**Stock Code: 5465**

# Loyalty Founder Enterprise Co., Ltd.

## 2025 Annual Shareholders' Meeting

## Handbook

Meeting Time: 10:30 a.m. on June 18, 2025
Meeting Location: General Conference Hall, LFE (No.,225 Ln. 54, Sec.2, Anhe Rd., Annan Dist., Tainan City)

**For this Handbook, please visit: https://www.twse.com.tw**
**http://www.lfe.com.tw**

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One. Meeting Agenda

# Loyalty Founder Enterprise Co., Ltd.
# 2025 Annual Shareholders' Meeting Agenda

Meeting Time: 10:30 a.m. on June 18, 2025

Meeting Place: General Conference Hall, LFE (No. 225, Ln. 54, Sec.2, Anhe Rd., Annan Dist., Tainan City)

Manner of Meeting: Physical

I. Call to order
II. Chairperson's remarks
III. Reports
1. 2024 Business report
2. Report on review of the 2024 statements of final accounts by the Audit Committee.
3. Report on distribution of the remuneration for employees and directors in 2024.
4. Report on distribution of the remuneration for directors in 2024.
5. Report on implementation concerning endorsements/guarantees and funds loaned to others.

IV. Ratifications
1. The 2024 business report and financial statements.
2. Distribution of the earnings in 2024.

V. Discussions
1. Amendment to certain provisions of the Company’s "Articles of Incorporation."
2. Amendment to certain provisions of the Company’s “Procedures for Handling Derivative Trading Management".
3. Amendment to certain provisions of the Company’s "Regulations Governing Loaning of Funds to Others".

VI. Election Items
Proposal for a Complete Re-election of the Company's Directors

VII. Other Proposals
Lifting of non-compete restrictions on new Directors.

VIII. Extempore Motions
IX. Adjournment

Two. Reports

I. 2024 Business report

# Loyalty Founder Enterprise Co., Ltd.
# 2024 Business report

(I) Results of implementation of the business plan

The main source of our operating revenue is the production and sales of server chassis and components. In 2024, we recorded a net operating revenue of NTD1,000,611 thousand, an increase of 17% from NTD854,880 thousand in 2023, and a consolidated net operating revenue of NTD4,487,498 thousand, a decrease of 17% from NTD5,437,932 thousand in 2023. We also recorded a consolidated gross operating profit of NTD680,625 thousand, a decrease of 2% from NTD697,187 thousand in 2023, and a consolidated after-tax net profit of NTD353,075 thousand, a decrease of 6% from NTD353,075 thousand in 2023. Our earnings per share as NTD1.82.

(II) Budget implementation

In accordance with the law, we are not required to disclose any information regarding such implementation since we did not publish any financial forecast in 2024.

(III) Analysis of financial revenues and expenses and profitability

1. Financial revenues and expenses

Unit: NTD thousand

| Item/Year | 2024 | 2024 (consolidated) |
|---|---|---|
| Net operating revenue | 1,000,611 | 4,487,498 |
| Net profit (loss) on non-opera revenues and expenses | 215,633 | 21,431 |
| Operating cost | 801,613 | 3,806,873 |
| Operating expense | 126,320 | 337,720 |
| Pre-tax net profit | 288,311 | 364,336 |
| After-tax net profit | 269,028 | 332,545 |

2. Profitability analysis (consolidated)

| Item/Year | 2024 | 2024 (consolidated) |
|---|---|---|
| Return on assets (%) | 9% | 7% |
| Return on equity (%) | 11% | 11% |
| Net profit margin (%) | 27% | 7% |
| Earnings per share (NTD) | 1.82 | 1.82 |

Note: 1. Prepared according to our 2023 consolidated financial statements.
2. The data of earnings per share is based on the retroactively adjusted number of outstanding shares as of the end of 2023.

(IV) Overview of research and development

Being committed to satisfying customers' demands and expectations for better quality, we invested NTD79,425 thousand in R&D in 2024, an increase of 22% from 2023. The following is our future direction in R&D:

1. Enhance the development of high-performance computing (HPC) and artificial intelligence (AI) servers and data storage device chassis to boost overall growth momentum.
2. Pursue opportunities in edge computing server chassis products to expand the server industry footprint and enhance competitiveness.
3. Integrate resources from HEC headquarters to secure new projects from major manufacturers and optimize product economic benefits.
4. Strengthen modular product design to shorten development timelines, reduce costs, and increase profits.
5. Collaborate with HEC headquarters and group brand resources to develop commercial office-related products and enhance brand awareness.
6. Develop new energy customer base to expand product lines and revenue.

(V) Overview of 2025 Business Plan

1. We will actively seek orders of computer chassis for servers/storage devices from all existing EMS manufacturers.
2. We will actively pursue orders for new energy-related products.
3. We will actively develop business with new customers to expand our reach.
4. We will continue to develop products of computer chassis with a high gross profit, with an aim to achieve higher profitability.
5. We will actively expand our business to include new products of computer chassis for non-server devices, and we will develop the COUGAR brand products of office furniture.
6. We will actively introduce automated robotic arms for production to decrease labor costs and increase efficiency.
7. We will integrate the human and functional resources of our group to reduce operating costs and achieve higher profits.

| Chairman: | President: | Accounting Manager: |
|---|---|---|
| Ko Chi-Yuan | Wang Chun-Tung | Chen Fang-Ting |

## II. Report on review of the 2024 statements of final accounts by the Audit Committee

Loyalty Founder Enterprise Co., Ltd.

Audit Committee's Audit Report

The Board of Directors has adopted, by resolutions, the 2024 financial statements (including consolidated financial statements), 2024 business report and proposal for distribution of earnings in 2023. The 2023 financial statements have been audited by CPAs Wang Teng-Wei and Li Chi-Chen from Deloitte Taiwan, with audit report issued thereafter. The 2023 business report, financial statements, the earnings distribution statement, etc., of the Company, among which the audit of the financial statements have been completed by the Deloitte Taiwan, which also issued the audit report. The Audit Committee has reviewed the aforementioned business report, financial statements, and earnings distribution statement and believes that there is no inconsistency. This report is hereby made in accordance with the provisions of Article 14-4 of the Securities and Exchange Act as well as Article 219 of the Company Act. Respectfully submitted for review.

Submitted to:

2025 Annual Shareholders' Meeting of Loyalty Founder Enterprise Co., Ltd.

Audit Committee meeting convenor: Huang Cheng-Chung

March 11, 2025

## III. Report on distribution of the remuneration for employees and directors in 2024.

The remuneration for employees and directors in 2024 was discusses and approved by the Board of Directors on March 12, 2024, with NTD12,368,533 as remuneration for employees and NTD6,134,267 as remuneration for directors, all of which will be distributed in cash.

## IV. 2024 directors' remuneration payment reports.

(I) LFE’s Policy, Standards, Composition, and Procedures for Director Remuneration, and its Relationship with Operational Performance and Future Risks:

1. Directors’ remuneration of LFE is governed by Company’s articles of incorporation, Article 22 and Article 25(1). The Board of Directors shall be authorized to determine the remuneration for all directors conducting the business of LFE based on the general standards of peer companies. The allocation ratio of directors' remuneration shall not exceed 5% of the profit. The Company conducts regular evaluations of directors' remuneration in accordance with the "Board Performance Evaluation Method." The related performance assessments and the reasonableness of remuneration are reviewed by the Remuneration Committee and the Board of Directors. The extent of participation in the Company's operations and the value of contributions by the aforementioned directors are assessed based on weighted rights and distributed accordingly. The basic right value for serving as a director is 1, and serving as a chairman adds 0.5 to the right value. Remuneration is provided annually, and if the tenure is less than one year, the rights are calculated based on the tenure. After resolution by the Board of Directors, the matter is reported to the shareholders' meeting.

2. The performance assessment and remuneration of the directors and managers of the Company are subject to regular evaluation and review by the Remuneration Committee and the Board of Directors each year. In addition to considering individual performance achievement and contributions to the Company, the assessment also takes into account the overall operational performance of the Company, future industry risks and development trends, as well as periodic reviews of the compensation system in line with actual operational conditions and relevant regulations. Furthermore, it

comprehensively considers current trends in corporate governance and the results of corporate governance evaluations, providing fair compensation to ensure a balance between sustainable operation and risk management of the Company. The actual amounts of remuneration paid to directors and managers for 2024 were determined by the board of directors after review by the Remuneration Committee.

3. The review of LFE's remuneration policy, related payment standards, and systems is primarily based on the overall operating conditions of LFE. Payment standards are determined based on performance achievement rates and contribution levels to enhance the overall organizational effectiveness of the board of directors and management department. Furthermore, taking reference from industry salary standards, ensure that LFE’s remuneration for the management team remains competitive within the industry, in order to retain excellent managerial talent.

(II) Individual remuneration of directors is detailed as follows:

As of December 31, 2024 Unit: Thousand NTD

| Title | Name | Remuneration for directors | | | | | | | | Sum of A, B, C and D as a % of after-tax net profit | | Remuneration received for concurrent service as an employee | | | | | | | | Sum of A, B, C, D, E, F and G as a % of after-tax net profit | | Remuneration received from non-subsidiary investee companies or the parent company |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Remuneration (A) | | Post-employment pension (B) | | Remuneration for director (C) | | Business execution expense (D) | | | | Salaries, bouses, special allowances, etc. (E) | | Post-employment pension (F) | | Remuneration for employee (G) | | | | | | |
| | | | | | | | | | | | | | | | | LFE | | All companies in the financial report (Note 5) | | | | |
| | | LFE | All companies in the financial report | LFE | All companies in the financial report | LFE | All companies in the financial report | LFE | All companies in the financial report | LFE | All companies in the financial report | LFE | All companies in the financial report | LFE | All companies in the financial report | Amount in cash | Amount in stock | Amount in cash | Amount in stock | LFE | All companies in the financial report | |
| Directors | HEC | - | - | - | - | 3,246 | 3,246 | - | - | 3,246<br>1.21% | 3,246<br>1.21%% | - | - | - | - | - | - | - | - | 3,246<br>1.21% | 3,246<br>1.21% | None |
| Chairman | Ko Chi-Yuan | 1,922 | 10,217 | - | - | - | - | 50 | 50 | 1,972<br>0.73% | 10,267<br>3.82% | - | - | - | - | - | - | - | - | 1,972<br>0.73% | 10,267<br>3.82% | None |
| Representative | Chung Ting-Chun | - | - | - | - | - | - | 50 | 50 | 50<br>0.02% | 50<br>0.02% | - | - | - | - | - | - | - | - | 50<br>0.02% | 50<br>0.02% | None |
| Representative | Wang Chun-Tung | - | - | - | - | - | - | 50 | 50 | 50<br>0.02% | 50<br>0.02% | 2,859 | 7,237 | 108 | 108 | 5,661 | - | 5,661 | - | 8,678<br>3.23% | 13,056<br>4.85% | None |
| Representative | Li Li-Sheng | - | - | - | - | - | - | 50 | 50 | 50<br>0.02% | 50<br>0.02% | - | - | - | - | - | - | - | - | 50<br>0.02% | 50<br>0.02% | None |
| Directors | Tahua Investment Co., Ltd. | - | - | - | - | 722 | 722 | - | - | 722<br>0.27% | 722<br>0.27% | - | - | - | - | - | - | - | - | 722<br>0.27% | 722<br>0.27% | None |
| Representative | Chen Ling-Shiuan | - | - | - | - | - | - | 50 | 50 | 50<br>0.02% | 50<br>0.02% | - | - | - | - | - | - | - | - | 50<br>0.02% | 50<br>0.02% | None |
| Independent director | Huang Cheng-Chung | - | - | - | - | 722 | 722 | 120 | 120 | 842<br>0.31% | 842<br>0.31% | - | - | - | - | - | - | - | - | 842<br>0.31% | 842<br>0.31% | None |
| Independent director | Tang Li-Yu | - | - | - | - | 722 | 722 | 120 | 120 | 842<br>0.31% | 842<br>0.31% | - | - | - | - | - | - | - | - | 842<br>0.31% | 842<br>0.31% | None |
| Independent director | Chen Chieh-Shan | - | - | - | - | 722 | 722 | 120 | 120 | 842<br>0.31% | 842<br>0.31% | - | - | - | - | - | - | - | - | 842<br>0.31% | 842<br>0.31% | None |

Note1: 2024 Directors remuneration, as resolved by the board of directors on March 11, 2025, amounted to NTD6,134,000. Directors received estimated amounts, which remained unpaid as of the date of the annual report printing.

