporation to appropriate a certain percentage of annual profits as compensation for entry-level employees.</p>

Attachment 8

	<p><u>paragraph, no less than 40 percent shall be distributed to entry-level employees.</u></p> <p>The distribution of the employee's compensation and directors' compensation shall be made by the resolution of a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors for the preceding two paragraphs shall be submitted to the shareholders' meeting.</p>	<p>The distribution of the employee's compensation and directors' compensation shall be made by the resolution of a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors for the preceding two paragraphs shall be submitted to the shareholders' meeting.</p>	
Article 33	<p>The Articles of Incorporation are hereby first adopted on January 10, 1997.</p> <p>Dates of the 1st to 16th amendments: omitted</p> <p>The 17th amendment was made on June 23, 2022.</p> <p>The 18th amendment was made on June <u>20, 2025.</u></p>	<p>The Articles of Incorporation are hereby first adopted on January 10, 1997.</p> <p>Dates of the 1st to 16th amendments: omitted</p> <p>The 17th amendment was made on June 23, 2022.</p>	<p>Add the date of this amendment</p>



## [Appendices]

1. Articles of Incorporation (before amendment)
2. Rules of Procedure for Shareholders Meetings
3. Rules of Procedure for Board of Directors Meetings (Before  
Amendment)
4. Shareholding of All Directors and Explanation on Minimum  
Shareholding
5. Explanation of Shareholders' Proposals

## **LCY TECHNOLOGY CORP.**

### **Articles of Incorporation**

- Article 1           The Company shall be incorporated under the Company Act of the Republic of China, and its name is “李長榮科技股份有限公司” and its English name is LCY TECHNOLOGY CORP.
- Article 2           The business to be operated by the Company is as follows:  
CC01080 Electronic Parts and Components Manufacturing.  
C801010 Basic Chemical Industry.  
C801030 Precision Chemical Materials Manufacturing Industry.  
F401010 International Trade.  
ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3           The Company may provide guarantees and reinvest as necessary for its business. Endorsement and guarantee shall be made according to the Procedures for Endorsement & Guarantee.  
When the company reinvests as a limited liability shareholder of another company, the total amount of investments is not subject to the limit of 40% of its paid-in capital as imposed by Article 13 of the Company Act.
- Article 4           The Company shall have its head office in Taipei City, and may, pursuant to a resolution adopted at the Board of Directors meeting, establish branch offices domestically and internationally when deemed necessary.
- Article 5           Public announcements of the Company shall be made pursuant to Article 28 of the Company Act.

#### **Chapter 2     Capital Stock**

- Article 6           The total capital stock of the Company shall be in the amount of NT\$2 billion, divided into 200 million shares, at NT\$10 each, and the unissued shares will be authorized to be issued by the Board of Directors in installments.  
Among the total registered capital of the preceding paragraph, NT\$240 million shall be retained for 24 million shares of stock warrants, new shares restricting employee rights, preferred shares with warrants, and corporate bonds with warrants for the exercise of warrants, and shall be issued in installments according to the resolution of the Board of Directors meeting.
- Article 6-1          If the Company issues new shares according to Paragraph 1 of Article 267 of the Company Act, there shall be ten to fifteen percent of such new shares reserved for subscription by employees of the company. The subscriber shall include the full-time employees of the Company and companies controlled by or affiliated to the Company in and outside of Taiwan, and shall be on board before the resolution of the Board of Directors meeting to issue new shares, and shall not violate the conditions of the labor contract, work rules and employee code of conduct.  
According to Paragraph 9 of Article 267 of the Company Act, when the Company issues new shares restricting employee rights, the objects shall include the full-time

employees of the Company and companies controlled by or affiliated to the Company in and outside of Taiwan, and shall be on board one year before the subscription base date, and shall not violate the conditions of the labor contract, work rules and employee code of conduct.

If the Company buys back shares for transferring shares to its employees according to Article 28-2 of the Securities and Exchange Act, the transferring objects shall include the full-time employees of the Company and companies controlled by or affiliated to the Company in and outside of Taiwan, and shall be on board one year before the subscription base date or have made special contributions to the Company and approved by the Board of Directors meeting, and shall not violate the conditions of the labor contract, work rules and employee code of conduct.

If the Company issues employee stock warrants according to Article 28-3 of the Securities and Exchange Act, the objects shall include the full-time employees of the Company and companies controlled by or affiliated to the Company in and outside of Taiwan, and shall be on board before the subscription base date, and shall not violate the conditions of the labor contract, work rules and employee code of conduct.

Article 6-2 If the Company issues employee stock warrants at a price lower than the market price, it shall be explained when convening the shareholders' meeting and approved by shareholders representing more than half of the total number of shares issued and more than two-thirds of the voting rights of the shareholders present at the meeting.

If the Company transfers the shares at a price lower than the average buyback price of the shares, it shall be explained when convening the shareholders' meeting and approved by shareholders representing more than half of the total number of shares issued and more than two-thirds of the voting rights of the shareholders present at the meeting.

Article 7 The Company may issue shares and other securities without physical certificates, and such shares/securities shall be registered with a central securities depository.

The Company's shares are registered shares and are issued in accordance with the provisions of the Company Act and other relevant laws.

Article 8 The transfer of shares shall be handled in accordance with the provisions of the Company Act and relevant laws.

