

Stock Code : 4979

LUXNET CORPORATION

2024 Annual Shareholders' Meeting

Handbook (Translation)

Meeting Time : June 14, 2024 (Friday) 9 : 00 a.m.

Meeting Type : Physical Shareholders' Meeting

Place : Hai Fong Seafood Restaurant Hai Yue Hall (No.166, Wenhua Rd., Zhongli District,
Taoyuan City, Taiwan)

LUXNET CORPORATION
2024 Annual Shareholders’ Meeting Handbook
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LUXNET CORPORATION
2024 Annual Shareholders' Meeting

I. Meeting Procedure

1. Call the Meeting to Order (Report on non-voting shares and total shares represented by shareholders present in person or by proxy)
2. Chairman's Remarks
3. Report Items
4. Proposed Resolutions
5. Discussion Items
6. Director Election
7. Other Discussion Items
8. Special Motion
9. Meeting Adjourned

LUXNET CORPORATION
2024 Annual Shareholders' Meeting

II. Meeting Agenda

Meeting Time : June 14, 2024 (Friday) 9 : 00 a.m.

Meeting Type : Physical Shareholder's Meeting .

Place : Hai Fong Seafood Restaurant Hai Yue Hall (No.166, Wenhua Rd., Zhongli District, Taoyuan City, Taiwan)

Attendants : All shareholders or their proxy holders

Chairman : Huei Ming Chien, Chairman of the Board of Directors

1. Call the Meeting to Order
2. Chairman's Remarks
3. Report Items
 - (1) 2023 Business Report
 - (2) Audit Committee's Review Report
 - (3) To report the execution status of the rectification plan of the fund loaned
 - (4) To report 2023 distributable compensation for employees and directors.
 - (5) To report on distribution of 2023 Earnings of cash dividend.
 - (6) To report the execution status of the issuance of securities in private placement.
4. Proposed Resolutions
 - (1) Adoption of 2023 Business Report and Financial Statements
 - (2) Adoption of the Proposal for Distribution of 2023 Earnings
5. Discussion Items
 - (1) To approve the issuance of common stock via a private placement
 - (2) To amend the Articles of Incorporation
6. Director Election
 - (1) Election of the 8th directors
7. Other Discussion Items
 - (1) Discussion to release the newly elected directors and its designated representatives from non-competition restrictions
8. Special Motion
9. Meeting Adjourned

Report Items

Report item 1

Subject : 2023 Business Report

Descriptions : 2023 Business Report, please refer to " Attachment 1" (pages 8 to 9 of the Handbook).

Report item 2

Subject : 2023 Audit Committee's review report

Descriptions : 2023 Audit Committee's review report, please refer to " Attachment 2" (pages 10 of the Handbook).

Report item 3

Subject : Report on the execution status of the rectification plan of the fund loaned

Descriptions :

- (1) In accordance with the instructions of Letter No. 1080333635 of the Financial Regulatory Commission (FSRC), the Company shall report on the implementation status of the improvement plan at the regular meeting of shareholders until the repayment plan is completed.
- (2) Due to the overdue situation to the original fund loaned of NT\$16,751 thousand between the company and Suzhou Changrui Co., Ltd., fund loaned of NT\$13,748 thousand have received under the repayment plan and the rest of fund loaned is NT\$3,003 thousand as of March 31, 2024.

Report item 4

Subject : Report on 2023 distributable compensation for employees and directors

Descriptions :

- (1) According to Article 23 of the articles of association, if there is any profit for a specific fiscal year, the Company shall allocate 5%~15% of the profit as employee's compensation and shall allocate not more than 5% of the profit as directors' remuneration.
- (2) On March 8, 2024, the Board has adopted a proposal of distribution of employee's compensation of NT\$23,784,293 and directors' compensation of NT\$9,513,716 for directors; both shall be paid in cash.

Report item 5

Subject : Report on distribution of 2023 Earnings of cash dividend

Descriptions :

- (1) On March 8, 2024, the Board has adopted a proposal of the distribution of cash dividend of NT\$201,401,515. The cash dividend per share is estimated to be NT\$1.43000433.
- (2) The cash dividend will be rounded down to the nearest dollar. The amounts under on dollar due to the rounding off are summed and recognized as the Company's other income. Upon the approval of the profit distribution at the annual Meeting of shareholders, the Chairman is authorized to determine the ex-dividend date and other related matters.
- (3) If the number of outstanding shares of the Company is subsequently affected by the withdrawal and cancellation of new shares that restrict the rights of employees or other factors, and it is necessary to make the adjustment of the shareholders' interest distribution ratio, the Company proposes to authorize the Chairman to deal with.

Report item 6

Subject : Report on the execution status of the issuance of securities in private placement

Descriptions :

- (1) It has been approved by the Annual General Shareholders' Meeting held on June 20, 2023 to authorize the Board of Directors, within the limit of 15,000,000 common shares in one to three installments within one year from the date of the resolution of the shareholders' meeting, depending on the market conditions and the Company's capital needs, to issue common stock via a

private placement.

- (2) The Company approved the private placement of ordinary shares at the 2023 Annual General Shareholders' Meeting. This approval will expire on June 19, 2024, one year after the meeting. The plan to continue handling the private placement will not be extended once this period expires.