Note2: Operating expenses include meeting expenses for the board of directors, remuneration committee, and audit committee, totaling NTD610,000.

## V. Report on implementation concerning endorsements/guarantees and funds loaned to others

The following is the status of implementation concerning endorsements/ guarantees and funds loaned from LFE to others as of March 31, 2025:

Unit: NTD thousand

| Endorsement/ Guarantee provider | Endorsement/Guarantee recipient | | Limit of endorsements/ guarantees at end of the period | Cumulative amount of endorsements/ guarantees as a share of the net value of the financial statements for the most recent period (%) | Amount of endorsements / guarantees disbursed at end of the period |
|---|---|---|---|---|---|
| | Company name | Relationship | | | |
| LFE | LFDG | Subsidiary - shareholding at 79.87% | 334,149 | 13.57% | 0 |
| **Total** | | | **334,149** | **13.57%** | **0** |

Note 1. The net value of the financial statements for the most recent period is calculated based on NTD2,462,153 thousand in Q4 of 2024.
2. The USD exchange rate is 1:33.205.

Unit: NTD thousand

| Lender of funds to others | Borrower | | Nature of funds loaned | Limit of funds loanable at end of the period | Cumulative amount of funds loaned as a share of the net value of the financial statements for the most recent period (%) | Amount of funds loanable disbursed at end of the period |
|---|---|---|---|---|---|---|
| | Company name | Relationship | | | | |
| LFE | HEC | Parent company | Short-term financing | 90,000 | 4% | 0 |
| **Total** | | | | **90,000** | **4%** | **90** |

Note 1. The net value of the financial statements for the most recent period is calculated based on NTD2,462,153 thousand in Q4 of 2024.
2. The USD exchange rate is 1:33.205.

## Three. Ratifications

Item 1 (Submitted by the Board of Directors)

Proposal: The 2024 business report and financial statements, hereby submitted for ratification.

Description: The 2024 parent-only and consolidated financial statements were adopted by resolutions of the Board of Directors on March 11, 2025, and have been audited by CPAs Wang Teng-Wei and Li Chi-Chen from Deloitte Taiwan, with an unqualified audit report issued thereafter. The financial statements, and the business report was reviewed by the Audit Committee, as attached hereto (pp. 2 - 4 of this handbook). For the parent-only and consolidated financial statements including balance sheets, statements of comprehensive income, statements of cash flows and statements of changes in equity, see Appendix 1 (pp.15 - 34 of this handbook)。

Resolution

Item 2 (Submitted by the Board of Directors)

Proposal: Distribution of the earnings of 2024, hereby submitted for ratification.

Description:

I. In accordance with the dividend policy in Article 26 of the Articles of Incorporation, it is proposed to distribute NTD1.8 per share in cash.

II. The cash dividends to be distributed will be rounded down to the nearest NTD. The total of fractional amounts less than NTD1 after distribution will be recognized in other revenues.

III. This proposal was adopted by the Board of Directors on March 11, 2025 and was reviewed by the Audit Committee. Upon its approval by the annual shareholders' meeting, the Chairman will be authorized to determine a record date for distribution of dividends.

IV. In the event of any subsequent change in the dividend payout ratio due to a change in our outstanding shares, the Chairman will be authorized by the shareholders' meeting to address such a situation.

V. The following is a proposed table of distribution of earnings:

Loyalty Founder Enterprise Co., Ltd.

Table of Distribution of the Earnings of 2024

Unit: NTD

| Item | Amount | Remarks |
|---|---|---|
| Undistributed earnings at beginning of the period | $173,104,669 | |
| After-tax net profit for the current year | 269,027,565 | |
| Remeasurement of defined benefit plans recognized in retained earnings | 1,644,420 | |
| Amount of current after-tax net profit plus items other than current after-tax net profit included in undistributed earnings for the current year | 270,671,985 | |
| 10% set aside as legal reserves | (27,067,199) | Note |
| Special reserves set aside as required by law | (73,905,877) | |
| Earnings distributable for the current year | 490,615,332 | |
| Items for distribution | | |
| (1) Bonus to shareholder - cash dividend of NTD1.5 per share | 265,828,732 | |
| Undistributed earnings at end of the period | 224,786,600 | |

[Note] In accordance with the amended Company Act, the basis for setting aside legal reserves has been revised to the "amount of current after-tax net profit plus items other than current after-tax net profit included in undistributed earnings for the current year."

| Chairman: | President: | Accounting Manager: |
|---|---|---|
| Ko Chi-Yuan | Wang Chun-Tung | Chen Fang-Ting |

Resolution

# Four. Discussions

Item 1 (Submitted by the Board of Directors)

Proposal: Amendment to certain provisions of the "Articles of Incorporation," hereby submitted for discussion.

Description: In accordance with Article 14, Paragraph 6 of the Securities and Exchange Act (Order No. Jin-Guan-Zheng-Fa-Zi-1130385442), it is proposed to amend certain articles. Please refer to Appendix 2 (p.35 of this handbook) for the comparison table of the amended articles.

Resolution

Item 2 (Submitted by the Board of Directors)

Proposal: Amendment to certain provisions of the Company's "Procedures for Handling Derivative Trading Management", hereby submitted for discussion.

Description: To amend regulations pertaining to derivative transactions, please refer to Appendix 3 (pp.36 to 39 of this handbook) for the comparison table of the amended articles.

Resolution

Item 3 (Submitted by the Board of Directors)

Proposal: Amendment to certain provisions of the Company's "Regulations Governing Loaning of Funds to Others," hereby submitted for discussion.

Description: To amend the limits and authorization for lending of funds, certain articles of the "Regulations Governing Lending of Funds to Others" are hereby revised. Please refer to Appendix 4 (pp.40 to 42 of this handbook) for the comparison table of the amended articles.

Resolution

Five. Extempore Motions

Proposal: Proposal for a Complete Re-election of the Company's Directors, hereby submitted for election. (Submitted by the Board of Directors)

Description:

1. The current term of LFE's incumbent directors will expire on June 20, 2025, and a re-election shall be conducted in accordance with the law.
2. In accordance with LFE's Articles of Incorporation and to align with the establishment of an Audit Committee in lieu of supervisors, this Annual Shareholders' Meeting will elect nine (9) directors (including four (4) independent directors). The newly elected directors shall assume office immediately following the Shareholders' Meeting, with a term of three (3) years, commencing from June 18, 2025, to June 17, 2028.
3. LFE adopts a director candidate nomination system. Shareholders shall elect from the list of director candidates, which is detailed in Appendix 5 (pp.43 to 44 of this handbook).

Election Results

Six. Other Proposals

Proposal: Lifting of non-compete restrictions on directors, hereby submitted for discussion. (Submitted by the Board of Directors)

Description:

1. In accordance with the provisions of Article 209 of the Company Act, if a director engages in activities within the scope of LFE's business for themselves or others, they shall explain the significant details of such activities to the Shareholders' Meeting and obtain its approval.
2. LFE's newly elected directors and their representatives have investments in or operate other companies with the same or similar business scope as LFE and serve as directors therein. Under the condition that LFE's interests are not

compromised, it is proposed to lift the restrictions on the non-competition obligations of the said directors and their representatives. Please refer to Appendix 6 (p.46 of this handbook) for the concurrent positions held by the director candidates in other companies.

Seven. Extempore Motions

Eight. Adjournment

# Nine.

## Appendix 1 CPA's Audit Report and Financial Statements (including Consolidated Version)

CPA's Audit Report

To Loyalty Founder Enterprise Co., Ltd.:

**Audit Opinions**

We have audited the accompanying consolidated financial statements of Loyalty Founder Enterprise Co., Ltd. (the "Corporation") and its subsidiaries , which comprise the consolidated balance sheets as of December 31, 2024 and 2023, 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 a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation and its subsidiaries as of December 31, 2024 and 2023, their consolidated financial performance and their 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 of Audit Opinions**

We have 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 Corporation and its subsidiaries 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.

Key audit matters of the Corporation and its subsidiaries consolidated financial statements for the year ended December 31, 2024 are stated as follows:

Truthfulness of the recognition of revenues from certain customers

The main sources of revenues for the Corporation and its subsidiaries are revenues from the sales of computers, server chassis and power supplies. The sales revenue from specific customers increased significantly compared with the previous year. Therefore, in accordance with the requirement of the Statement of Auditing Standards that revenues be presumed as a significant risk, we have deemed the truthfulness of the recognition of revenues from those certain customers to be a key audit matter.

The main audit procedures conducted by us include:

I. Understanding and sample testing of the effectiveness of the design and implementation of internal controls related to the recognition of revenues.

II. Sampling in the statements of sales revenues from certain customers and reviewing shipment certificates to confirm if such revenues have actually occurred.

III. Reviewing samples of payment receipts to check if the payers match the purchasers.

**Other Matters**

We have also audited the standalone financial statements of Loyalty Founder Enterprise Co., Ltd. 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 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, 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 Corporation and its subsidiaries' 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 and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee is responsible for overseeing the Corporation and its subsidiaries' 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 Corporation and its subsidiaries' 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 and its subsidiaries' 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 Corporation and its subsidiaries 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 Corporation and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 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.

Deloitte Taiwan

CPA Wang Teng-Wei

CPA Li Chi-Chen

No. of Approval Document from the Financial Supervisory Commission
Jin-Guan-Zheng-Shen-Zi No. 1100356048

No. of Approval Document from the Securities and Futures Commission
Tai-Cai-Zheng-Liu-Zi No. 0920123784