Article 9 The shares of the Company are handled in accordance with the Criteria Governing Handling of Stock Affairs by Public Stock Companies promulgated by the competent authorities.

### **Chapter 3 Shareholders' Meetings**

Article 10 The shareholders' meetings are of two types: annual meetings and interim meetings. Annual meetings shall be convened by the Board of Directors according to relevant laws once a year within six months after the end of each fiscal year. Extraordinary meetings may be duly convened according to relevant laws whenever the Company deems it necessary. The shareholders' meeting of the Company may be conducted by video conference or other means announced by the Ministry of Economic Affairs.

## Appendix 1

- Article 11 The Company shall notify the shareholders of the date, location and proposals to the shareholders in writing or electronic versions 30 days before the date of a regular shareholders meeting or 15 days before the date of a special shareholders meeting. However, for shareholders holding less than 1,000 shares, a public announcement can be made.
- Article 12 If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the chairman of the board. When the chairman of the board is absent, one of the directors shall be appointed to act as chair. Where the chairman does not make such a designation, the directors shall select one person from among themselves to serve as the chair. If a shareholders' meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.
- Article 13 When the Company convenes a regular shareholders' meeting, a shareholder holding one percent or more of the total number of issued shares may submit a written proposal for discussion to the Company at an annual shareholders' meeting. The number of items so proposed, however, is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. Relevant procedures shall be handled in accordance the Company Act and relevant regulations.
- Article 14 If a shareholder is unable to attend the shareholders' meeting for some reason, he/she 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 by signature or seal. In addition to the provisions of Article 177 of the Company Act and Article 25-1 of the Securities and Exchange Act, the appointment of the Company's stock shareholders to attend the shareholders' meeting shall be handled in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" and other relevant decrees issued by the competent authorities.
- Article 15 At the shareholders' meeting of the Company, each share shall have one vote, except for special shares without voting rights. However, in any circumstances prescribed in Article 179 of the Company Act, there shall be no voting rights.
- Article 16 When the Company holds a shareholders' meeting, the shareholders may exercise their voting rights electronically. Those who exercise their voting rights electronically shall be deemed to have attended the meeting in person, and relevant matters shall be handled according to relevant laws. Except as otherwise provided in the Company Act, the adoption of a proposal in a shareholders' meeting shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders, and the attending shareholders require the representation of a majority of all shares issued by the Company.
- Article 17 Matters decided by the shareholders' meeting shall be recorded in the meeting minutes. The preparation, distribution and preservation of the aforesaid meeting minutes shall be handled in accordance with the relevant provisions of Article 183 of the Company Act.

Article 18 If the Company has a plan to withdraw the shares after the public offering, it shall be submitted to the shareholders' meeting for a resolution, and this provision shall remain unchanged when the shares are traded in the emerging stock market or during the subsequent listing period.

#### **Chapter 4 Directors and Functional Committees**

Article 19 The Company shall have seven to nine directors, with 3 years of tenure, and shall be elected from legally competent persons at the shareholders' meeting; re-elected directors may serve consecutive terms.

The Company adopts the candidates' nomination system for the election of all directors, and the relevant provisions of the nomination system shall be subject to that in Article 192-1 of the Company Act.

In accordance with Article 14-2 and Article 183 of the Securities and Exchange Act, if the Company has independent directors, the number of independent directors shall not be less than three, and shall not be less than one fifth of the directors' seats.

The professional qualifications, shareholding, concurrent serving restrictions, nomination and election methods and other matters related to the independent directors shall be handled in accordance with relevant regulations of competent security authorities.

After the public issuance of the Company's shares, the total shareholding ratio of all its directors shall be in accordance with relevant regulations of competent security authorities.

Article 19-1 The Company may set up functional committees, the setting and powers of which shall be in accordance with relevant measures formulated by competent authorities.

1. The Company has set up an Audit Committee, which is composed of all independent directors, in accordance with relevant regulations of the Securities and Exchange Act. The powers and other matters of the Audit Committee shall follow the regulations of the Company Act, the Securities and Exchange Act, other relevant laws and regulations and the Company's Articles of Incorporation.

Article 20 Directors shall organize the Board of Directors, and a chairman of the board shall be elected by two thirds or more of the directors and by the consent of more than half of the directors present, and represent the Company externally.

Article 21 If the Chairman asks for leave or is unable to exercise his powers for any reasons, his representative shall act on his behalf in accordance with Article 208 of the Company Act.

Article 22 If over one-third of the seats of directors are vacant, the Board of Directors shall convene an interim meeting of shareholders to elect a new director within 60 days to elect the directors, and their term of office shall be limited to the period to make up the term of original directors.

When the number of independent directors' falls below that specified in the Articles of Incorporation, an election should be made to fill the vacancy at the next shareholders' meeting. When an independent director was discharged, the Board of Directors shall convene an interim meeting of shareholders to elect a new independent

director within 60 days to elect the directors, and his term of office shall be limited to the period to make up the original term.

Article 23 The directors shall attend the Board of Directors meetings in person. If a director is unable to attend in person due to some reason, he/she may execute a power of attorney and state therein the scope of authority with reference to the subjects to be discussed at the meeting, by delegating other directors to attend on his/her behalf, but the proxy shall accept only one director's delegation.