Proposed Resolutions

Proposal 1

Proposed by the Board of Directors

Subject : Adoption of 2023 Business Report and Financial Statements

Descriptions :

- (1) The Company's 2023 annual financial statements and consolidated financial statements have been audited by the Company's auditing CPAs, Cheng, Ching-Piao 、Chen, Kuo-Shuai of Ernst & Young.
- (2) The Company's 2023 Business Report , Independent Auditors' Report, the aforementioned Financial Statements, please refer to " Attachment 1" (pages 8 to 9 of the Handbook) and " Attachment 2" (pages 10 of the Handbook).

Proposal 2

Proposed by the Board of Directors

Subject : Adoption of the Proposal for Distribution of 2023 Earnings

Descriptions :

For the Proposal for 2023 Earnings Distribution, please refer to " Attachment 3" (pages 58 of the Handbook).

Discussion Items

Discussion item 1

Proposed by the Board of Directors

Subject : Discuss and approve the issuance of common stock via a private placement

Descriptions :

- (1) In order to meet the needs of the company's future operations, the Company proposes to conduct a private placement ,the total amount of private placement of common shares will not exceed 15,000,000 shares.It is proposed to have the shareholder meeting authorize the board to issue shares in one to three installments within one year from the date of the resolution of the shareholders' meeting, depending on the market condition and the Company's financial position.
- (2) The basis and reasonableness for the pricing of the private placement:
 - A.The basis and rationality of the pricing of private placement . As to the pricing of the private placement of common shares,the price of per share shall not be lower than 80% of thehigher price of the following two calculations before theprice determination date:
 - (a) The simple average closing price of the common sharesis calculated based on either the 1, 3, or 5 business days before the price determination date and is adjusted upon distribution of stock dividends and cash dividends, andcapital reduction.
 - (b) The simple average closing price of the common sharesis calculated based on 30 business days before the pricedetermination date, and is adjusted upon distribution ofstock dividends and cash dividends, and capital reduction.

The actual price determination date and the actual issue price, within the range of not less than the percentage resolved by the shareholders' meeting, is authorized to be determined by the Board, depending on the negotiations with specific parties and market condition in the future.
 - B.The aforementioned pricing of private placement complies with the provisions of the Directions for Public Companies Conducting Private Placements of Securities, , and at the same time, taking into account the strict restrictions on the time, object and number of private ordinary share transfers, the company's operating performance, and future prospects, so it is considered reasonable.
- (3) The method and objectives for selecting the specific persons, the necessity for that selection, and the anticipated benefits
 - A.The method and objectives for selecting the specific personsThe object of the private placement of common shares is in accordance with Article 43-6 of the Securities Exchange Act and the Order Tai-Cai-Zheng-Yi No. 0910003455 of the Financial Supervisory Commission of the Executive Yuan issued on June 13, 2002, a specific person as strategic investor. And limited to strategic investors to strengthen the Company's industrial competitiveness and enhance overall operational efficiency.
 - B.The necessity for that selection

In response to the development trend of the industry and the company's future operation and development, the introduction of strategic investors is a necessary strategy for the company's long-term development.
 - C.The anticipated benefits

It can improve the company's financing flexibility and flexibility, reduce interest costs, and improve the company's future operating performance.
- (4) Necessary reasons for private placement
 - A. Reasons for not adopting public offerings

In view of the company's long-term development needs to introduce strategic investment partners and other plans, it is proposed to handle the private placement at the shareholders' meeting resolution, which is expected to effectively reduce the cost of capital and ensure the efficiency of fundraising, and the provision that private placement securities cannot be freely transferred within three years will also ensure the long-term cooperative relationship between the company and strategic investment partners; In addition, by authorizing the board of directors to conduct private placements according to the actual needs of the company's operations, it will also effectively enhance the flexibility and flexibility of the company's fundraising. The implementation of this plan is expected to strengthen the company's competitiveness and improve operational efficiency, which is beneficial to shareholders' equity, so it will not adopt a public offering and handle private placement of ordinary shares in accordance with the relevant provisions of the Securities and Exchange Act.
 - B.The quota of private placement

The total quota of this private placement of common shares shall not exceed 15,000,000 shares,

and will issue shares in one to three installments within one year from the date of the resolution of the shareholders' meeting.

C. Use of funds and expected benefits

The purpose of each sub-private placement fund is to enhance working capital, in order to meet the capital needs of the company's long-term development, each sub-installment is expected to achieve benefits in addition to strengthening the company's financial structure and reducing capital costs, enhancing the company's industrial status and long-term competitiveness, and benefiting shareholders' equity.