March 11, 2025

# Loyalty Founder Enterprise Co., Ltd. and Subsidiaries

## Consolidated Balance Sheet
## Unit: NTD thousand

| Code | Asset | December 31, 2024 Amount | % | December 31, 2023 Amount | % |
|---|---|---|---|---|---|
| | Current assets | | | | |
| 1100 | Cash and cash equivalents (Notes 4 and 6) | $ 377,182 | 8 | $ 854,804 | 17 |
| 1110 | Financial assets measured at fair value through profit/loss – current (Notes 4 and 7) | 644,832 | 13 | 1,435 | - |
| 1136 | Financial assets measured at amortized cost – current (Notes 4, 8 and 29) | 18,696 | 1 | 48,824 | 1 |
| 1150 | Notes receivable (Notes 4 and 9) | 3,447 | - | - | - |
| 1170 | Accounts receivable (Notes 4 and 9) | 360,760 | 7 | 274,448 | 6 |
| 1180 | Accounts receivable – related parties (Notes 4, 9 and 28) | 1,530,549 | 30 | 1,604,195 | 33 |
| 1200 | Other receivables (Notes 4) | 9,703 | - | 2,572 | - |
| 1210 | Other receivables – related parties (Notes 4 and 28) | 18,561 | - | 106,554 | 2 |
| 1220 | Current income tax assets | 130 | - | - | - |
| 130X | Inventory (Notes 4 and 10) | 998,691 | 20 | 968,066 | 20 |
| 1410 | Prepayments (Note 16) | 118,214 | 2 | 133,762 | 3 |
| 1479 | Other current assets | 2,844 | - | 3,456 | - |
| 11XX | Total current assets | 4,083,609 | 81 | 3,998,116 | 82 |
| | Non-current assets | | | | |
| 1535 | Financial assets measured at amortized cost – non-current (Notes 4 and 8) | 134,340 | 3 | - | - |
| 1550 | Investments accounted for using the equity method (Notes 4 and 12) | 107,406 | 2 | 159,708 | 3 |
| 1600 | Property, plant and equipment (Notes 4, 13 and 28) | 599,502 | 12 | 601,580 | 13 |
| 1755 | Right-of-use assets (Notes 4 and 14) | 61,499 | 1 | 55,581 | 1 |
| 1760 | Net investment property (Notes 4 and 15) | 7,347 | - | 11,973 | - |
| 1780 | Other intangible assets (Note 4) | 5,183 | - | 3,053 | - |
| 1840 | Deferred income tax assets (Notes 4 and 24) | 15,041 | - | 12,417 | - |
| 1920 | Deposits paid | 2,759 | - | 3,336 | - |
| 1975 | Net defined benefit assets – non-current (Notes 4 and 20) | 24,751 | 1 | 22,416 | 1 |
| 15XX | Total non-current assets | 957,828 | 19 | 870,064 | 18 |
| 1XXX | Total assets | $ 5,041,437 | 100 | $ 4,868,180 | 100 |
| Code | Liabilities and equity | | | | |
| | Current liabilities | | | | |
| 2100 | Short-term loans (Notes 4 and 17) | $ - | - | $ 35,000 | 1 |
| 2120 | Financial liabilities measured at fair value through profit/loss – current (Notes 4 and 7) | 3,506 | - | - | - |
| 2130 | Contract liabilities – current (Notes 22) | 84,868 | 2 | 41,514 | 1 |
| 2170 | Accounts payable (Note 18) | 1,214,307 | 24 | 1,180,407 | 24 |
| 2180 | Accounts payable – related parties (Notes 18 and 28) | 340,444 | 7 | 487,561 | 10 |
| 2219 | Other payables (Note 19) | 247,099 | 5 | 195,296 | 4 |
| 2220 | Other payables – related parties (Note 28) | 2,019 | - | 5,382 | - |
| 2230 | Current income tax liabilities (Notes 4 and 24) | 38,314 | 1 | 36,788 | 1 |
| 2280 | Lease liabilities – current (Notes 4 and 14) | 17,579 | - | 20,577 | - |
| 2300 | Other current liabilities (Note 19) | 51,963 | 1 | 36,988 | 1 |
| 21XX | Total current liabilities | 2,000,099 | 40 | 2,039,513 | 42 |
| | Non-current liabilities | | | | |
| 2570 | Deferred income tax liabilities (Notes 4, 5 and 24) | 5,366 | - | 4,483 | - |
| 2580 | Lease liabilities – non-current (Notes 4 and 14) | 23,250 | - | 14,978 | - |
| 2645 | Deposits received | 3,992 | - | 3,857 | - |
| 25XX | Total non-current liabilities | 32,608 | - | 23,318 | - |
| 2XXX | Total liabilities | 2,032,707 | 40 | 2,062,831 | 42 |
| | Equity attributable to shareholders of the parent (Note 21) | | | | |
| 3100 | Share capital | 1,476,826 | 30 | 1,476,826 | 30 |
| 3200 | Capital reserves | 315,269 | 6 | 315,105 | 6 |
| | Retained earnings | | | | |
| 3310 | Legal reserves | 152,376 | 3 | 123,424 | 3 |
| 3320 | Special reserves | 117,866 | 2 | 81,582 | 2 |
| 3350 | Undistributed earnings | 443,776 | 9 | 459,864 | 9 |
| 3300 | Total retained earnings | 714,018 | 14 | 664,870 | 14 |
| 3400 | Other equity | ( 43,960 ) | ( 1 ) | ( 117,866 ) | ( 2 ) |
| 31XX | Equity attributable to shareholders of the parent | 2,462,153 | 49 | 2,338,935 | 48 |
| 36XX | Non-controlling interest (Note 11) | 546,577 | 11 | 466,414 | 10 |
| 3XXX | Total equity | 3,008,730 | 60 | 2,805,349 | 58 |
| | Total liabilities and equity | $ 5,041,437 | 100 | $ 4,868,180 | 100 |

The notes attached hereto constitute part of this consolidated financial report.

Chairman: Ko Chi-Yuan  President: Wang Chun-Tung  Accounting Manager: Chen Fang-Ting

# Loyalty Founder Enterprise Co., Ltd. and Subsidiaries

## Consolidated Statement of Comprehensive Income
## (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

| Code | | 2024 Amount | 2024 % | 2023 Amount | 2023 % |
|---|---|---|---|---|---|
| 4100 | Operating revenue (Notes 4, 22 and 28) | $ 4,487,498 | 100 | $ 5,437,932 | 100 |
| 5110 | Operating cost (Notes 10, 23 and 28) | 3,806,873 | 85 | 4,740,745 | 87 |
| 5900 | Gross operating profit | 680,625 | 15 | 697,187 | 13 |
| | Operating expense (Notes 9, 23 and 28) | | | | |
| 6100 | Marketing expense | 76,798 | 1 | 79,171 | 1 |
| 6200 | Management expense | 181,763 | 4 | 194,641 | 4 |
| 6300 | R&D expense | 79,425 | 2 | 65,301 | 1 |
| 6450 | Profit on reversal of expected credit impairment loss | ( 266 ) | - | ( 14 ) | - |
| 6000 | Total operating expenses | 337,720 | 7 | 339,099 | 6 |
| 6900 | Net operating profit | 342,905 | 8 | 358,088 | 7 |
| | Non-operating revenues and expenses (Notes 4, 23, 27 and 28) | | | | |
| 7100 | Interest income | 29,093 | - | 19,858 | - |
| 7010 | Other incomes | 31,494 | 1 | 31,504 | - |
| 7020 | Other profits and losses | 18,115 | - | ( 19,547 ) | - |
| 7050 | Financial cost | ( 8,711 ) | - | ( 2,524 ) | - |
| 7060 | Share of losses of associates accounted for using the equity method | ( 48,560 ) | ( 1 ) | ( 1,079 ) | - |
| 7000 | Total non-operating revenues and expenses | 21,431 | - | 28,212 | - |
| 7900 | Pre-tax net profit | 364,336 | 8 | 386,300 | 7 |
| 7950 | Income tax expenses (Notes 4, 5 and 24) | 31,791 | 1 | 33,225 | - |
| 8200 | Net profit in the current year | 332,545 | 7 | 353,075 | 7 |

| Code | | 2024 Amount | 2024 % | 2023 Amount | 2023 % |
|---|---|---|---|---|---|
| | Other comprehensive income (Notes 12, 20 and 24) | | | | |
| 8310 | Items not reclassified as profit or loss | | | | |
| 8311 | Remeasurement of defined benefits plans | $ 2,055 | - | $ 169 | - |
| 8349 | Income tax related to items not reclassified | ( 411 ) | - | ( 34 ) | - |
| | | 1,644 | - | 135 | - |
| 8360 | Items likely to be subsequently reclassified as profit or loss: | | | | |
| 8361 | Exchange differences on translation foreign operations | 86,337 | 2 | ( 43,012 ) | ( 1 ) |
| 8370 | Share of other comprehensive income of associates accounted for using the equity method | 4,496 | - | ( 1,929 ) | - |
| 8399 | Income tax related to items likely to be reclassified as profit or loss | ( 281 ) | - | 85 | - |
| | | 90,552 | 2 | ( 44,856 ) | ( 1 ) |
| 8300 | Other comprehensive income for the year, net of income tax | 92,196 | 2 | ( 44,721 ) | ( 1 ) |
| 8500 | Total comprehensive income in the current year | $ 424,741 | 9 | $ 308,354 | 6 |
| 8600 | Net profit attributable to: | | | | |
| 8610 | Shareholders of the parent | $ 269,028 | 6 | $ 289,387 | 5 |
| 8620 | Non-controlling interests | 63,517 | 1 | 63,688 | 1 |
| | | $ 332,545 | 7 | $ 353,075 | 6 |
| 8700 | Total comprehensive income attributable to: | | | | |
| 8710 | Shareholders of the parent | $ 344,578 | 7 | $ 253,238 | 5 |
| 8720 | Non-controlling interests | 80,163 | 2 | 55,116 | 1 |
| | | $ 424,741 | 9 | $ 308,354 | 6 |
| | EPS (Note 25) | | | | |
| 9750 | Basic | $ 1.82 | | $ 1.96 | |
| 9850 | Diluted | 1.82 | | 1.95 | |

The notes attached hereto constitute part of this consolidated financial report.

Chairman: Ko Chi-Yuan President: Wang Chun-Tung Accounting Manager: Chen Fang-Ting

**Loyalty Founder Enterprise Co., Ltd. and Subsidiaries**

**Consolidated Statement of Changes in Equity**
**(Reviewed, Not Audited)**
**Unit: NTD thousand**

| | | Equity Attributable to Shareholders of the Parent | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Retained Earnings | | | Other equity | | | |
| Code | | Share capital | Capital reserves | Legal reserves | Special reserves | Undistributed earnings | Exchange differences on translation of financial statements of foreign operations | Total | Non-controlling interest | Total equity |
| A1 | January 1, 2023 | $ 1,476,826 | $ 314,425 | $ 93,396 | $ 108,168 | $ 395,308 | ($ 81,582) | $ 2,306,541 | $ 411,298 | $ 2,717,839 |
| | Appropriations of earnings (Note 21) | | | | | | | | | |
| B1 | Legal reserve | - | - | 30,028 | - | ( 30,028) | - | - | - | - |
| B3 | Special reserve | - | - | - | ( 26,586) | 26,586 | - | - | - | - |
| B5 | Cash dividends to stockholders - NT$1.5 per share | - | - | - | - | ( 221,524) | - | ( 221,524) | - | ( 221,524) |
| | | - | - | 30,028 | ( 26,586) | ( 224,966) | - | ( 221,524) | - | ( 221,524) |
| D1 | Net Income | - | - | - | - | 289,387 | - | 289,387 | 63,688 | 353,075 |
| D3 | Other comprehensive income, net of income tax | - | - | - | - | 135 | ( 36,284) | ( 36,149) | ( 8,572) | ( 44,721) |
| D5 | Total comprehensive income | - | - | - | - | 289,522 | ( 36,284) | 253,238 | 55,116 | 308,354 |
| C7 | Changes in associates accounted for using the equity method (Note 21) | - | 680 | - | - | - | - | 680 | - | 680 |
| Z1 | December 31, 2023 | 1,476,826 | 315,105 | 123,424 | 81,582 | 459,864 | ( 117,866) | 2,338,935 | 466,414 | 2,805,349 |
| | Appropriations of earnings (Note 21) | | | | | | | | | |
| B1 | Legal reserve | - | - | 28,952 | - | ( 28,952) | - | - | - | - |
| B3 | Special reserve | - | - | - | 36,284 | ( 36,284) | - | - | - | - |
| B5 | Cash dividends to stockholders - NT$1.5 per share | - | - | - | - | ( 221,524) | - | ( 221,524) | - | ( 221,524) |
| | | - | - | 28,952 | 36,284 | ( 286,760) | - | ( 221,524) | - | ( 221,524) |
| D1 | Net Income | - | - | - | - | 269,028 | - | 269,028 | 63,517 | 332,545 |
| D3 | Other comprehensive income, net of income tax | - | - | - | - | 1,644 | 73,906 | 75,550 | 16,646 | 92,196 |
| D5 | Total comprehensive income | - | - | - | - | 270,672 | 73,906 | 344,578 | 80,163 | 424,741 |
| C7 | Changes in associates accounted for using the equity method (Note 21) | - | 163 | - | - | - | - | 163 | - | 163 |
| C17 | Changes in Other Capital Surplus | - | 1 | - | - | - | - | 1 | - | 1 |
| Z1 | December 31, 2024 | $ 1,476,826 | $ 315,269 | $ 152,376 | $ 117,866 | $ 443,776 | ($ 43,960) | $ 2,462,153 | $ 546,577 | $ 3,008,730 |

The notes attached hereto constitute part of this consolidated financial report.