Article 24 Except as otherwise stated in the Company Act, a resolution on a matter at a Board of Directors meeting requires the approval of at least one half of the directors present at the meeting that shall be attended by more than one half of all directors. (When an independent director is appointed in accordance with the Securities and Exchange Act, at least one independent director shall be present in person). If a Board of Directors meeting is conducted by means of video conferencing, directors who participate in the meeting by such means shall be deemed to have attended the meeting in person.

Article 25 Matters relating to the resolutions of a Board of Directors 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 director within 20 days after the conclusion of the meeting.

Article 26 The Board of Directors is authorized to determine the directors' remuneration according to the extent of their participation in the operation of the Company and the value of their contribution while with reference to the general industry standards. In addition, if a director of the Company holds a position in the Company, except for participating in the distribution of director's remuneration as provided for in Article 30-1 of the Articles of Association, he or she may be paid a monthly salary at the general manager's salary level.

The Company may purchase liability insurance for directors during their term of office to reduce the risk that directors may be sued by shareholders or other stakeholders as result of performing their duties according to the law.

### **Chapter 5 General Manager**

Article 27 With the presence of more than half of the Board of Directors and the consent of more than half of the directors present, the Company may appoint a general manager, deputy general managers, assistant managers and managers, whose appointment, removal and remuneration shall be handled in accordance with Article 29 of the Company Act.

### **Chapter 6 Accounting**

Article 28 The fiscal year of the Company starts from January 1 to December 31, and the final accounts shall be made at the end of each fiscal year

Article 29 At the end of each fiscal year, the Board of Directors shall prepare the following statements and records and propose them to the annual shareholders' meeting for ratification in accordance with the legal procedures:



Business reports.

Financial statements.

Surplus earning distribution or loss off-setting proposals

The above-mentioned final statements, and resolutions on the distribution of earnings or the compensation of losses recognized by the shareholders' meeting shall be made in accordance with Article 28 and Article 230 of the Company Act and the provisions of the competent authorities by means of public announcements on Market Observation Post.

#### Article 30

If the Company has surplus in its annual general accounts, it shall first pay taxes and compensate the accumulated loss (including the adjustment of the undistributed earnings amount), and then set aside 10% of the legal earnings reserve (except when the legal earnings reserve has reached the total amount of the company's paid-in capital), and then set aside special earnings reserve as prescribed by law or by competent authorities. When the Company sets aside the special surplus reserve required by law, for the insufficient amount of the "net deduction of other equity accumulated in the previous period", before the earnings distribution, it should first set aside the undistributed earnings of the previous period. The special surplus reserve with the same amount set aside, if it is still insufficient, then add the net profit of the current period plus the net profit after tax of the current period to the amount included in the undistributed earnings of the current period.

The balance of the preceding paragraph together with the accumulated undistributed earnings at the beginning of the period (including the amount of the adjustment of the undistributed earnings), shall be formulated as an earnings distribution proposal by the board of directors. When distributing earnings or making deficit compensation quarterly, it shall be distributed under the preceding procedures.

The Company's earnings distribution or loss off-setting of each quarter shall be approved by the Board of Director to distribute all or part of the dividends and bonuses, legal reserve or capital surplus in cash to shareholders after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by at least two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

In case of any change or adjustment of the purpose or reason for the provision of the special earnings reserve in Item 1, the reserve shall be returned to the retained earnings according to the regulations of decrees or as required by the competent authorities.

#### Article 30-1

Before the distribution of earnings, the Company shall set aside no less than 0.5% of its annual profits as compensation to employees of the Company and set aside no more than 2% of its annual profits as compensation to directors. The annual profits refer to annual income before tax and before bonuses are set aside for employees and directors. Independent directors shall not participate in the distribution of director's compensation.

The compensation in the preceding paragraph shall be distributed in stock or cash by the resolution of the Board of Directors meeting, and employees entitled to the

compensation includes those of the companies controlled by or subordinated to the Company and meet such conditions as the Board of Directors is authorized to fix. The preceding directors' compensation shall be distributed in cash. However, if the Company has accumulated losses, it shall reserve an amount thereof first to offset the losses, and then set aside the employee's compensation and directors' compensation in accordance with the proportion mentioned above.

The distribution of the employee's compensation and directors' compensation shall be made by the resolution of a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors for the preceding two paragraphs shall be submitted to the shareholders' meeting.

Article 31

The Company's earnings distribution or deficit compensation are made after the end of each quarter. If it is made by issuing new shares, it shall be submitted to the Shareholders' Meeting for resolution before distribution; if it is made in cash, it shall be resolved by the Board of Directors and reported to the Shareholders' Meeting, and no need to be submitted to the shareholders' meeting for recognition. The Company's dividend policy is based on the Company's profit, capital structure and future operational needs. For each earnings distribution, no less than 10% may be distributed as dividend to the shareholders. However, when the accumulated distributable earnings are lower than the paid-in capital, the earnings do not have to be distributed; the distribution of dividend to shareholders may be conducted by cash or in the form of stock. The distribution of cash dividend shall be no less than 10% of the total of shareholders' dividend, in principle. The Company's industrial environment is variable. The types and proportions of the earnings distribution, based on the Company's future capital needs and long-term business plan, may be formulated by the board of directors under the current operating conditions, taking into account shareholders' interests, balanced dividend policies, and capital demand plan, etc. The distribution plan shall be submitted to the shareholders' meeting for resolution and adjustment.