- (5) According to the provisions of Article 43-8 of the Securities and Exchange Act, in addition to the objects and conditions of the assignment as prescribed by the provisions, in principle, the private placement of common shares shall not be freely transferable within three years from the date of delivery. After the full three years from the delivery date, the company plans to obtain a consent letter from the over-the-counter trading center in accordance with the relevant provisions of the Securities and Exchange Act, etc. The Company shall apply for re-issuance of the public offering of private placement of common shares and application for the transaction of the counter with the competent authority.
- (6) Authorizes the chairman of the board of directors or his designee to sign and negotiate all deeds and documents related to the private placement plan on behalf of the Company and handle all matters related to the private placement plan for the Company, and may provide relevant information of the Company to potential private placement targets for due diligence on behalf of the Company within the scope permitted by laws and regulations, and engage external financial advisors, legal advisers and other relevant advisors to handle related matters.
- (7) The important contents of this case, including but not limited to the issue price, number of shares to be issued, amount raised, issuance conditions, source of funds, planned items, scheduled progress of the use of funds, scheduled possible benefits, pricing date and other related matters, etc., are requested to the shareholders' meeting to authorize the board of directors to formulate, adjust and handle it with full authority according to market conditions and the company's operational needs. If it is subsequently amended by the competent authority or changes or changes in the objective environment or laws and regulations that require changes or amendments, the Board of Directors is authorized to deal with it at its sole discretion.
- (8) The rights and obligations of the common shares of the private placement are the same as those of the Company's issued common shares.

Discussion item 2

Proposed by the Board of Directors

Subject : Discuss and approve the amendment to Articles of Incorporation.

Descriptions :

To meet the Company's operational needs, the Company proposed to amend the "Articles of Incorporation", please refer to "Attachment 9" (pages 59 to 60 of the Handbook) for a comparison table before and after the amendments.

Director Election

Item I

Proposed by the Board of Directors

Subject : Election of the 8th Directors .

Descriptions :

- (1) The term of the 7th directors is from July 7, 2021 to July 6, 2024, and it is planned to be re-elected in advance at the 2024 shareholders' meeting (June 14, 2024).
- (2) In accordance with the provisions of Article 13 of the Articles of Association, it is proposed to elect seven directors (including four independent directors), and the newly directors will take office after their election. The term of elected directors is three years, starting from June 14, 2024 to June 13, 2027.
- (3) The Company's directors (including independent directors) shall be elected by adopting candidate nomination system, and their qualifications have been reviewed and approved by the Board of Directors of the Company on April 18, 2024. please refer to " Attachment 9" (pages 59 to 60 of the Handbook) for the list of director candidates.
- (4) The election will be conducted in accordance with the provisions of the "Regulations for the Election of Directors" of the Company.
- (5) Election is respectfully requested.

Voting by Poll

Other Discussion Items

Other Discussion item 1

Proposed by the Board of Directors

Subject : To release the newly elected directors and its designated representatives from non-competition restrictions.

Descriptions :

- (1) According to Article 209 of the Company Act, any Director conducting business for himself/herself/itself or on another's behalf, the scope of which business is within the scope of the Company's business, shall explain at the Shareholders' Meeting the essential contents of such conduct, and obtain approval from shareholders in the Meeting.
- (2) If the Company's directors and its designated representatives have invested, managed or have been a director for companies of which business scope is similar to that of the Company, it will be proposed to release such 8th directors and its designated representatives from non-competition restrictions from the date their term begins provided there will be no damage to the interest of the Company.
- (3) The key contents of the new directors' non-compete behaviors are as follows:

Dierctor	Released restriction items	Scope of the Company's business	Title
Ming Shih (Representative of Ming-Hsing Investment Co, Ltd.)	Infostone Communication Consultant (Shenzhen) Co.Ltd.	Optical communication industry information	The Chairman and President

Voting by Poll

Special Motion

Meeting Adjourned

III. Attachments

Attachment1

Attachment 1

LUXNET CORPORATION

2023 Business Report

In 2023, the global economy faced numerous negative impacts such as continued international inflationary pressure, a deadlock in the Ukraine-Russia war, a slowdown in China's economy, and the growing effects of climate change. However, the AI boom swept across the globe, naturally driving the world towards a higher level of technological life. This surge has led to increasingly stringent computational power requirements for data centers, as well as a faster upgrade in the transmission rate of optical communication lines. As a result, in 2023, our company continued to benefit from the global demand for high-speed data center products, which drove steady growth in our performance and an increase in the utilization rate of production capacity. Supported by the company's internal deepening of lean management strategies, there was a significant improvement in revenue and profit in 2023 compared to 2022.

Overview of Business 2023 :

1. The company upholds the corporate culture of "integrity, harmony, performance orientation, and sustainable management," and adheres to the management belief of "being accountable and continuously innovative." We are committed to the business goal of new product development and continuous improvement of product quality.

In recent years, the company's core development has been focused on the manufacturing technology and services of high-speed products for data centers. We strive for market differentiation through independent development and manufacturing services while implementing systematic operational management to enhance the company's performance.

2. Implementation Results of Business Plans:

The company achieved a revenue of NT\$2.96 billion in the fiscal year 2023, an increase of 124% compared to NT\$1.32 billion in fiscal year 2022. The net profit after tax for the fiscal year 2023 was NT\$442 million, with a basic earnings per share of NT\$3.34.

3. Financial Income and Profitability Analysis:

The cash inflow for the year 2023 was NT\$1.35 billion (including a cash inflow from operating activities of NT\$502 million, cash outflow from investment activities of NT\$55 million, and cash flows from financing activities of NT\$910 million). The ending cash balance was NT\$1.83 billion, with a debt ratio of 14%. In the fiscal year 2023, profitability grew as a result of continued operating revenue growth in North America, as well as ongoing management excellence and product mix optimization. For other financial details, please refer to the attached financial statements.