Chairman: Ko Chi-Yuan President: Wang Chun-Tung Accounting Manager: Chen Fang-Ting

# Loyalty Founder Enterprise Co., Ltd. and Subsidiaries

## Consolidated Statements of Cash Flows
## (In Thousands of New Taiwan Dollars)

| Code | | 2024 | 2023 |
|---|---|---|---|
| | Cash flow from operating activities | | |
| A10000 | Pre-tax net profit in the current year | $ 364,336 | $ 386,300 |
| A20000 | Profits, expenses and losses: | | |
| A20100 | Depreciation expense | 123,844 | 159,986 |
| A20200 | Amortization expense | 1,475 | 882 |
| A20300 | Profit on reversal of expected credit impairment loss | ( 266 ) | ( 14 ) |
| A20400 | Net loss (profit) on financial assets and liabilities measured at fair value through profit or loss | 4,964 | 5,371 |
| A20900 | Financial cost | 8,711 | 2,524 |
| A21200 | Interest income | ( 29,093 ) | ( 19,858 ) |
| A22400 | Share of losses of associates accounted for using the equity method | 48,560 | 1,079 |
| A22500 | Loss (profit) on disposal of property, plant and equipment | ( 239 ) | ( 1,341 ) |
| A24200 | Provision of refund liabilities | 15,897 | 6,540 |
| A29900 | Other items | 1,782 | ( 32 ) |
| A30000 | Net changes in operating assets and liabilities | | |
| A31130 | Notes receivable | ( 3,429 ) | - |
| A31150 | Accounts receivable | ( 84,715 ) | 133,068 |
| A31160 | Accounts receivable-related parties | 136,095 | ( 744,685 ) |
| A31180 | Other receivables (including related parties) | ( 11,608 ) | 21,622 |
| A31200 | Inventory | 1,492 | ( 176,251 ) |
| A31230 | Prepayments | 19,263 | 7,817 |
| A31240 | Other current assets | 737 | 1,575 |
| A32125 | Contract liabilities | 43,354 | ( 52,674 ) |
| A32130 | Notes payable | ( 6,794 ) | 689,215 |
| A32150 | Accounts payable | ( 162,753 ) | 135,826 |
| A32180 | Other payables (including related parties) | 39,665 | ( 64,945 ) |
| A32230 | Other current liabilities | ( 957 ) | ( 1,691 ) |
| A32240 | Net defined benefit liabilities | ( 280 ) | ( 275 ) |
| A33000 | Cash generated from (used for) operations | 510,041 | 490,039 |
| A33100 | Interest received | 29,413 | 19,678 |
| A33300 | Interest paid | ( 8,712 ) | ( 2,523 ) |
| A33500 | Income tax paid | ( 33,363 ) | ( 53,070 ) |
| AAAA | Net cash inflow from operating activities | 497,379 | 454,124 |

| Code | | 2024 | 2023 |
|---|---|---|---|
| | Cash flow from investing activities | | |
| B00040 | Acquisition of financial assets measured at amortized cost | ($ 316,778) | ($ 44,779) |
| B00050 | Disposal of financial assets measured at amortized cost | 213,792 | 20,229 |
| B00100 | Acquisition of financial assets measured at fair value through profit/loss | ( 1,676,931) | - |
| B00200 | Disposal of financial assets measured at fair value through profit/loss | 1,038,344 | - |
| B02700 | Purchase of property, plant and equipment | ( 73,773) | ( 38,553) |
| B02800 | Proceeds from disposal of property, plant and equipment | 963 | 2,751 |
| B03700 | Increase in refundable deposits | ( 5) | - |
| B03800 | Decrease in refundable deposits | 690 | - |
| B04300 | Increase in Other receivables-related parties | - | ( 90,000) |
| B04400 | Decrease in Other receivables-related parties | 90,000 | 90,000 |
| B04500 | Acquisition of intangible assets | ( 3,513) | ( 1,263) |
| B07600 | Dividends received | 8,401 | 1,701 |
| BBBB | Net cash inflows (outflows) from investing activities | ( 718,810) | ( 59,914) |
| | Cash flow from financing activities | | |
| C00100 | Increase in short-term loans | - | 35,000 |
| C00200 | Decrease in short-term loans | ( 35,000) | - |
| C00500 | Increase in short-term notes payable | 1,000 | 1,000 |
| C00600 | Decrease in short-term notes payable | ( 1,000) | ( 1,000) |
| C03000 | Increase in deposits received | - | 26 |
| C03100 | Decrease in deposits received | - | ( 88) |
| C04020 | Repayment of principal of lease | ( 21,150) | ( 20,170) |
| C04500 | Cash dividends paid | ( 221,524) | ( 221,524) |
| C09900 | Other Financing Activities | 1 | - |
| CCCC | Net cash inflow (outflow) from financing activities | ( 277,673) | ( 206,756) |
| DDDD | Effect of changes in exchange rate on cash and cash equivalents | 21,482 | ( 10,848) |
| EEEE | Increase (Decrease) in cash and cash equivalents in the current year | ( 477,622) | 176,606 |
| E00100 | Starting balance of cash and cash equivalents | 854,804 | 678,198 |
| E00200 | Ending balance of cash and cash equivalents | $ 377,182 | $ 854,804 |

The notes attached hereto constitute part of this consolidated financial report.

Chairman: Ko Chi-Yuan President: Wang Chun-Tung Accounting Manager: Chen Fang-Ting

CPA's Audit Report

To Loyalty Founder Enterprise Co., Ltd.:

**Audit Opinions**

We have audited the accompanying standalone financial statements of Loyalty Founder Enterprise Co., Ltd. (the "Corporation"), which comprise the standalone balance sheets as of December 31, 2024 and 2023, the standalone statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the standalone financial statements, including a summary of significant accounting policies (collectively referred to as the "standalone financial statements").

In our opinion, the accompanying standalone financial statements present fairly, in all material respects, the standalone financial position of the Corporation as of December 31, 2024 and 2023, its standalone financial performance and its standalone 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 have 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 Standalone 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 standalone financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the Corporation's standalone financial statements for the year ended December 31, 2024 are stated as follows:

Truthfulness of the recognition of revenues from certain customers

The main sources of revenues for the Corporation and its subsidiaries are revenues from the sales of computers and server chassis. The sales revenue from specific customers increased significantly compared with the previous year. Therefore, in accordance with the requirement of the Statement of Auditing Standards that revenues be presumed as a significant risk, we have deemed the truthfulness of the recognition of revenues from those certain customers to be a key audit matter.

The main audit procedures conducted by us include:

IV. Understanding and sample testing of the effectiveness of the design and implementation of internal controls related to the recognition of revenues.

V. Sampling in the statements of sales revenues from certain customers and reviewing shipment certificates to confirm if such revenues have actually occurred.

VI. Reviewing samples of payment receipts to check if the payers match the purchasers.

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

Management is responsible for the preparation and fair presentation of the standalone 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 the Corporation's financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 the audit committee, is responsible for overseeing the Corporation's financial reporting process.

**Auditors' Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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 Corporation to express an opinion on the standalone financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone 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.

Deloitte Taiwan

CPA Wang Teng-Wei

No. of Approval Document from the Financial Supervisory Commission
Jin-Guan-Zheng-Shen-Zi No. 1100356048

CPA Li Chi-Chen

No. of Approval Document from the Securities and Futures Commission
Tai-Cai-Zheng-Liu-Zi No. 0920123784

March 14, 2025

# Loyalty Founder Enterprise Co., Ltd.

## Standalone Balance Sheet
## Unit: NTD thousand

| Code | Asset | December 31, 2024 Amount | % | December 31, 2023 Amount | % |
|---|---|---|---|---|---|
| | Current assets | | | | |
| 1100 | Cash and cash equivalents (Notes 4 and 6) | $ 252,765 | 9 | $ 178,061 | 7 |
| 1136 | Financial assets measured at amortized cost – current (Notes 4 and 7) | - | - | 35,000 | 1 |
| 1170 | Accounts receivable (Notes 4 and 8) | 339,160 | 11 | 233,031 | 9 |
| 1180 | Accounts receivable – related parties (Notes 4, 8 and 25) | 3,089 | - | 4,329 | - |
| 1200 | Other receivables (Notes 4) | 6,333 | - | 1,517 | - |
| 1210 | Other receivables – related parties (Notes 4 and 25) | 405 | - | 90,400 | 3 |
| 130X | Inventory (Notes 4 and 9) | 35,033 | 1 | 13,006 | 1 |
| 1410 | Prepayments (Note 13) | 8,191 | - | 28,093 | 1 |
| 11XX | Total current assets | 644,976 | 21 | 583,437 | 22 |
| | Non-current assets | | | | |
| 1550 | Investments accounted for using the equity method (Notes 4 and 10) | 2,341,555 | 77 | 2,079,730 | 77 |
| 1600 | Property, plant and equipment (Notes 4, 11 and 25) | 5,647 | - | 5,235 | - |
| 1755 | Right-of-use assets (Notes 4 and 12) | 2,770 | - | 3,800 | - |
| 1780 | Other intangible assets (Note 4) | 456 | - | 730 | - |
| 1840 | Deferred income tax assets (Notes 4 and 21) | 12,519 | 1 | 10,670 | - |
| 1920 | Deposits paid | 144 | - | 144 | - |
| 1975 | Net defined benefit assets – non-current (Notes 4 and 17) | 24,751 | 1 | 22,416 | 1 |
| 15XX | Total non-current assets | 2,387,842 | 79 | 2,122,725 | 78 |
| 1XXX | Total assets | $ 3,032,818 | 100 | $ 2,706,162 | 100 |
| **Code** | **Liabilities and equity** | | | | |
| | Current liabilities | | | | |
| 2100 | Short-term loans (Notes 4 and 14) | $ - | - | $ 35,000 | 1 |
| 2130 | Contract liabilities – current (Notes 4 and 19) | 84,868 | 3 | 41,514 | 2 |
| 2170 | Accounts payable (Note 15) | 65,243 | 2 | 3,752 | - |
| 2180 | Accounts payable – related parties (Notes 15 and 25) | 282,832 | 9 | 171,834 | 7 |
| 2219 | Other payables (Note 16) | 43,332 | 1 | 33,764 | 1 |
| 2220 | Other payables – related parties (Note 25) | 22,114 | 1 | 19,861 | 1 |
| 2230 | Current income tax liabilities (Notes 4 and 21) | 13,111 | 1 | 17,203 | 1 |
| 2280 | Lease liabilities – current (Notes 4 and 12) | 904 | - | 1,014 | - |
| 2399 | Other current liabilities (Note 16) | 50,992 | 2 | 35,996 | 1 |
| 21XX | Total current liabilities | 563,396 | 19 | 359,938 | 14 |
| | Non-current liabilities | | | | |
| 2570 | Deferred income tax liabilities (Notes 4, 5 and 21) | 5,366 | - | 4,483 | - |
| 2580 | Lease liabilities – non-current (Notes 4 and 12) | 1,903 | - | 2,806 | - |
| 25XX | Total non-current liabilities | 7,269 | - | 7,289 | - |
| 2XXX | Total liabilities | 570,665 | 19 | 367,227 | 14 |
| | Equity attributable to shareholders of the parent (Notes 4 and 18) | | | | |
| 3100 | Share capital | 1,476,826 | 49 | 1,476,826 | 54 |
| 3200 | Capital reserves | 315,269 | 10 | 315,105 | 12 |
| | Retained earnings | | | | |
| 3310 | Legal reserves | 152,376 | 5 | 123,424 | 4 |
| 3320 | Special reserves | 117,866 | 4 | 81,582 | 3 |
| 3350 | Undistributed earnings | 443,776 | 14 | 459,864 | 17 |
| 3300 | Total retained earnings | 714,018 | 23 | 664,870 | 24 |
| 3400 | Other equity | ( 43,960 ) | ( 1 ) | ( 117,866 ) | ( 4 ) |
| 3XXX | Total equity | 2,462,153 | 81 | 2,338,935 | 86 |
| | Total liabilities and equity | $ 3,032,818 | 100 | $ 2,706,162 | 100 |