## Chapter 7 Addendum

Article 32

Any matters uncovered in this Articles of Incorporation shall be handled in accordance with the Company Act and relevant laws and regulations.

Article 33

The Articles of Incorporation are hereby first adopted on January 10, 1997.

The first amendment was made on June 18, 1998.

The second amendment was made on June 15, 1999.

The third amendment was made on June 2, 2000.

The fourth amendment was made on June 14, 2002.

The fifth amendment was made on June 27, 2007.

The sixth amendment was made on June 13, 2008.

The seventh amendment was made on June 23, 2010.

The eighth amendment was made on June 24, 2011.

The ninth amendment was made on June 21, 2012.

The tenth amendment was made on June 13, 2013.

## Appendix 1

The eleventh amendment was made on June 26, 2015.

The twelfth amendment was made on June 22, 2016.

The thirteenth amendment was made on April 25, 2017.

The fourteenth amendment was made on August 21, 2017.

The fifteenth amendment was made on June 18, 2019.

The sixteenth amendment was made on July 20, 2021.

The 17th amendment was made on June 23, 2022.

## **LCY TECHNOLOGY CORP.**

### **Rules of Procedure for Shareholders' Meetings**

- Article 1 To establish a strong governance system and sound supervisory capabilities for the Company's shareholders' meetings, the company has formulated the Rules of Procedure of the Shareholders' Meeting (hereinafter referred to as the Rules) in accordance with Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies for compliance.
- Article 2 The rules of procedures for the Company's shareholders' meetings, except as otherwise provided by law, regulation, or the Articles of Incorporation, shall be as provided in the Rules.
- The term "shareholder" in these Rules refers to the shareholder himself, its solicit and its representative.
- Article 3 Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the Board of Directors.
- The company convenes a video conference of the shareholders' meeting, which shall be conducted with the approval of a resolution adopted by a majority of the directors present at a meeting attended by more than two-thirds of the directors.
- The change of the method for holding the shareholders' meeting of the Company shall be decided by the Board of Directors meetings and shall be made no later than before the convention notice of the shareholders' meeting is sent.
- The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including matters for rectification and discussion, and election or discharge of directors, and upload them to the Market Observation Post System (MOPS) at least 30 days before the date of an annual shareholders' meeting or at least 15 days before the date of an extraordinary shareholders' meeting. The Company shall prepare electronic version of the shareholders' meeting agenda and supplementary meeting materials and upload them to the MOPS at least 21 days before the date of an annual shareholders' meeting or at least 15 days before the date of an extraordinary shareholders' meeting. In addition, at least 15 days before the date of the shareholders' meeting, the Company shall also have prepared the shareholders' meeting agenda and supplementary meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplementary materials shall also be displayed at the Company and the professional shareholder services agent designated thereby as well as being distributed on site at the venue of the meeting.
- The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.
- Election or dismissal of directors, amendments to the Articles of Incorporation, reduction

of capital, application for the approval of ceasing the Company's status as a public company, approval of competing with the Company by directors, earnings distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter stipulated in all subparagraphs of Paragraph 1 of Article 185 of the Company Act, Articles 26-1 (for non-competing obligation, dividends and bonuses will be paid by issuing new shares or paying cash, and new shares or cash will be paid in proportion to the legal earnings reserve if there is no deficit) and 43-6 (private placement) of the Securities and Exchange Act, or Articles 56-1 (employee stock warrants) and 60-2 (new shares restricting employees' rights) of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, shall be set out in the notice of the reasons for convening the shareholders' meeting. None of the aforementioned matters may be raised by an extempore motion.

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

A shareholder holding one percent or more of the total number of issued shares may submit a written proposal for discussion to the Company at an annual shareholders' meeting. The number of items so proposed, however, is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. Nevertheless, a shareholder proposal for urging the Company to promote public interests or fulfill its social responsibilities may still be included in the agenda after the careful evaluation of the Board of Directors. In addition, when the circumstances of any subparagraph of Paragraph 4 of Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.

Prior to the book closure date before an annual shareholders' meeting is held, the Company shall publicly announce that it will receive shareholder proposals, acceptance method, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

A shareholder's proposal shall not be more than 300 words, and any proposal exceeding 300 words shall not be included in the proposal; the shareholder making the proposal shall be present in person or by proxy at the annual shareholders' meeting and take part in the discussion of the proposal.

Prior to the date for issuance of notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list the proposals that conform to the provisions of this article in the meeting notice. At the shareholders' meeting, the Board of Directors shall specify the reasons for excluding any shareholders' proposals from the meeting agenda.

## Appendix 2

- Article 4 For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.
- A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company at least five days before the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail. However, a declaration made to cancel the previous proxy appointment is not subject to the aforementioned rule.
- After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company at least two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.
- After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting by video, a written notice of proxy cancellation shall be submitted to the Company at least two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.
- Article 5 The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9:00 a.m. and no later than 3:00 p.m. The place and time of such meeting shall take full account of the opinion of the independent directors.
- When the Company holds a video meeting of shareholders, it shall not be limited by the above-mentioned meeting location.
- When the Company holds a video meeting of shareholders, the chairman and the recorder shall be at the same place in the country and the chair shall announce the address of such place at the time of the meeting.
- Article 6 The Company shall specify in its shareholders' meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention. To convene a video meeting of shareholders, it shall record how shareholders attend the meeting and exercise their rights, actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, the date to which the meeting is postponed or on which the meeting will resume, and other matters need attention. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a video meeting of shareholders meeting online shall be specified. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be



clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. Except for the circumstances stipulated in Article 44-9, Paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, companies shall provide shareholders with the necessary equipment and assistance for remote participation, and record the period during which shareholders may apply to the company and other relevant matters to be noted.