4. Research and development status:

The company's total investment in research and development for the fiscal year 2023 was NT\$53.94 million, a decrease of 19% compared to NT\$66.64 million in fiscal year 2022. In the spirit of efficient utilization of resources, it was prudently assessed that the investment in R&D expenses would result in a slight decrease compared to FY2022.

The products developed by the Company are mainly used in 5G transmission and data center, with transmission distance ranging from 80km to 120km.

The completed transmitter components include 10G/25G DFB LD for 5G forward transmission and 40-63mW CW LD for 400G data transmission. The optical receiver components include PD products such as TO and ROSA. The current focus is on the development of 100mW CW LD for 800G data transmission, as well as co-packaged optical (CPO) and silicon photonics applications.

Although facing uncertainties such as inflation, geopolitical tensions, and the state of the US economy, the global economy is also experiencing the positive impacts brought forth by the flourishing of AI technology. Our company, recognizing these dynamics, is poised to leverage its vertical integration capabilities to develop high-speed products and expand its contract manufacturing business. We are committed to deepening and enhancing our research and development capabilities, while continuously improving through lean management practices to ensure comprehensive customer satisfaction. Through these efforts, we aim to strengthen customer relationships and deliver improved operational performance in 2024 of our existence, as a token of gratitude for the support of our shareholders. We extend our heartfelt appreciation to our shareholders for their unwavering support and trust in our company, and we humbly ask for their continued encouragement. Thank you.

Chairman

Huei Ming Chien

President

Da Tsung Lin

Accounting Office

Chien Chu Chih

Audit Committee's Review Report

The board of directors prepared the Company's 2023 Business Report, Financial Statements and profit distribution, etc. The CPA firm of Ernst & Young audited the Financial Statements and have issued an audit report. Above Business Reports, Financial Statements and profit distribution were audited by Audit Committee and found no discrepancy, as reported in accordance with the Securities and Exchange Act and Company Act, please check.

Chairman of the Audit Committee : Yung Sheng Liu

March 8, 2024

Attachment3

English Translation of Financial Statements and a Report Originally Issued in Chinese

REPORT OF INDEPENDENT AUDITORS

To The Board of Directors of
LuxNet Corporation

Introduction

We have audited the accompanying consolidated balance sheets of LuxNet Corporation (the “Company”) and its subsidiaries as of December 31, 2023, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including the summary of significant accounting policies (together referred as “the consolidated financial statements”).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2023, and its consolidated financial performance and cash flows for the year then ended, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

(To be continued)

(Continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2023 consolidated financial statements. 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.

Revenue Recognition

We determine that revenue recognition is one of the key audit matters. The Company's consolidated revenue amounting to NT\$ 2,956,487 thousand for the year ended December 31, 2023 is a significant account to the Company's consolidated financial statements. The Company has conducted these sale activities in multi-marketplace. Furthermore, varieties of sale terms and conditions enacted in the main sale contracts or sale orders judging and determining the performance obligation and the time of satisfaction. We therefore conclude that there are significant risks with respect to the topic of revenue recognition. Our audit procedures therefore include, but not limit to, evaluating the properness of accounting policy for revenue recognition, assessing and testing the effectiveness of relevant internal controls related to revenue recognition, sampling-test of details, including obtaining major sale orders or agreements to inspect the terms and conditions, checking the consistency of the fulfillment timing between determining the performance obligation of revenues recognition and the major sales orders or agreements for their terms and conditions, performing analytical review procedures of sale revenues, executing sale cut-off tests, and reviewing the sales return and sales discount after for the years then ended, etc. We have also evaluated the appropriateness of the related disclosure in Notes 4 and 6 to the consolidated financial statements.

(To be continued)

(Continued)

Market valuation on Inventory

We determine that provision against inventory is also one of the key audit matters. The Company and its subsidiaries' inventory in amount of NT\$559,947 thousand, representing 16% of consolidated total assets, as of December 31, 2023 is significant to the Company's consolidated financial statements. Inventories, including active components for optical communication and modules, are mostly customized products. Considering the rapid changes in communication technology, the calculation of the allowance for inventory market decline and write-off obsolescence involves significant management judgment. With respect to the key audit matter – provision against inventory, our audit procedures include, but not limit to, evaluating the appropriateness of inventory provision policy including how to identify the phased-out or slow-moving items, testing the correctness of inventory aging report, analyzing the reasons for slow-moving inventory and analyzing turnover rate of inventory at the end of period, performing observation on the Company and its subsidiaries' inventory physical taking, and looking into the status of inventory utilization. We have also evaluated the appropriateness of the related disclosure in Notes 5 and 6 to the consolidated financial statements.

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 requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by 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.

(To be continued)

(Continued)

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

Those charged with governance, including audit committee or supervisors, are responsible for overseeing the financial reporting process of the Company and its subsidiaries.

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

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

(To be continued)

(Continued)

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 ability to continue as a going concern of the Company and its subsidiaries. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company 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 accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company 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.

(To be continued)

(Continued)

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

Others

We have audited and expressed an unqualified opinion on the parent-company-only financial statements of the Company as of and for the year then ended December 31, 2023 and 2022.