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

Chairman: Ko Chi-Yuan President: Wang Chun-Tung Accounting Manager: Chen Fang-Ting

# Loyalty Founder Enterprise Co., Ltd.

## Standalone Statement of Comprehensive Income
## (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

| Code | | 2024 Amount | 2024 % | 2023 Amount | 2023 % |
|---|---|---|---|---|---|
| 4100 | Operating revenue (Notes 4, 19 and 25) | $ 1,000,611 | 100 | $ 854,880 | 100 |
| 5110 | Operating cost (Notes 9 and 25) | 801,613 | 80 | 679,346 | 80 |
| 5900 | Gross operating profit | 198,998 | 20 | 175,534 | 20 |
| | Operating expense (Notes 8, 20 and 25) | | | | |
| 6100 | Marketing expense | 67,621 | 7 | 66,398 | 7 |
| 6200 | Management expense | 41,827 | 4 | 41,415 | 5 |
| 6300 | R&D expense | 17,138 | 2 | 15,509 | 2 |
| 6450 | Profit on reversal of expected credit impairment loss | ( 266) | - | ( 14) | - |
| 6000 | Total operating expenses | 126,320 | 13 | 123,308 | 14 |
| 6900 | Net operating profit | 72,678 | 7 | 52,226 | 6 |
| | Non-operating revenues and expenses (Notes 4, 20 and 25) | | | | |
| 7100 | Interest income | 7,475 | 1 | 10,834 | 1 |
| 7010 | Other incomes | 1,382 | - | 5,429 | 1 |
| 7020 | Other profits and losses | 11,097 | 1 | ( 2,304) | - |
| 7050 | Financial cost | ( 197) | - | ( 98) | - |
| 7070 | Share of losses of associates accounted for using the equity method | 195,876 | 20 | 240,439 | 28 |
| 7000 | Total non-operating revenues and expenses | 215,633 | 22 | 254,300 | 30 |
| 7900 | Pre-tax net profit | 288,311 | 29 | 306,526 | 36 |
| 7950 | Income tax expenses (Notes 4, 5 and 21) | 19,283 | 2 | 17,139 | 2 |
| 8200 | Net profit in the current year | 269,028 | 27 | 289,387 | 34 |

| Code | | 2024 Amount | % | 2023 Amount | % |
|---|---|---|---|---|---|
| | Other comprehensive income (Notes 17 and 21) | | | | |
| | Items not reclassified as profit or loss | | | | |
| 8311 | Remeasurement of defined benefits plans | $ 2,055 | - | $ 169 | - |
| 8349 | Income tax related to items not reclassified | ( 411) | - | ( 34) | - |
| 8310 | | 1,644 | - | 135 | - |
| | Items likely to be subsequently reclassified as profit or loss: | | | | |
| 8361 | Exchange differences on translation foreign operations | 69,691 | 7 | ( 34,440) | ( 4) |
| 8380 | Share of other comprehensive income of associates accounted for using the equity method | 4,496 | - | ( 1,929) | - |
| 8399 | Income tax related to items likely to be reclassified as profit or loss | ( 281) | - | 85 | - |
| 8360 | | 73,906 | 7 | ( 36,284) | ( 4) |
| 8300 | Other comprehensive income for the year, net of income tax | 75,550 | 7 | ( 36,149) | ( 4) |
| 8500 | Total comprehensive income in the current year | $ 344,578 | 34 | $ 253,238 | 30 |
| | EPS (Note 22) | | | | |
| 9750 | Basic | $ 1.82 | | $ 1.96 | |
| 9850 | Diluted | 1.82 | | 1.95 | |

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

Chairman: Ko Chi-Yuan President: Wang Chun-Tung Accounting Manager: Chen Fang-Ting

**Loyalty Founder Enterprise Co., Ltd.**

**Stansalone Statement of Changes in Equity**
**(Reviewed, Not Audited)**
**Unit: NTD thousand**

| | | | | Retained Earnings | | | Other equity | |
|---|---|---|---|---|---|---|---|---|
| **Code** | | **Share capital** | **Capital reserves** | **Legal reserves** | **Special reserves** | **Undistributed earnings** | **Exchange differences on translation of financial statements of foreign operations** | **Total equity** |
| A1 | January 1, 2023 | $ 1,476,826 | $ 314,425 | $ 93,396 | $ 108,168 | $ 395,308 | ($ 81,582) | $ 2,306,541 |
| | Appropriations of earnings (Note 18) | | | | | | | |
| B1 | Legal reserve | - | - | 30,028 | - | ( 30,028) | - | - |
| B3 | Special reserve | - | - | - | ( 26,586) | 26,586 | - | - |
| B5 | Cash dividends to stockholders -NT$1.5 per share | - | - | - | - | ( 221,524) | - | ( 221,524) |
| | | - | - | 30,028 | ( 26,586) | ( 224,966) | - | ( 221,524) |
| D1 | Net Income | - | - | - | - | 289,387 | - | 289,387 |
| D3 | Other comprehensive income, net of income tax | - | - | - | - | 135 | ( 36,284) | ( 36,149) |
| D5 | Total comprehensive income | - | - | - | - | 289,522 | ( 36,284) | 253,238 |
| C7 | Changes in associates accounted for using the equity method | - | 680 | - | - | - | - | 680 |
| Z1 | December 31, 2023 | 1,476,826 | 315,105 | 123,424 | 81,582 | 459,864 | ( 117,866) | 2,338,935 |
| | Appropriations of earnings (Note 18) | | | | | | | |
| B1 | Legal reserve | - | - | 28,952 | - | ( 28,952) | - | - |
| B3 | Special reserve | - | - | - | 36,284 | ( 36,284) | - | - |
| B5 | Cash dividends to stockholders -NT$1.5 per share | - | - | - | - | ( 221,524) | - | ( 221,524) |
| | | - | - | 28,952 | 36,284 | ( 286,760) | - | ( 221,524) |
| D1 | Net Income | - | - | - | - | 269,028 | - | 269,028 |
| D3 | Other comprehensive income, net of income tax | - | - | - | - | 1,644 | 73,906 | 75,550 |
| D5 | Total comprehensive income | - | - | - | - | 270,672 | 73,906 | 344,578 |
| C7 | Changes in associates accounted for using the equity method | - | 163 | - | - | - | - | 163 |
| C17 | Changes in Other Capital Surplus | - | 1 | - | - | - | - | 1 |
| Z1 | December 31, 2024 | $ 1,476,826 | $ 315,269 | $ 152,376 | $ 117,866 | $ 443,776 | ($ 43,960) | $ 2,462,153 |

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

Chairman: Ko Chi-Yuan  President: Wang Chun-Tung  Accounting Manager: Chen Fang-Ting

## Loyalty Founder Enterprise Co., Ltd.

**Standalone Statements of Cash Flows**
**(In Thousands of New Taiwan Dollars)**

| Code | | 2024 | 2023 |
|---|---|---|---|
| | Cash flow from operating activities | | |
| A10000 | Pre-tax net profit in the current year | $ 288,311 | $ 306,526 |
| A20000 | Profits, expenses and losses: | | |
| A20100 | Depreciation expense | 1,686 | 2,660 |
| A20200 | Amortization expense | 274 | 305 |
| A20300 | Profit on reversal of expected credit impairment loss | ( 266) | ( 14) |
| A20900 | Financial cost | 197 | 98 |
| A21200 | Interest income | ( 7,475) | ( 10,834) |
| A22400 | Share of losses of associates accounted for using the equity method | ( 195,876) | ( 240,439) |
| A24100 | Provision of refund liabilities | 15,083 | 6,580 |
| A29900 | Other items | 464 | ( 754) |
| A30000 | Net changes in operating assets and liabilities | | |
| A31150 | Accounts receivable | ( 105,863) | 103,772 |
| A31160 | Accounts receivable-related parties | 1,240 | ( 4,329) |
| A31180 | Other receivables | ( 4,807) | 4,609 |
| A31190 | Other receivables-related parties | ( 13) | 749 |
| A31200 | Inventory | ( 22,491) | 25,941 |
| A31230 | Prepayments | 19,902 | ( 18,131) |
| A32125 | Contract liabilities | 43,354 | ( 52,674) |
| A32150 | Accounts payable | 61,491 | 2,614 |
| A32160 | Accounts payable-related parties | 110,998 | ( 86,751) |
| A32180 | Other payables | 9,568 | ( 925) |
| A32190 | Other payables-related parties | 1,185 | ( 5,735) |
| A32230 | Other current liabilities | ( 87) | ( 1,804) |
| A32240 | Net defined benefit liabilities | ( 280) | ( 275) |
| A33000 | Cash generated from (used for) operations | 216,595 | 31,189 |
| A33100 | Interest received | 7,474 | 10,654 |
| A33300 | Interest paid | ( 145) | ( 98) |
| A33500 | Income tax paid | ( 25,033) | ( 37,212) |
| AAAA | Net cash inflow from operating activities | 198,891 | 4,533 |

| Code | | 2024 | 2023 |
|---|---|---|---|
| | Cash flow from investing activities | | |
| B00040 | Acquisition of financial assets measured at amortized cost | $ - | ($ 35,000) |
| B00050 | Disposal of financial assets measured at amortized cost | 35,000 | - |
| B02700 | Purchase of property, plant and equipment | - | ( 4,935) |
| B04300 | Increase in Other receivables-related parties | - | ( 90,000) |
| B04400 | Decrease in Other receivables-related parties | 90,000 | 90,000 |
| B07600 | Dividends received | 8,401 | 1,701 |
| BBBB | Net cash inflows (outflows) from investing activities | 133,401 | ( 38,234) |
| | Cash flow from financing activities | | |
| C00100 | Increase in short-term loans | - | 35,000 |
| C00200 | Decrease in short-term loans | ( 35,000) | - |
| C00500 | Increase in short-term notes payable | 1,000 | 1,000 |
| C00600 | Decrease in short-term notes payable | ( 1,000) | ( 1,000) |
| C04020 | Repayment of principal of lease | ( 1,065) | ( 1,009) |
| C04500 | Cash dividends paid | ( 221,524) | ( 221,524) |
| C05400 | Acquisition of additional interests in subsidiaries | - | ( 30,750) |
| C09900 | Other Financing Activities | 1 | - |
| CCCC | Net cash used in financing activities | ( 257,588) | ( 218,283) |
| EEEE | Increase (Decrease) in cash and cash equivalents in the current year | 74,704 | ( 251,984) |
| E00100 | Starting balance of cash and cash equivalents | 178,061 | 430,045 |
| E00200 | Ending balance of cash and cash equivalents | $ 252,765 | $ 178,061 |

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

Chairman: Ko Chi-Yuan President: Wang Chun-Tung Accounting Manager: Chen Fang-Ting