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 as attend the shareholders meeting in person.

Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification. The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

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

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

In the event of a video meeting of shareholders, shareholders intending to attend the meeting online shall re-register to the Company two days before the meeting. In the event of a virtual shareholders meeting, this Corporation 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 7

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

When the chairman of the board is on leave or for any reason unable to exercise the powers of the chairman, he/she shall appoint one director on his/her behalf. Where the chairman does not make such a designation, the directors shall select from among themselves one person to serve as chair, who shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.

If a shareholders' meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the meeting. When there are two or

more such convening parties, they shall mutually select a chair from among themselves. The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.

Article 8

The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures, and such recorded materials shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Where a shareholders meeting is held online, this Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by this Corporation, and continuously audio and video record, without interruption, the proceedings of the video meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the video meeting.

In case of a video shareholders meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.

Article 9

Attendance at shareholders' meetings shall be calculated based on numbers of shares.

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

The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a video shareholders meeting, the Company shall also declare the meeting adjourned at the video meeting platform.

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

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shareholders meeting shall be convened within one month. In the event of a video shareholders meeting, shareholders intending to attend the meeting online shall re-register to this Corporation in accordance with Article 6.

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 10

If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors and the meeting shall be carried out according to the agenda, which may not be changed without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the Board of Directors. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions). After the meeting has adjourned by resolution, the shareholders shall not elect another chair to continue the meeting at the same address or at any other place. 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.

### Article 11

The chair shall allow ample time during the meeting for explanation and discussion of proposals and of amendments or extempore 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 schedule sufficient time for voting.

### Article 12

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

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

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 who has the floor; the chair shall stop any violation.

### Article 13

A shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 3 minutes. However, the speech may extend by 3 minutes upon the permission of the chair.

When a juristic person shareholder appoints two or more representatives to attend a

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shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.

If the shareholder does not fill in the subject of the speech, violates the proceeding rules or exceeds the scope of the agenda item, the chair may terminate the speech.

Article 14 After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 15 Where a video shareholders meeting is convened, shareholders attending the video meeting online may raise questions in writing at the video meeting platform from the chair declaring the meeting open until the chair declaring 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 Article 12 and Article 13 do not apply.

As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

Article 16 Voting at a shareholders' meeting shall be calculated based the number of shares.  
With respect to resolutions of shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

Article 17 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.

Article 18 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.

Article 19 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 20 A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed to be non-voting shares pursuant to Paragraph 2 of Article 179 of the Company Act.

When the Company holds a shareholders' meeting, it shall adopt exercise of voting rights by electronic means and may adopt 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. However, with respect to the extempore motions and revisions to the original proposals of that meeting, the said shareholder will be considered to have waived his/her rights. The Company is therefore advised to avoid submission of extempore motions and revision to the 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 at least two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail. However, when a declaration is made to cancel an earlier declaration of intent is not subject to the limits.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or via video, 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, at least 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.

Article 21

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

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

In the event of a video shareholders meeting, this Company shall disclose real-time results of votes and election immediately after the end of the voting session on the video meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

Article 22

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.

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Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting. 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.

In the event of a video shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

When this Corporation convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration 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 extraordinary 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 23

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

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

### Article 24

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

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

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

Where a video 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 video meeting platform or participation in the meeting online due to force majeure events, and how issues are dealt with shall also be included in the minutes.

Article 25

On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, this Corporation 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 this Company's video 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, it shall be handled in the same way.

If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.



Article 26

In the event of a virtual shareholders meeting, this Corporation may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.

In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the video meeting platform or participation in the video meeting is obstructed due to 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 second 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, at the affected shareholders meeting, 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 shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.

When this Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second 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 shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second 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 abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

When postponing or resuming a meeting according to the second paragraph, the Company

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shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies. For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.

When convening a virtual-only shareholders meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online. Except for the circumstances stipulated in Article 44-9, Paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, companies shall provide shareholders with the necessary equipment and assistance for remote participation, and record the period during which shareholders may apply to the company and other relevant matters to be noted.

- Article 27      Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.
- Article 28      The chair may direct the proctors or security personnel to help maintain order at the meeting venue.
- When proctors or security personnel help maintain order at the meeting venue, they shall wear an identification card or armband bearing the word "Proctor".
- Article 29      At the venue 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.

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- Article 30 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 venue.
- Article 31 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.
- Article 32 If the meeting venue is no longer available for continued use and not all of the items (including extempore 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 33 The Rules shall be implemented after having been resolved at the Board of Directors
- Article 34 meeting, and approved by a shareholders' meeting. Subsequent amendments thereto shall be affected in the same manner.
- The Rules was formulated on June 14, 2002.
- The 1st amendment was made on June 13, 2008.
- The 2nd amendment was made on June 24, 2011.
- The 3rd amendment was made on June 13, 2013.
- The 4th amendment was made on June 22, 2016.
- The 5th amendment was made on April 25, 2017.
- The 6th amendment was made on August 21, 2017.
- The 7th amendment was made on June 24, 2020.
- The 8th amendment was made on July 20, 2021.
- The 9th amendment was made on June 23, 2022.
- The 10th amendment was made on August 21, 2017.