/s/Cheng, Ching-Piao

/s/Chen, Kuo-Shuai

Ernst & Young

Taiwan, R.O.C.

March 8th, 2024

Notices to Readers

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

Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

LUXNET CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

As of December 31, 2023 and 2022

(Amounts Expressed In Thousands of New Taiwan Dollars)

Assets	Code	Accounts	Notes	As of December 31, 2023		As of December 31, 2022	
				Amount	%	Amount	%
		Current assets					
	1100	Cash and cash equivalents	4, 6(1)	\$1,832,266	52	\$483,826	23
	1170	Accounts receivables, net	4, 6(3), 6(15)	300,474	8	254,402	12
	1200	Other receivables	4, 6(15)	25,509	1	14,160	1
	1220	Current tax assets	4	870	-	65	-
	130x	Inventories	4, 6(4)	559,947	16	467,024	23
	1419	Other prepaid expense		3,552	-	3,196	-
	1421	Prepayments		1,903	-	6,856	-
	1470	Other current assets		2,361	-	7,499	1
	11xx	Total current assets		<u>2,726,882</u>	<u>77</u>	<u>1,237,028</u>	<u>60</u>
		Non-current assets					
	1517	Financial assets measured at fair value through other comprehensive income	4, 6(2)	131,836	4	126,347	6
	1600	Property, plant and equipment	4, 6(5), 7, 8	654,255	19	706,069	34
	1780	Intangible assets	4, 6(6)	874	-	618	-
	1900	Other non-current assets	4, 6(7), 6(10)	6,230	-	2,490	-
	15xx	Total non-current assets		<u>793,195</u>	<u>23</u>	<u>835,524</u>	<u>40</u>
	1xxx	Total Assets		<u>\$3,520,077</u>	<u>100</u>	<u>\$2,072,552</u>	<u>100</u>

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

LUXNET CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets (Continued)

As of December 31, 2023 and 2022

(Amounts Expressed In Thousands of New Taiwan Dollars)

Code	Liabilities and Equity Accounts	Notes	As of December 31, 2023		As of December 31, 2022	
			Amount	%	Amount	%
	Current liabilities					
2100	Short-term borrowings	4, 6(8)	\$-	-	\$52,821	2
2130	Contract liabilities	4, 6(14)	6,255	-	2,874	-
2170	Accounts payable		362,421	11	302,121	15
2200	Other payables	4, 6(11)	111,895	3	74,771	4
2220	Other payables - related parties	7	820	-	790	-
2399	Other current liabilities		2,700	-	2,157	-
21xx	Total current liabilities		484,091	14	435,534	21
	Non-current liabilities					
2540	Long-term borrowings	4, 6(9), 8	-	-	220,000	11
25xx	Total non-current liabilities		-	-	220,000	11
2xxx	Total liabilities		484,091	14	655,534	32
31xx	Equity attributable to shareholders of the parent	4, 6(12)				
3100	Capital					
3110	Common stock		1,408,398	40	1,323,578	64
3200	Capital surplus		1,099,148	31	4,146	-
3300	Retained earnings					
3310	Legal reserve		10,943	-	-	-
3320	Special reserve		20,088	-	-	-
3350	Unappropriated earnings		512,007	15	109,427	5
3400	Other components of equity		(14,598)	-	(20,133)	(1)
3xxx	Total equity		3,035,986	86	1,417,018	68
3x2x	Total liabilities and equity		\$3,520,077	100	\$2,072,552	100

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
LUXNET CORPORATION AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the Years Ended December 31, 2023 and 2022
(Amounts Expressed In Thousands of New Taiwan Dollars, Except for Earnings Per Share)

	Accounts	Notes	2023		2022	
			Amount	%	Amount	%
4000	Operating revenues	4, 6(14), 7	\$2,956,487	100	\$1,318,546	100
5000	Operating costs	6(4)	(2,382,737)	(81)	(921,760)	(70)
5900	Gross profit		573,750	19	396,786	30
6000	Operating expenses					
6100	Sales and marketing		(8,595)	-	(10,527)	(1)
6200	General and administrative		(68,242)	(2)	(50,787)	(4)
6300	Research and development		(53,938)	(2)	(66,643)	(5)
6450	Reversal of expected credit losses (expected credit losses)	6(15)	(5)	-	4,680	1
	Total operating expenses		(130,780)	(4)	(123,277)	(9)
6900	Operating income		442,970	15	273,509	21
7000	Non-operating incomes and expenses					
7100	Interest income	6(17), 7				
7010	Other incomes		8,645	-	3,147	-
7020	Other gains and losses	7	608	-	4,193	-
7050	Finance costs		(5,164)	-	(3,627)	-
7055	Reversal of expected credit losses	6(15)	(4,671)	-	(7,086)	(1)
	Total non-operating incomes and expenses		(582)	-	(2,714)	(1)
7900	Income before income tax		442,388	15	270,795	20
7950	Income tax expense	4, 6(19)	-	-	-	-
8200	Net income		442,388	15	270,795	20
8300	Other comprehensive income (loss)					
8310	Items that not be reclassified subsequently to profit or loss	6(18)				
8311	Remeasurements of defined benefit plans		(928)	-	956	-
8316	Unrealized gain (loss) on equity instruments investment measured at fair value through other comprehensive income		5,489	-	(190,760)	(14)
8300	Total other comprehensive income (loss), net of tax		4,561	-	(189,804)	(14)
8500	Total comprehensive income (loss)		446,949	15	80,991	6
9750	Earnings per share-basic (in NTD)	4, 6(20)	\$3.34		\$2.05	
9850	Earnings per share-diluted (in NTD)	4, 6(20)	\$3.33		\$2.05	