Appendix 2 Comparison table for amendment to certain provisions of the Company's "Articles of Incorporation"

| Provision | After amendment | Before amendment | Reason for amendment |
|---|---|---|---|
| Article 25-1 | Where LFE has a profit in a year, it shall allocate 3% to 10% thereof as the remuneration for employees, **and no less than 15% of the aforementioned employee remuneration shall be allocated as compensation for grassroots employees**, which shall be distributed in shares or cash subject to a special resolution of the Board of Directors. The recipients of such remuneration may include the employees of any affiliate who have met certain requirements. The Board of Directors may adopt a special resolution to allocate no more than 5% of the amount of the foregoing profit as the remuneration for directors. The proposal for distribution of the remuneration for employees and directors shall be submitted in a report to a shareholders' meeting. If LFE still has accumulated losses, an amount of the foregoing profit shall be retained to offset such losses prior to any allocation of the remuneration for employees and directors according to the percentage under the preceding paragraph. | Where LFE has a profit in a year, it shall allocate 3% to 10% thereof as the remuneration for employees, which shall be distributed in shares or cash subject to a special resolution of the Board of Directors. The recipients of such remuneration may include the employees of any affiliate who have met certain requirements. The Board of Directors may adopt a special resolution to allocate no more than 5% of the amount of the foregoing profit as the remuneration for directors. The proposal for distribution of the remuneration for employees and directors shall be submitted in a report to a shareholders' meeting. If LFE still has accumulated losses, an amount of the foregoing profit shall be retained to offset such losses prior to any allocation of the remuneration for employees and directors according to the percentage under the preceding paragraph. | Proposed amendments in accordance with Article 14, Paragraph 6 of the Securities and Exchange Act. |
| Article 29 | This Articles of Incorporation was established on May 10, 1984. (Omitted) 29th amendment on June 13, 2017. 30th amendment on June 13, 2018. 31st amendment on July 23, 2021. 32nd amendment on June 21, 2022. 33rd amendment on June 13, 2023. **34th amendment on June 18, 2025.** | This Articles of Incorporation was established on May 10, 1984. (Omitted) 29th amendment on June 13, 2017. 30th amendment on June 13, 2018. 31st amendment on July 23, 2021. 32nd amendment on June 21, 2022. 33rd amendment on June 13, 2023. | Added the date of the current amendment. |

Appendix 3 Comparison table for amendment to certain provisions of the Company's "Procedures for Handling Derivative Trading Management"

| No. | Rev. | Amendment Date | Before amendment: | After amendment: | Description |
|---|---|---|---|---|---|
| 2 | J | 2025.03.11 | 2.2 Operating and Hedging Strategies<br>2.2.1 ~~**Engaging in derivative transactions shall adhere to the principle of risk hedging. The selection of trading instruments should primarily focus on hedging risks arising from LFE's business operations.**~~<br>2.2.~~**2**~~ Transaction counterparties should preferably be reputable banks that regularly conduct business with LFE.<br>2.2.~~**3**~~ Before engaging in foreign exchange operations, the transaction type must be clearly identified as hedging or financial operations seeking investment returns, etc., to serve as the basis for accounting entries. | 2.2 Operating and Hedging Strategies<br>2.2.**1** Transaction counterparties should preferably be reputable banks that regularly conduct business with LFE.<br>2.2.**2** Before engaging in foreign exchange operations, the transaction type must be clearly identified as hedging or **non-hedging**, etc., to serve as the basis for accounting entries. | Modified according to actual circumstances. |
| 3 | J | 2025.03.11 | 2.4 Performance evaluation<br>2.4.1 Hedging transactions: ~~**Based on the size of the foreign currency positions, foreign exchange profit and loss targets shall be established. These targets must be incorporated into performance evaluations and reviewed periodically. The Finance**~~ | 2.4 Performance evaluation<br>2.4.1 Hedging transactions: **The positions and profit and loss of hedging derivative transactions shall be evaluated regularly.**<br>2.4.2 **Non-hedging** transactions: Regularly evaluate the exchange rates, interest rates, and other financial instrument conditions and trends in | Modified according to actual circumstances & 2.4.3 Modification of loss limits and aggregate limits to 2.1.3 |

| No. | Rev. | Amendment Date | Before amendment: | After amendment: | Description |
|---|---|---|---|---|---|
| | | | ~~**Department shall strive to achieve the determined types of financial instruments and target exchange rates and use this as the basis for performance evaluation.**~~<br>2.4.2 ~~**Financial**~~ transactions: Regularly evaluate the exchange rates, interest rates, and other financial instrument conditions and trends in the financial markets and provide these to management for reference and evaluation.<br>~~**2.4.3**~~ Setting loss limits: ~~**The Finance and Accounting Department shall forecast future exchange rate and interest rate trends for the next three months monthly and set stop-loss limits accordingly. If these stop-loss targets are exceeded, relevant personnel shall be convened immediately to discuss countermeasures and report to the President.**~~<br>~~**2.4.4**~~ The total contract amount of derivative transactions for LFE and its individual subsidiaries ~~**shall be capped at the sales amount of the previous fiscal year.**~~ The loss limit for ~~**all**~~ | the financial markets and provide these to management for reference and evaluation | |

| No. | Rev. | Amendment Date | Before amendment: | After amendment: | Description |
|---|---|---|---|---|---|
| | | | and individual contracts shall be 10% of the contract amount. | | |
| 4 | J | 2025.03.11 | 3.1 Operating procedures<br>3.1.1 Authorization limits<br>~~**The Finance Department shall execute hedging transactions in accordance with the transaction limits approved by the Board of Directors' resolution. The Chairman and President are authorized by the Board of Directors to sign relevant documents.**~~ | 3.1 Operating procedures<br>3.1.1 Authorization limits **and levels**<br>**Chairman: Authorization limit is up to USD 5 million equivalent (inclusive). The aforementioned authorization limit refers to the total amount of each derivative transaction contract. The Chairman is authorized to adjust it in response to environmental changes, but such adjustments must be reported to the Board of Directors for recordation afterward.** | Modification of authorization limits and levels |
| 5 | J | 2025.03.11 | 3.1.3 After the Finance Department confirms the relevant transaction forms, they shall be calculated to the Accounting Department for accounting and recording, and a "Memorandum Book for Derivative Transactions" shall be established, recording the type and amount of derivative transactions, the date of Board of Directors' approval and evaluation matters. A "Details of Forward Exchange Sold" shall be prepared weekly, signed by the Finance Manager, and submitted to the | 3.1.3 After the Finance Department confirms the relevant transaction forms, they shall be **forwarded** to the Accounting Department for accounting and recording, and a "Memorandum Book for Derivative Transactions" shall be established, recording the type and amount of derivative transactions, the date of Board of Directors' approval and evaluation matters. A "Details of Forward Exchange Sold" shall be prepared weekly, signed by the Finance Manager, and submitted to the Chairman and President. | Text modification |

| No. | Rev. | Amendment Date | Before amendment: | After amendment: | Description |
|---|---|---|---|---|---|
| | | | Chairman and President. | | |
| 6 | J | 2025.03.11 | 3.2 Public announcement and reporting<br>3.2.1 The confirmation and completion of derivative transactions shall be handled in accordance with relevant regulations. If the loss from derivative transactions reaches the ~~**total**~~ or individual ~~**enterprise**~~ loss limit amount stipulated in paragraph 2.~~**4.5**~~ of these handling procedures, the relevant information shall be publicly announced and reported in the prescribed format within two days from the date of occurrence. | 3.2 Public announcement and reporting<br>3.2.1 The confirmation and completion of derivative transactions shall be handled in accordance with relevant regulations. If the loss from derivative transactions reaches the **aggregate** or individual **contract** loss limit amount stipulated in paragraph 2.**1.3** of these handling procedures, the relevant information shall be publicly announced and reported in the prescribed format within two days from the date of occurrence. | Text modification |

Appendix 4 Comparison table for amendment to certain provisions of the Company's "Regulations Governing Loaning of Funds to Others

| No. | Rev. | Amendment Date | Before amendment: | After amendment: | Description |
|---|---|---|---|---|---|
| 1 | K | 2025.03.11 | 2.4 Aggregate lending amount and individual counterparty limits, lending period:<br>2.4.1 The aggregate amount of ~~**LFE's**~~ lending of funds ~~**shall be limited to 40% of LFE's net worth.**~~<br>2.4.2 The individual lending amount to a company with business dealings with LFE shall not exceed the higher of the purchase or sales amount between the two parties in the most recent fiscal year, and the total lending amount shall not exceed ~~**2**~~0% of LFE's net worth. The term "business dealings amount" refers to the higher of the purchase or sales amount between the two parties in the most recent year.<br>~~**2.4.3**~~ The individual lending amount to a company or firm with a short-term financing necessity with LFE shall be limited to ~~**5**~~% of LFE's net worth~~**, and the total lending amount shall not exceed 10% of LFE's net worth**~~.<br>2.4.~~**4**~~ For lending of funds between LFE's direct and indirect wholly-owned foreign subsidiaries, or from LFE's direct and indirect wholly-owned foreign subsidiaries to LFE, where there is business dealings or a short-term financing necessity, the individual lending amount shall be | 2.4 Aggregate lending amount and individual counterparty limits, lending period:<br>2.4.1 **Aggregate lending amount:**<br>**(1) For companies or firms with business dealings with LFE, the aggregate lending amount shall not exceed 60% of LFE's net worth.**<br>**(2) For companies or firms with a short-term financing necessity, the aggregate lending amount shall not exceed 40% of LFE's net worth.**<br>2.4.2 Individual counterparty lending limits:<br>**(1)** For companies **or firms** with business dealings **with LFE**, the individual lending amount shall not exceed the higher of the purchase or sales amount between the two parties in the most recent fiscal year, and the total lending amount shall not exceed **6**0% of LFE's net worth. The term "business dealings amount" refers to the higher of the purchase or sales amount between the two parties **in the most recent year**.<br>**(2)** For companies or firms with a short-term financing necessity with LFE, the individual **counterparty** lending amount shall be limited | Modification of limits. |

| No. | Rev. | Amendment Date | Before amendment: | After amendment: | Description |
|---|---|---|---|---|---|
| | | | limited to 100% of that company's net worth, and the total lending amount shall also not exceed 100% of that company's net worth. | to **40**% of LFE's net worth.<br>2.4.**3** For lending of funds between LFE's direct and indirect wholly-owned foreign subsidiaries, or from LFE's direct and indirect wholly-owned foreign subsidiaries to LFE, where there is business dealings or a short-term financing necessity**, the amount shall not be subject to the limits in 2.4.1; however,** the individual lending amount shall be limited to 100% of that company's net worth, and the total lending amount shall also not exceed 100% of that company's net worth.<br>2.4.4 **The aforementioned net worth shall be based on LFE's most recent financial statements audited or reviewed by a CPA (the amount attributable to the owners of the parent company's equity) or the subsidiary's most recent net worth after audit (review) when included in the consolidated financial statements (whichever is the most recent).** | |
| 2 | K | 2025.03.11 | 3.4.2 Lending of funds between LFE and its subsidiaries shall be submitted to the Board of Directors for resolution and may authorize the Chairman to make multiple drawdowns or revolving | 3.4.2 Lending of funds between LFE and its subsidiaries shall be submitted to the Board of Directors for resolution and may authorize the Chairman to make multiple drawdowns or revolving | Text modification. |

| No. | Rev. | Amendment Date | Before amendment: | | After amendment: | | Description |
|---|---|---|---|---|---|---|---|
| | | | | use of funds to the same borrower within a specific limit and a period not exceeding one year as resolved by the Board of Directors. The aforementioned specific limit shall not exceed 10% of LFE's net worth in the most recent financial statements, unless it meets the proviso of 2.4.~~1.~~ | | use of funds to the same borrower within a specific limit and a period not exceeding one year as resolved by the Board of Directors. The aforementioned specific limit shall not exceed 10% of LFE's net worth in the most recent financial statements, unless it meets the proviso of **2.4.**. | |
| 3 | K | 2025.03.11 | 3.9.1 | If a subsidiary of LFE intends to lend funds to others, LFE shall urge the subsidiary to establish its own procedures for lending funds to others in accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies" promulgated by the competent authority, and after approval by the Board of Directors, submit it to the Shareholders' Meeting of both the subsidiary and LFE for consent. The same shall apply to amendments. And shall be handled the in accordance with its established operating procedures. | 3.9.1 | If a subsidiary of LFE intends to lend funds to others, LFE shall urge the subsidiary to establish its own procedures for lending funds to others in accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies" promulgated by the competent authority, and after approval by the **subsidiary's** Board of Directors, submit it to the **subsidiary's** Shareholders' Meeting for consent. The same shall apply to amendments. And shall be handled the in accordance with its established operating procedures. | Modification that the subsidiary's regulations for lending of funds shall be approved by both the subsidiary's Board of Directors and the subsidiary's Shareholders' Meeting |