## **LCY TECHNOLOGY CORP.**

### **Rules of Procedure for Board of Directors Meetings**

Article 1: To establish a sound governance system for the Board of Directors, optimize its supervision function and strengthen the management, the Company has established Rules of Procedure for Board of Directors Meetings (hereinafter referred to as the procedure) pursuant to Paragraph 8 of Article 26-3 of the Securities and Exchange Act and the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies”.

Article 2: Except otherwise specified by the laws or the Company’s Articles of Incorporation, the main agenda items, operational procedures, required content of meeting minutes, public announcements, and other compliance requirements for Board of Directors meetings shall be handled in accordance with the procedure.

Article 3: The Company’s Board of Directors shall at least meet quarterly.

The reasons for calling a Board of Directors Meeting shall be notified to each director at least seven days in advance. In emergency circumstances, however, a meeting may be called on shorter notice.

The notice set forth in the preceding paragraph may be affected by means of electronic transmission, after obtaining prior consent from the recipients thereof.

All matters set out in the subparagraphs of Paragraph 1 of Article 7 of the Rules shall be specified in the notice of the reasons for calling a board of directors meeting and shall not be raised by an extempore motion.

Article 4: The Company’s Board of Directors meeting shall be held at a place and time convenient to all directors and suitable for holding such a meeting.

Article 5: The Company’s Board of Directors appoints the Corporate Governance Division as the agenda working group for the Board of Directors meetings.

The agenda working group shall be responsible for drafting the agenda of the Board of Directors meeting, assisting in meeting records and related matters, and providing sufficient meeting information, which shall be sent together with the call notice.

If the directors consider that the meeting materials are not sufficient, they may request to make up the materials to the agenda working group, which shall deal with them in accordance with the standard operating procedure of the Company. If the directors consider that the materials concerning any proposal are insufficient in content, the deliberation of such proposal may be postponed by a resolution of the Board of Directors meeting.

Article 6: Agenda items for a regular Board of Directors meeting shall include at least the following:

1. Announcements:
  - (1) Minutes of the last meeting and actions arising.
  - (2) Reporting on important financial and business matters.
  - (3) Reporting on internal audit activities.
  - (4) Other important announcements.
2. Discussions
  - (1) Items discussed and continued from the last meeting.
  - (2) Items for discussion at this meeting.
3. Extempore Motions.

Article 7: The following items shall be proposed to the Company's Board of Directors for discussion:

1. Business Plan and Annual Budget.
2. Annual financial report signed or sealed by Chairman, manager and accounting supervisor.
3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act, and an assessment of the effectiveness of the internal control system.
4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others.
5. The offering, issuance, or private placement of any equity-type securities.
6. Performance appraisal and remuneration criteria for managers.
7. Structure and system of directors' remuneration.
8. Matters involving the interests of the directors.
9. Transactions in major assets and derivatives, loans to others, and endorsement guarantee transactions.

10. Appointment, removal or remuneration of certified public accountants.
11. Election or discharge of Chairman, and the appointment or removal of a financial, accounting, or internal audit officer.
12. A donation to a related party or a major donation to a non-related party. However, a public-interest donation of disaster relief for a major natural disaster may be submitted to the following Board of Directors meeting for retroactive recognition.
13. When the Company acquires or disposes of assets other than real property from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more.
14. Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or by-law to be approved by resolution at a shareholders' meeting or Board of Directors meeting, or any such significant matter as may be prescribed by the competent authority.

The term "related party" mentioned in this regulation refers to a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

The term "major donation to a non-related party" refers to any individual donation, or cumulative donations within a one-year period to a single recipient, at an amount of NT\$100 million or more, or at an amount equal to or greater than one percent of net operating revenue or five percent of paid-in capital as stated in the financial report audited and attested by independent certified public accountants for the most recent year.

The term "within a one-year period" in the preceding paragraph means a period of one year calculated retroactively from the date on which the current Board of Directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.

In the case of a meeting concerning any matter required to be submitted for a resolution by the Board of Directors meeting under Paragraph 1, each independent director shall attend in person. If an independent director is unable to attend in person, he or she shall appoint another independent director to attend as his or her proxy.

Article 8: Except for matters to be discussed at the Company's Board of Directors meetings set out in Paragraph 1 of Article 7, during the adjourn of the Board of Directors meeting, if the Board of Directors authorizes the exercise of the powers of the Board of Directors according to any order

or the Articles of Incorporation of the Company, the level, content or matters of the authorization shall be handled in accordance with the authorization form approved by the Company, and the content shall be specific and clear and shall not be generalized.

Article 9: When the Company hold a Board of Directors meeting, an attendance book shall be made ready for signature by directors attending the meeting and thereafter made available for future reference.

When the Company holds a Board of Directors meeting, the directors shall be present in person, and at least one independent director shall be present in person at each meeting; directors participating in the meeting by video are deemed to be present in person.

If a director can not attend the meeting in person, he/she shall, in accordance with the Articles of Incorporation of the Company, issue a power of attorney, setting forth the scope of authorization for the reasons enumerated, and entrust another director to attend the meeting on his/her behalf.