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

LUXNET CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the Years Ended December 31, 2023 and 2022

(Amounts Expressed In Thousands of New Taiwan Dollars)

Code	Items	Equity Attributable to Shareholders of the Parent						Total	Total Equity 3XXX
		Common Stock	Capital Surplus	Legal reserve	Special reserve	Unappropriat ed Earnings (Accumulated deficits)	Others		
						Unrealized gains (losses) on equity instruments investment measured at fair value through other comprehen sive income	Unearned Employee Benefit		
A1	Balance as of January 1, 2022	3100	3200	3310	3320	3350	3420	3490	31XX
C3	Overdue unclaimed cash dividend listed as capital surplus	\$1,325,115	\$128,386	\$-	\$-	\$(285,203)	\$170,673	\$(2,470)	\$1,336,501
C11	Capital surplus used to offset accumulated deficits		237						237
D1	Net income in 2022		(122,879)			122,879			-
D3	Other comprehensive income (loss), net of tax, in 2022					270,795	(190,760)		270,795
D5	Total comprehensive income (loss)					956			(189,804)
T1	Amortization of employee restricted shares	-	-	-	-	271,751	(190,760)	-	80,991
T2	Employee restricted shares for cancellation	(1,537)	(1,598)					(711)	(711)
Z1	Balance as of December 31, 2022	1,323,578	4,146	-	-	109,427	(20,087)	(46)	1,417,018
B1	Appropriation and distribution of 2021 earnings:								
B1	Legal reserve appropriated			10,943					-
B3	Special reserve appropriated				20,088				-
B5	Cash dividends of ordinary share		244						(7,849)
C3	Overdue unclaimed cash dividend listed as capital surplus								244
D1	Net income in 2023					442,388			442,388
D3	Other comprehensive income (loss), net of tax, in 2023					(928)	5,489		4,561
D5	Total comprehensive income (loss)					441,460	5,489		446,949
E1	Issuance of ordinary shares	-	244	-	-				1,178,546
N1	Share-based payment transaction	85,000	1,093,546						1,178,546
T1	Amortization of employee restricted shares		1,471						1,471
T2	Employee restricted shares for cancellation	(180)	(259)					(393)	(393)
Z1	Balance as of December 31, 2023	\$1,408,398	\$1,099,148	\$10,943	\$20,088	\$512,007	\$(14,598)	\$-	\$3,035,986

English Translation of Consolidated Financial Statements Originally Issued in Chinese
LUXNET CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022
(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	2023	2022	Code	Items	2023	2022
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A10000	Income before income tax	\$442,388	\$270,795	B02700	Acquisition of property, plant and equipment	(50,859)	(5,848)
A20000	Adjustments:			B02800	Proceeds from disposal of property, plant and equipment	200	3,091
A20010	Income and expense adjustments:			B04500	Acquisition of intangible assets	(1,088)	(2,100)
A20100	Depreciation	93,540	108,368	B06800	Increase (decrease) in other non-current assets	(3,290)	(989)
A20200	Amortization	1,914	2,807	BBBB	Net cash provided by (used in) investing activities	(55,037)	(5,846)
A20300	Expected credit loss (gain)	5	(5,339)				
A20900	Interest expense	4,671	7,086	CCCC	Cash flows from financing activities:		
A21200	Interest income	(8,645)	(3,147)	C00100	Repayments of short-term loans	(52,821)	(35,329)
A21900	Cost of share based payment	1,078	(711)	C01600	Increase in long-term loans	-	220,000
A22500	Loss (gain) on disposal of property, plant and equipment	(182)	(159)	C01700	Repayments of long-term loans	(220,000)	(320,000)
A23700	Impairment loss on non-financial assets	7,227	15,381	C04500	Cash dividends paid	(7,849)	-
A23800	Reversal of impairment loss on non-financial assets	(18)	(27)	C04600	Capital increase by cash	1,181,500	-
A29900	Other - loss related to inventories	60,355	32,015	C09900	Other items - overdue unclaimed cash dividend listed as capital surplus	244	237
A30000	Changes in operating assets and liabilities:						
A31150	Accounts receivables	(46,077)	(118,095)	CCCC	Net cash provided by (used in) financing activities	901,074	(135,092)
A31180	Other receivables	(10,859)	(7,153)				
A31200	Inventories	(153,278)	(208,612)				
A31230	Prepayments	4,597	(5,250)				
A31240	Other current assets	5,138	(4,439)	EEEE	Increase in cash and cash equivalents	1,348,440	115,101
A32125	Contract liabilities	3,381	(3,700)	E00100	Cash and cash equivalents at beginning of period	483,826	368,725
A32150	Accounts payable	60,300	171,656	E00200	Cash and cash equivalents at end of period	\$1,832,266	\$483,826
A32180	Other payables	35,128	11,679				
A32190	Other payables - related parties	30	790				
A32230	Other current liabilities	543	(3,876)				
A32240	Net defined benefit liabilities	(1,127)	(105)				
A33000	Cash generated from (used in) operations	500,109	259,964				
A33100	Interest received	8,155	3,024				
A33300	Interest paid	(5,056)	(6,889)				
A33500	Income tax paid	(805)	(60)				
AAAA	Net cash provided by (used in) operating activities	502,403	256,039				