Appendix 5　List of nominated candidates for Directors

| Title | Name of candidate | Education | Experience | Number of shares held |
|---|---|---|---|---|
| Directors | Representative of Compucase Enterprise Co., Ltd.: Wang Chun-Tung | MBA Program, National Chengchi University<br>Bachelor of Electrical and Computer Engineering, National Chiao Tung University | Chairman and President, Compucase Enterprise Co., Ltd. | 74,755,773 |
| Directors | Representative of Compucase Enterprise Co., Ltd.: Ko Chi-Yuan | Department of Economics, National Chung Hsing University | Chairman, San Shing Fastech Corp. | 74,755,773 |
| Directors | Representative of Compucase Enterprise Co., Ltd.: Chung Ding-Chun | Master of Business Administration in International Business Administration, National Taiwan University | Director President, Japan Asia Asset Management Co., Ltd.<br>Director, Taihan Precision Techonlogy Co., Ltd.<br>Senior Partner, AB Value Asset Management Co., Ltd. | 74,755,773 |
| Directors | Representative of Compucase Enterprise Co., Ltd.: Li Li-Sheng | Graduated from senior high school | Chairman, Zong Sine Industries Inc.<br>Director, Chin Fong Machine Industrial Co., Ltd.<br>Director, Universal Textile Co., Ltd. | 74,755,773 |
| Directors | Tahua Investment Co., Ltd. Representative: Chen Ling-Shiuan | LLM, National Taiwan University | Managing Attorney and Chairman, Joius Law Firm<br>Independent Director, Cubtek Inc.<br>Independent Director, Cayenne's Ark Mobile Co.,Ltd.<br>Chairman, Shareholders' Rights Protection Association<br>Director, COTA Bank<br>Public Interest Independent Director, Far Eastern Air Transport<br>Independent Director, Mediera Corporation<br>Independent Director, Lang Inc. | 1,323,247 |
| Independent director | Huang Cheng-Chung | Graduate Institute of Financial Management, National Central University | Senior Advisor, Zoyi Capital<br>Partner, MagiCapital | 0 |

| Title | Name of candidate | Education | Experience | Number of shares held |
|---|---|---|---|---|
| Independent director | Tang Li-Yu | Bachelor of Civil Engineering, National Taiwan University<br>Master of Civil Engineering, National Taiwan University<br>Master of Economics, New York University<br>Chartered Financial Analyst (CFA)<br>Real estate appraiser qualified via national examination | Executive Director, Nobo Capital Management Limited<br>Chief Investment Officer, China Oceanwide Holdings Limited.<br>Assistant President (Asset Management), Huarong International Financial Holdings Limited.<br>Director, BOCGI Commercial Realty Management Limited.<br>Investment Manager (Asset Management), Bank of China Group Investment Limited.<br>Real Estate Analyst, RBS Asia Limited.<br>Real Estate Appraiser, Taiwan Financial Asset Service Corporation. | 0 |
| Independent Director | Chan Hsin-I | Executive MBA (EMBA Accounting and Management Decision), National Taiwan University<br>Master of Finance, Boston University | Chairman, Weihan Material Technology Ltd.<br>Chairman, Shuoren Lixin Co., Ltd.<br>Chairman, Huanghui Biotechnology Co., Ltd.<br>Independent Director, Ennoconn Corporation<br>Independent Director, Kanpai Co., Ltd. | 0 |
| Independent Director | Lin Shu-Chen | Master of International Business, Tamkang University | Acting General Manager, Fubon Financial Holding Venture Capital Co., Ltd<br>Head of Investment Department, Fubon Financial Holding Venture Capital Co., Ltd<br>Supervisor, Gaius Automotive Inc.<br>Director, Cofit Healthcare Inc.<br>Director, Footprintku Inc.<br>Director, Long Time Technology Co., Ltd. | 0 |

Appendix 6　Concurrent positions held by Director candidates in other companies

Corporate Name of Companies Where LFE Director Candidates Hold Positions
Concurrent positions held by Director candidates in other companies

| Name | Company name | Position Held |
|---|---|---|
| Ko Chi-Yuan | Compucase Enterprise Co., Ltd. and its affiliated enterprises | Legal Representative |
| | San Shing Fastech Corp. | Chairman |
| | Optima Healthcare Inc. | Representative of Director |
| Chung Ting-Chun | Compucase Enterprise Co., Ltd. | Directors |
| | Optima Healthcare Inc. | Supervisor |
| Wang Chun-Tung | Compucase Enterprise Co., Ltd. | Representative of Director |
| | HEC Korea Co. Ltd.　(KCC) | Representative of Director |
| | Power Master Co., Ltd. | Chairman |
| | Optima Healthcare Inc. | Chairman |
| Li Li-Sheng | Compucase Enterprise Co., Ltd. | Representative of Director |
| | Optima Healthcare Inc. | Representative of Director |

Appendix 7 Articles of Incorporation (Before Amendment)

# Articles of Incorporation of Loyalty Founder Enterprise Co., Ltd.

## Chapter 1 General Provisions

Article 1 The Company shall be incorporated under the Company Act of the Republic of China, and its name shall be "Loyalty Founder Enterprise Co., Ltd." ("LFE").

Article 2 The scope of business of LFE shall be as follows:

I. CA02990 Other Metal Products Manufacturing.
II. CC01080 Electronics Components Manufacturing.
III. CC01110 Computer and Peripheral Equipment Manufacturing.
IV. CC01120 Data Storage Media Manufacturing and Duplicating.
V. CH01010 Sporting Goods Manufacturing.
VI. CQ01010 Die Manufacturing.
VII. F106010 Wholesale of Hardware.
VIII. F106030 Wholesale of Die.
IX. F113020 Wholesale of Electrical Appliances.
X. F113050 Wholesale of Computers and Clerical Machinery Equipment.
XI. F119010 Wholesale of Electronic Materials.
XII. F213010 Retail Sale of Electrical Appliances.
XIII. F213030 Retail Sale of Computers and Clerical Machinery Equipment.
XIV. F401010 International Trade.
XV. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2-1 LFE may provide guarantees externally if necessary for business.

Article 3 The total reinvestment by LFE is not subject to the requirement that it shall not exceed 40% of LFE's paid-in capital will engage in investment in Mainland China within the limit permitted by the competent authority.

Article 4 LFE shall be headquartered in Tainan City, Taiwan, and may establish any domestic or foreign branch by a resolution of the Board of Directors if necessary.

Article 5 LFE shall make announcements in accordance with Article 28 of the Company Act.

## Chapter 2 Capital Stock

Article 6 The total capital of LFE shall be NTD2.5 billion, divided into 250 million shares. At NTD10 per share, with the Board of Directors authorized to issue them in tranches. LFE may issue employees' stock warrants from 20,000,000 shares retained out of the total shares

under the preceding paragraph.

Article 7 The registered shares issued by LFE do not require the printing of share certificates but shall be registered with a securities depository institution.

Article 8 A shareholder shall provide his/her real name and address to LFE, and shall complete a signature card and submit it to LFE for record. The same shall apply to any change to the foregoing. Such signature shall be the basis for a shareholder in collecting dividends and bonuses, communicating with LFE in writing or exercising other shareholder's rights. Where the signature of a shareholder is lost or damaged, he/she shall file a written application in person to LFE for its replacement. If such application is filed by a proxy or via communication, a signature certificate issued by a household registration office/an application letter shall also be submitted in the case of a natural-person shareholder/corporate shareholder.

Article 9 Share-related matters of LFE shall be handled in accordance with the “Regulations Governing the Administration of Shareholder Services of Public Companies” promulgated by the competent authority.

Article 10 Any change in the name of the holder of or any transfer of shares shall be suspended within 60 days prior to an annual shareholders' meeting or 30 days prior to a special shareholders' meeting, or within 5 days prior to the record date determined by LFE for distribution of dividends and bonuses or other interests.

## Chapter 3 Shareholders' Meeting

Article 11 A shareholders' meeting may be convened on an annual or special basis. An annual meeting shall be convened each year by the Board of Directors within 6 months after the end of each fiscal year as required by law. A special meeting shall, if necessary, be convened in accordance with the law.

Article 11-1 A shareholders' meeting may be held by video conference or in any other manner announced by the Ministry of Economic Affairs.

Article 12 Any shareholder who, for whatever reason, is unable to attend a shareholders' meeting may appoint a proxy to attend the meeting by submitting a letter of attorney issued by LFE indicating the scope of authorization and signed or sealed by him/her. The use of a letter of attorney shall be subject to the "Regulations Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies" promulgated by the competent authority under Article 177 of the Company Act and Article 25-1 of the Securities and Exchange Act.

Article 13 A shareholder of LFE shall one voting right per share, except where it is subject to restrictions or the Company Act provides otherwise.

Article 14 Unless otherwise provided by the Company Act, any resolution of a shareholders' meeting shall be approved by a majority of the voting rights of the attending shareholders with the attendance of shareholders representing a majority of the total outstanding shares.

Article 15 Resolutions of a shareholders' meeting shall be recorded in meeting minutes, which shall be signed or sealed by the chairperson and distributed to all shareholders within 20 days after the meeting. The meeting minutes may be prepared and distributed electronically. The minutes of a shareholders' meeting may be distributed via an announcement, and shall indicate the date (year/month/day) and location of the meeting, the name of the chairperson and the outcome of the meeting. The meeting minutes shall be retained together with the sign-in book for attending shareholders and the letters of attorney for attendance by proxy.

Article 16 Where a shareholders' meeting is chaired by the Chairman, he/she shall appoint a director to act on his/her behalf if he/she is absent. Where the Chairman has failed to make such appointment, the directors shall select one of them to act on his/her behalf. Where a shareholder's meeting is convened by any person other than the Board of Directors with the power to convene such a meeting, that person shall chair the meeting. If there are two or more such persons, they shall select one of them to chair the meeting.

## Chapter 4 Directors

Article 17 The Company shall have seven to eleven Directors to be elected at the shareholders meeting from among the individuals of legal capacity, with the term of three years. In the above-mentioned board of directors, the number of independent directors shall not be fewer than three, among which at least one independent director shall possess expertise in accounting or finance. In accordance with Article 192-1 of the Company Act, the election of directors (including independent directors) adopts a nomination system, whereby candidates are nominated by shareholders' meetings and elected from the list of candidates. Directors elected consecutively may be re-elected. When the term of office expires and no re-election is held, the incumbent directors may continue to serve until the new election takes place. The total number of shares held by all directors of LFE shall not be less than the percentage prescribed by the regulatory authority.

The professional qualifications, shareholdings, restrictions on concurrent employment, determination of independence, methods of nomination and election and other requirements for independent directors shall be subject to the relevant regulations of the competent authority for securities.

In accordance with Article 14-4 of the Securities and Exchange Act, LFE establish an

Audit Committee composed of all independent directors. The composition, powers, rules of procedure and other requirements of the Audit Committee shall be subject to the relevant regulations of the competent authority for securities.