If an independent director can not attend the meeting in person, he/she shall, in accordance with the Articles of Incorporation of the Company, issue a power of attorney, setting forth the scope of authorization for the reasons enumerated, and entrust another independent director to attend the meeting on his/her behalf.

A proxy under the preceding Paragraph 2 may accept proxy request from one person only.

Article 10: Where a Board of Directors meeting is called by the chairman of the board, the meeting shall be chaired by the chairman. However, where the first meeting of each newly elected Board of Directors is called by the director who received votes representing the largest portion of voting rights at the shareholders' meeting in which the directors were elected, the meeting shall be chaired by the aforementioned director; if there are two or more directors so entitled to call the meeting, they shall choose one person by and from among themselves to chair the meeting.

Where a meeting of the Board of Directors is called by more than a half of directors on their own initiative in accordance with Paragraph 4 of Article 203 or Paragraph 3 of Article 203-1 of the Company Act, the



directors shall choose one person by and from among themselves to chair the meeting.

When the chairman of the board is on leave or for any reason is unable to exercise the powers of the chairman, it shall be chaired by a director designated by the chairman; if the chairman does not make such a designation, by a director elected by and from among themselves.

- Article 11: Depending on the contents of the proposal, the Company may notify the relevant department managers who are not directors to attend the Board of Directors meetings, report the business overview and answer the questions raised by the directors.

When necessary, the Company may also invite certificated public accounts, attorneys, or other professionals to attend as nonvoting participants. Provided, however, that they shall leave the meeting when deliberation or voting takes place.

- Article 12: When the time of a meeting has arrived and one-half of all board directors are not present, the meeting chair may announce postponement of the meeting time, provided that only two postponements may be made. If the quorum is still not met after two such delays, the chair shall re-call the meeting following the procedures provided in Paragraph 2 of Article 3.

The term “all directors” as used in the Procedure shall be calculated as the number of directors then in office.

- Article 13: The Company’s Board of Directors meeting shall be conducted in accordance with the order of business on the agenda as specified in the meeting notice. However, the order may be changed with the approval of a majority of directors present at the meeting.

The meeting chair may not declare the meeting adjourned without the approval of a majority of directors present at the meeting.

If the directors presenting at the meeting are not more than half of the directors present at the meeting at any time during the proceeding of a Board of Directors meeting, then upon motion by the directors sitting at the meeting, the chair shall declare the suspension of the meeting, in which case Paragraph 1 of Article 12 shall apply mutatis mutandis.

- Article 14: When the chair at a Board of Directors meeting is of the opinion that a matter has been sufficiently discussed to a degree of putting to a vote,

the chair may announce the discussion closed and bring the matter to vote.

When a proposal comes to a vote at a Board of Directors meeting, if the chair puts the matter before all directors present at the meeting and none voices an objection, the matter is deemed approved.

The resolution of the Board of Directors may be voted in one of the following methods: (1) by show of hands or by ballot, (2) by roll call, or (3) by ballot, as decided by the chair. In case of a dissent by an attendee, the voting method shall be decided by a majority of the attending directors:

Except where all directors present at the meeting pass the resolution without objection, the ballot monitoring and vote counting methods shall be clearly stated.

“All directors present at the meeting” in this clause does not include directors prohibited from exercising voting rights pursuant to Paragraph 1 of Article 16.

Article 15: Except as otherwise stated in the Securities and Exchange Act or in the Company Act, a resolution on a matter at a Board of Directors meeting requires the approval of a majority of the directors present at the meeting that shall be attended by a majority of all directors.

The independent director shall submit matters to the Board of Directors for discussion and resolution regarding Paragraph 1 of Article 7, and if an independent director expresses any objection or reservation about a matter, it shall be recorded in the Board of Directors meeting minutes. An independent director intending to express an objection or reservation but unable to attend the meeting in person shall, unless there is some legitimate reason to do otherwise, issue a written opinion in advance, which shall be recorded in the meeting minutes.

Article 16: If any director or a juristic person represented by a director is an interested party with respect to any agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interests of the Company, the director may not participate in discussion or voting on that agenda item, and further, shall enter recusal during discussion and voting on that item and may not act as another director’s proxy to exercise voting rights on that matter.

Where the spouse or a blood relative within the second degree of kinship of a director, or a company which has a controlling or subordinate relation with a director, is an interested party with respect to an agenda item of the meeting, such director shall be deemed to be an interested party with respect to that agenda item, and shall be handled as per the preceding paragraph.

The provisions of Paragraph 2 of Article 180 of the Company Act, as applied mutatis mutandis under Paragraph 2 of Article 206 of that Act, apply to resolutions of Board of Directors meetings when a director is prohibited by the preceding two paragraphs from exercising voting rights.

Article 17: Minutes shall be prepared of the discussions at Board of Directors meetings. The meeting minutes shall record the following:

1. Session (or year), time, and place of meeting.
2. Name of the chairperson.
3. Attendance of directors at the meeting, specifying the names and number of members present, excused, and absent.
4. Names and titles of those attending the meeting as non-voting participants.
5. Name of the minute taker.
6. Matters reported on.
7. Discussions The method of resolution and the result for each proposal; a summary of the comments made by directors, or other persons; the name of any director that is an interested party as referred to in Article 16, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director under Paragraph 2 of Article 15.
8. Extempore motions: the name of the mover; the method of resolution and the result for each motion; a summary of the comments made by directors, experts, or other persons; the name of any director that is an interested party as referred to Article 16, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing.
9. Other matters to be recorded:

The attendance book forms a part of the minutes for each Board of Directors meeting and shall be well preserved during the existence of the Company.