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

REPORT OF INDEPENDENT AUDITORS

To The Board of Directors of
LuxNet Corporation

Introduction

We have audited the accompanying parent-company-only balance sheets of LuxNet Corporation (the “Company”) as of December 31, 2023, and the related parent-company-only statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the parent-company-only financial statements, including the summary of significant accounting policies (together referred as “the parent-company-only financial statements”).

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

Basis for Opinion

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

(To be continued)

(Continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2023 parent-company-only financial statements. These matters were addressed in the context of our audit of the parent-company-only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

We determine that revenue recognition is one of the key audit matters. The Company's revenue amounting to NT\$ 2,956,487 thousand for the year ended December 31, 2023 is a significant account to the Company's Parent-company-only financial statements. The Company has conducted these sale activities in multi-marketplace. Furthermore, varieties of sale terms and conditions enacted in the main sale contracts or sale orders judging and determining the performance obligation and the time of satisfaction. We therefore conclude that there are significant risks with respect to the topic of revenue recognition. Our audit procedures therefore include, but not limit to, evaluating the properness of accounting policy for revenue recognition, assessing and testing the effectiveness of relevant internal controls related to revenue recognition, sampling-test of details, including obtaining major sale orders or agreements to inspect the terms and conditions, checking the consistency of the fulfillment timing between determining the performance obligation of revenues recognition and the major sales orders or agreements for their terms and conditions, performing analytical review procedures of sale revenues, executing sale cut-off tests, and reviewing the sales return and sales discount after for the years then ended, etc. We have also evaluated the appropriateness of the related disclosure in Notes 4 and 6 to the parent-company-only financial statements.

(To be continued)

(Continued)

Market valuation on Inventory

We determine that provision against inventory is also one of the key audit matters. The Company's inventory in amount of NT\$559,947 thousand, representing 16% of parent-company-only total assets, as of December 31, 2023 is significant to the Company's financial statements. Inventories, including active components for optical communication and modules, are mostly customized products. Considering the rapid changes in communication technology, the calculation of the allowance for inventory market decline and write-off obsolescence involves significant management judgment. With respect to the key audit matter – provision against inventory, our audit procedures include, but not limit to, evaluating the appropriateness of inventory provision policy including how to identify the phased-out or slow-moving items, testing the correctness of inventory aging report, analyzing the reasons for slow-moving inventory and analyzing turnover rate of inventory at the end of period, performing observation on the Company's inventory physical taking, and looking into the status of inventory utilization. We have also evaluated the appropriateness of the related disclosure in Notes 5 and 6 to the parent-company-only financial statements.

Responsibilities of Management and Those Charged with Governance for the Parent-company-only Financial Statements

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

(To be continued)

(Continued)

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

Those charged with governance, including audit committee or supervisors, are responsible for overseeing the financial reporting process of the Company.

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

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

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

7. Identify and assess the risks of material misstatement of the parent-company-only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
8. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.

(To be continued)

(Continued)

9. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
10. 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 ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent-company-only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
11. Evaluate the overall presentation, structure and content of the parent-company-only financial statements, including the accompanying notes, and whether the parent-company-only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent-company-only financial statements. We are responsible for the direction, supervision and performance of the Company 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.

(To be continued)

(Continued)

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

/s/Cheng, Ching-Piao

/s/Chen, Kuo-Shuai

Ernst & Young

Taiwan, R.O.C.

March 8th, 2024

Notices to Readers

The accompanying Parent-company-only financial statements are intended only to present the Parent-company-only financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such Parent-company-only financial statements are those generally accepted and applied in the Republic of China.

Accordingly, the accompanying Parent-company-only financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Parent-Company-Only Balance Sheets

As of December 31, 2023 and 2022

(Amounts Expressed In Thousands of New Taiwan Dollars)

Assets		As of December 31, 2023		As of December 31, 2022	
Code	Accounts	Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents	\$1,832,266	52	\$483,826	23
1170	Accounts receivables, net	300,474	8	254,402	12
1200	Other receivables	25,509	1	14,160	1
1220	Current tax assets	870	-	65	-
130x	Inventories	559,947	16	467,024	23
1419	Other prepaid expense	3,552	-	3,196	-
1421	Prepayments	1,903	-	6,856	-
1470	Other current assets	2,361	-	7,499	1
11xx	Total current assets	2,726,882	77	1,237,028	60
	Non-current assets				
1550	Investment accounted for under equity method	131,836	4	126,347	6
1600	Property, plant and equipment	654,255	19	706,069	34
1780	Intangible assets	874	-	618	-
1900	Other non-current assets	6,230	-	2,490	-
15xx	Total non-current assets	793,195	23	835,524	40
1xxx	Total Assets	\$3,520,077	100	\$2,072,552	100