Article 17-1 Deleted

Article 17-2 Deleted

Article 18 The Board of Directors shall be composed of directors, with a Chairman elected from them by a majority of the attending directors with the attendance of at least two-thirds of all directors. The Chairman shall chair all shareholders' meetings and Board of Directors meetings internally, and shall represent LFE in conducting all affairs of LFE pursuant to the law, the Articles of Incorporation and the resolutions of shareholders' meetings and the Board of Directors externally. Where the Chairman is on leave or unable to perform his/her duties for whatever reason, he/she shall appoint a director to act on his/her behalf. Where the Chairman has failed to make such appointment, the directors shall select one of them to act on his/her behalf.

Article 18-1 A notice shall be sent to all directors seven days prior to a Board of Directors meeting. In the event of an emergency, such a meeting may be convened at any time. The notice of a Board of Directors meeting may be sent in writing, via e-mail or by fax.

Article 19 Unless otherwise provided by the Company Act, any resolution of a shareholders' meeting shall be approved by a majority of the voting rights of the attending shareholders with the attendance of shareholders representing a majority of the total outstanding shares. Any director who, for whatever reason, is unable to attend a Board of Directors meeting may appoint another director to attend the meeting as his/her proxy by submitting a letter of attorney indicating the scope of authorization in the reasons for convening the meeting, provided that such a proxy may act on behalf of only one director.

Article 20 Where any director has a personal interest in any proposal to a meeting of the Board of Directors, the director shall give an explanation of the key aspects of such an interest at the meeting.

Article 21 Resolutions of a Board of Directors meeting shall be recorded in meeting minutes, which shall be signed or sealed by the chairperson and distributed to all directors within 20 days after the meeting. The meeting minutes shall indicate the summary and outcome of the meeting, and shall be retained together with the sign-in book for attending shareholders and the letters of attorney for attendance by proxy.

Article 22 Deleted

Article 23 The Board of Directors shall be authorized to determine the remuneration for all directors conducting the business of LFE based on the general standards of peer companies.

In order to spread the risks of the legal liabilities of directors and enhance LFE's governance capability, LFE may obtain "liability insurance for directors" for all directors and representatives appointed by LFE to serve as directors at investee companies during their term of office.

## Chapter 5 Managers

Article 24 LFE may appoint one president and a number of vice presidents and assistant vice presidents, whose discharge, appointment and remuneration shall be subject to Article 29 of the Company Act.

Article 25 The President of LFE shall be responsible for managing all affairs of LFE in accordance with the resolutions of the Board of Directors and the instructions of the Chairman. Other officers shall be appointed or dismissed by the President, with a notice to the Board of Directors for reference.

## Chapter 6 Accounting

Article 26 After the end of each fiscal year, the Board of Directors shall prepare the following documents and submit them to the annual shareholders' meeting for ratification: (1) business report; (2) financial statements; and (3) proposal for distribution of earnings or offsetting of losses, unless provided otherwise by the Securities and Exchange Act or other laws.

Article 25-1 Where LFE has a profit in a year, it shall allocate 3% to 10% thereof as the remuneration for employees, which shall be distributed in shares or cash subject to a special resolution of the Board of Directors. The recipients of such remuneration may include the employees of any affiliate who have met certain requirements. The Board of Directors may adopt a special resolution to allocate no more than 5% of the amount of the foregoing profit as the remuneration for directors. The proposal for distribution of the remuneration for employees and directors shall be submitted in a report to a shareholders' meeting. If LFE still has accumulated losses, an amount of the foregoing profit shall be retained to offset such losses prior to any allocation of the remuneration for employees and directors according to the percentage under the preceding paragraph.

Article 27 Where LFE has earnings in the final accounts of a fiscal year, it shall set aside 10% thereof as legal reserves after paying taxes and offsetting accumulated losses as legally required, unless the amount of such legal reserves equals or exceeds LFE's paid-in capital. The remaining amount of the foregoing earnings shall be set aside or reversed

as special reserves. If there is still any balance thereof, the Board of Directors shall prepare a proposal for distribution of earnings in respect of such balance plus the accumulated undistributed earnings and submit the proposal to a shareholders' meeting for a resolution on distribution of dividends and bonuses to shareholders. Dividends and bonuses to shareholders may be distributed in cash or shares.

Article 26-1 As a manufacturer of information technology products, LFE is currently at a stage of stable growth and still needs to continue to invest funds in research and development and business expansion in the future in order to ensure its advantage in market competition. Therefore, taking into account LFE's future capital plan and its funding needs in future years and to meet shareholders' demand for cash inflows, LFE's dividend policy will be implemented based on the following percentage after the Board of Directors has adopted a resolution to distribute part of dividends in cash: cash dividends shall account for no less than 5% of the dividends to be distributed.

Chapter 7 Supplementary Provisions

Article 28 The Board of Directors shall be authorized to establish the organizational bylaws of LFE.

Article 29 Matters not provided in this Articles of Incorporation shall be subject to the Company Act and other applicable laws.

Article 30 This Articles of Incorporation was established on May 10, 1984. 1st amendment on June 6, 1984 (Omitted) 32nd amendment on June 21, 2022. 33rd amendment on June 13, 2023.

Loyalty Founder Enterprise Co., Ltd.

Chairman: Ko Chi-Yuan

Appendix 8

# Loyalty Founder Enterprise Co., Ltd.
# Rules of Procedure for Shareholders' Meeting

Article 1 Any shareholders' meeting of LFE shall be held in accordance with this Rules.

Article 2 A. "Shareholder" referred to herein shall mean a shareholder or a proxy appointed by the shareholder to attend a meeting.

B. LFE shall prepare a sign-in book for an attending shareholder to sign in. Any shareholder attending a meeting shall carry or present an attendance card and hand in a sign-in card for sign-in and calculation of share rights. The number of attending shares shall be calculated based on the sign-in book or sign-in cards handed in.

C. Attendance and voting at a shareholders' meeting shall be calculated based on shares.

D. LFE may appoint any attorney or CPA it has engaged or any related person to attend a shareholders' meeting in a non-voting capacity.

E. Members of the staff of a shareholders' meeting shall wear an identification badge or armband.

Article 3 The venue for a shareholders' meeting of LFE shall be in the place where LFE is located or any location easily accessible to shareholders and suitable for a shareholders' meeting. The meeting start time shall be no earlier than 9:00 a.m. and no later than 3:00 p.m.

Article 4 LFE shall make audio or video recordings of the full process of a shareholders' meeting and retain such recordings for at least one year.

Article 5 A. Any shareholders' meeting convened by the Board of Directors shall be chaired by the Chairman. Where the Chairman is on leave or unable to perform his/her duties for whatever reason, the Vice Chairman shall act on his/her behalf. In the absence of a Vice Chairman or where the Vice Chairman is also on leave or unable to perform his/her duties for whatever reason, the Chairman shall appoint a managing director or, in the absence of any managing director, a director to act on his/her behalf. Where the Chairman has failed to make such appointment, the managing directors or directors shall select one of them to act on his/her behalf.

B. Where a shareholders' meeting is convened by any person other than the Board of Directors with the power to convene such a meeting, that person shall chair the meeting.

Article 6 The chair shall call the meeting to order at the appointed meeting time. 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, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified the approval by a majority of voting rights present to constitute a valid resolution. 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 7 A. The agenda of any shareholders' meeting convened by the Board of Directors shall be set by the Board of Directors. The meeting shall proceed according to the procedures set by the agenda, which may only be changed by a resolution of the meeting.

B. If the shareholders' meeting is convened by persons other than the board of directors, the provisions of the preceding paragraph shall apply mutatis mutandis. The agenda set forth in the preceding two paragraphs shall not be adjourned by the chairman without resolution until the proceedings (including ad hoc motions) are concluded.

C. After a meeting is adjourned, shareholders may not elect another chairperson to continue the meeting at the original or another venue.

D. Where the chairperson has declared adjournment of a shareholders' meeting in violation of the rules of procedure, another chairperson may be elected by a majority of the voting rights of the attending shareholders to continue the meeting.

Article 8 A. Prior to giving a statement, an attending shareholder shall submit a statement note specifying the gist of his/her statement and his/her shareholder account number (or attendance card number) and account name. The chairperson shall determine the order in which the shareholder will give his/her statement.

B. Any attending shareholder who has submitted a statement note without giving any statement shall be deemed to have not given any statement. Where a statement given is inconsistent with that specified in the statement note, the statement given shall prevail.

C. When an attending shareholder is giving a statement, no other shareholder may interrupt by speaking without consent of the chairperson and the shareholder giving a statement. The chairperson shall stop any such interruption.

Article 9 A. Except with consent of the chairperson, no shareholder may give a statement more than twice on the same proposal, and each statement shall be given for no longer than five minutes.

B. If a shareholder's statement has violated the requirements under the preceding paragraph or gone beyond the scope of the proposal, the chairperson may stop the shareholder from continuing his/her statement.

C. Where a corporate person is appointed as a proxy to attend a shareholders' meeting, it may be represented by only one person at the meeting. Where a corporate shareholder has appointed two or more representatives to attend a shareholders' meeting, only one of them may give a statement on a proposal.

D. After an attending shareholder has concluded his/her statement, the chairperson may give or appoint any related person to give a response.

E. If the chairperson considers that a proposal discussed can be put to a vote, he/she may end the discussion thereof and submit it to a vote.

F. For voting on proposals, the chairperson shall appoint voting monitors and tellers. A voting monitor shall be a shareholder. Voting results shall be made known on-site immediately and recorded in writing.

G. During a meeting, the chairperson may announce a break at any time deemed appropriate by him/her.

Article 10 A. Unless otherwise provided by the Company Act and the Articles of Incorporation, any proposal subject to a vote shall be approved by a majority of the voting rights represented by the attending shareholders.

B. In case of an amendment or alternative to a proposal, the chairperson shall determine the order in which the amendment or alternative together with the original proposal will be put to a vote. Where either of them has been approved, the other one shall be deemed rejected and require no further voting.

Article 11 The chairperson may direct disciplinary (or security) officers to help maintain order at the venue of a meeting. When helping maintain order at the venue of a meeting, a disciplinary (or security) officer shall wear an armband bearing the words "Disciplinary Officer".

Article 12 This Rules or any amendment hereto shall be implemented after approval by a shareholders' meeting.

This Rules of Procedure was established on October 29, 1997. 1st amendment on May 16, 2001. 2nd amendment on June 5, 2002. 3rd amendment on June 15, 2012.

Appendix 9

Shareholdings by and Minimum Shareholding Requirements for Directors

1. The paid-in capital of LFE currently amounts to NTD1,476,826,290, with 147,682,629 outstanding shares.
2. LFE has elected three independent directors. The total minimum shareholdings required for directors, as set forth in the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies" established under Article 26 of the Securities and Exchange Act, amount to 8,860,957 shares. The total numbers of shares held by the directors of LFE is 76,079,020.

Statement of Shareholdings by Directors

Data record date: April 21, 2025

| Title | Name | Shareholding (shares) |
|---|---|---|
| Chairman | Representative of Compucase Enterprise Co., Ltd.: Ko Chi-Yuan | 74,755,773 |
| Directors | Representative of Compucase Enterprise Co., Ltd.: Chung Ding-Chun | 74,755,773 |
| Directors | Representative of Compucase Enterprise Co., Ltd.: Li Li-Sheng | 74,755,773 |
| Directors | Representative of Compucase Enterprise Co., Ltd.: Wang Chun-Tung | 74,755,773 |
| Directors | Representative of Tahua Investment Co., Ltd.: Chen Ling-Hsuan | 1,323,247 |
| Independent director | Huang Cheng-Chung | - |
| Independent director | Tang Li-Yu | - |
| Independent director | Chen Chieh-Shan | - |
| **Shareholdings by Directors** | | **76,079,020** |

Appendix 10 Report on Proposals from Shareholders:

Submission of proposals was open from April 8 to 18, 2025, and there had been no proposal from shareholders with a shareholding of no less than 1%.