The minutes of a board of directors meeting shall bear the signature or seal of both the meeting chair and the minutes taker; a copy of the minutes shall be distributed to each director within 20 days after the conclusion of the meeting, and included in the important files of the Company and properly stored during the duration of the Company's existence.

The meeting minutes may be produced and distributed in electronic form.

Any of the following matters in relation to a resolution passed at a meeting of the board shall be stated in the minute book and within two days of the meeting be published on Market Observation System:

- (1) Any matter about which an independent director expresses an objection or reservation that has been included in records or stated in writing.
- (2) Any matter that has not been passed by the Company's Audit Committee but has been adopted with the approval of two-thirds or more of all directors.
- (3) The Board of Directors approves the recommendation that the remuneration is superior to that of the Remuneration Committee.

Article 18: The Company shall record on audio or video tape the entire proceedings of a Board of Directors meeting, and preserve the recordings for at least five years, in electronic form or otherwise.

If any litigation arises in connection with a resolution of a Board of Directors meeting before the end of the preservation period referred to in the preceding paragraph, the relevant audio or video recordings shall continue to be preserved until the litigation is concluded, and the provisions of the preceding paragraph shall not apply.

Where a Board of Directors meeting is held via video conferencing, the audio and visual documentation of the meeting form a part of the meeting minutes and shall be well preserved during the existence of the Company.

Article 19: This procedure was implemented on August 10, 2007 upon the consent of the Board of Directors. If there is any amendment in the future, it will be submitted to the shareholders' meeting upon the resolution of the Board of Directors.

## 1. Current Shareholding of All Directors

### LCY TECHNOLOGY CORP.

Record Date: April 22, 2025 (Suspension of Transfer Date)

Title	Name	Date Elected	Shareholding When Elected			Current Shareholding			Note
			Type	Shares	Proportion in Issued Shares (%)	Type	Shares	Proportion in Issued Shares (%)	
Chairman	LCY CHEMICAL CORP.. Representative: Paul Chen	2023.6.28	Common stock	85,339,392	61.94	Common stock	85,339,392	61.94	—
Directors	LCY CHEMICAL CORP.. Representative: SUNG,TING-PANG	2023.6.28							
Directors	LEE CHANG YUNG COMPANY, LTD. Representative: LEE, CHI CHIH	2023.6.28	Common stock	1,095,538	0.80	Common stock	1,095,538	0.80	—
Directors	WEI, CHENG CHEN	2023.6.28	—	0	0	—	0	0	—
Independent Director	LIU, SAN CHYI	2023.6.28	—	0	0	—	0	0	—
Independent Director	TU, WEI HUA	2023.6.28	—	0	0	—	0	0	—
Independent Director	PENG, YU MIN	2023.6.28	—	0	0	—	0	0	—
Total			Common stock	86,434,930	62.74	Common stock	86,434,930	62.74	—

Total number of shares issued on June 28, 2023 : 137,776,500 shares

Total number of shares issued on April 22, 2025 : 137,776,500 shares

## **2. Minimum Number of Shares to Be Held by Directors**

According to Article 26 of the Securities and Exchange Act and Article 2, Paragraph 2, Subparagraph 3 of the Regulations Governing the Stock Ownership Ratios and Audits of Directors and Supervisors of Public Companies: For a company with a paid-in capital of more than NT\$1 billion and less than NT\$2 billion, the total shareholding of all directors in registered shares shall not be less than 7.5%, and the total shareholding of all supervisors shall not be less than 0.75%.

The shareholdings of independent directors elected by a public company shall not be included in the aforesaid total amount; if two or more independent directors are elected, the shareholding ratio held by all directors and supervisors other than the independent directors calculated in accordance with the aforementioned ratio shall be reduced to 80%.

If a public company has set up an Audit Committee in accordance with the Securities and Exchange Act, the requirement that the shareholding ratio of the supervisors must not be less than a certain percentage does not apply. The Company's paid-in capital is NT\$1,377,765,000 and a total of 137,776,500 shares have been issued.

The Company's paid-in capital is NT\$1,377,765,000, with a total of 137,776,500 issued shares. The total number of registered shares held by all directors shall not be less than 8,266,590 shares. As the Company has established an Audit Committee, the statutory shareholding requirements for supervisors are not applicable.

Number of shares held by all directors: 86,434,930 shares, satisfying the statutory percentage.

## **Explanation of Shareholders' Proposals**

1. In accordance with Article 172-1 of the Company Act, a shareholder holding one percent or more of the total number of issued shares may submit a written proposal for discussion to the Company at an annual shareholders' meeting. The number of items so proposed, however, is limited to one only, and should be no more than 300 words.
2. The period for accepting shareholder proposals for the Company's 2025 Annual General Shareholders' Meeting is from April 7 to April 17, 2025. The acceptance method has been announced on the Market Observation Post System on April 18, 2025, in accordance with regulations.
3. The Company didn't receive any shareholder proposal during the above acceptance period.