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

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese
Parent-Company-Only Balance Sheets (Continued)
As of December 31, 2023 and 2022
(Amounts Expressed In Thousands of New Taiwan Dollars)

Code	Liabilities and Equity		As of December 31,		As of December 31,	
	Accounts	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term borrowings	4, 6(8)	\$-	-	\$52,821	2
2130	Contract liabilities	4, 6(14)	6,255	-	2,874	-
2170	Accounts payable		362,421	11	302,121	15
2200	Other payables	4, 6(11)	111,895	3	74,771	4
2220	Other payables - related parties	7	820	-	790	-
2399	Other current liabilities		2,700	-	2,157	-
21xx	Total current liabilities		484,091	14	435,534	21
	Non-current liabilities					
2540	Long-term borrowings	4, 6(9), 8	-	-	220,000	11
25xx	Total non-current liabilities		-	-	220,000	11
2xxx	Total liabilities		484,091	14	655,534	32
31xx	Equity attributable to shareholders of the parent	4, 6(12)				
3100	Capital					
3110	Common stock		1,408,398	40	1,323,578	64
3200	Capital surplus		1,099,148	31	4,146	-
3300	Retained earnings					
3310	Legal reserve		10,943	-	-	-
3320	Special reserve		20,088	-	-	-
3350	Unappropriated earnings		512,007	15	109,427	5
3400	Other components of equity		(14,598)	-	(20,133)	(1)
3xxx	Total equity		3,035,986	86	1,417,018	68
3x2x	Total liabilities and equity		\$3,520,077	100	\$2,072,552	100

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

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese
Parent-Company-Only Statements of Comprehensive Income
For the Years Ended December 31, 2023 and 2022
(Amounts Expressed In Thousands of New Taiwan Dollars, Except for Earnings Per Share)

	Accounts	Notes	2023		2022	
			Amount	%	Amount	%
4000	Operating revenues	4, 6(14), 7	\$2,956,487	100	\$1,318,546	100
5000	Operating costs	6(3)	(2,382,737)	(81)	(921,760)	(70)
5900	Gross profit		573,750	19	396,786	30
6000	Operating expenses	7				
6100	Sales and marketing		(8,595)	-	(10,527)	(1)
6200	General and administrative		(68,242)	(2)	(50,787)	(4)
6300	Research and development		(53,938)	(2)	(66,643)	(5)
6450	Reversal of expected credit losses (expected credit losses)	6(15)	(5)	-	4,680	1
	Total operating expenses		(130,780)	(4)	(123,277)	(9)
6900	Operating income		442,970	15	273,509	21
7000	Non-operating incomes and expenses	6(17), 7				
7100	Interest income		8,645	-	3,147	-
7010	Other incomes		608	-	4,193	-
7020	Other gains and losses	7	(5,164)	-	(3,627)	-
7050	Finance costs		(4,671)	-	(7,086)	(1)
7055	Reversal of expected credit losses	6(15)	-	-	659	-
	Total non-operating incomes and expenses		(582)	-	(2,714)	(1)
7900	Income before income tax		442,388	15	270,795	20
7950	Income tax expense	4, 6(19)	-	-	-	-
8200	Net income		442,388	15	270,795	20
8300	Other comprehensive income (loss)	6(18)				
8310	Items that not be reclassified subsequently to profit or loss					
8311	Remeasurements of defined benefit plans		(928)	-	956	-
8320	Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for under the equity method		5,489	-	(190,760)	(14)
8300	Total other comprehensive income (loss), net of tax		4,561	-	(189,804)	(14)
8500	Total comprehensive income (loss)		446,949	15	80,991	6
9750	Earnings per share-basic (in NTD)	4, 6(20)	\$3.34		\$2.05	
9850	Earnings per share-diluted (in NTD)	4, 6(20)	\$3.33		\$2.05	

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

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

Parent-Company-Only Statements of Changes in Equity

For the Years Ended December 31, 2023 and 2022

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	Equity Attributable to Shareholders of the Parent						Total Equity 31XX	
		Common Stock	Capital Surplus	Legal reserve	Special reserve	Unappropri- ated Earnings (Accumulat- ed deficits)	Others		
A1	Balance as of January 1, 2022	3100	3200	3310	3320	3350	3420	3490	\$1,336,501
C3	Overdue unclaimed cash dividend listed as capital	\$1,325,115	\$128,386	\$-	\$-	\$(285,203)	\$170,673	\$(2,470)	237
C11	Capital surplus used to offset accumulated deficits		237			122,879			-
D1	Net income in 2022		(122,879)			270,795	(190,760)		270,795
D3	Other comprehensive income (loss), net of tax, in					956			(189,804)
D5	Total comprehensive income (loss)					271,751	(190,760)		80,991
T1	Amortization of employee restricted shares							(711)	(711)
T2	Employee restricted shares for cancellation	(1,537)	(1,598)					3,135	-
Z1	Balance as of December 31, 2022	1,323,578	4,146	-	-	109,427	(20,087)	(46)	1,417,018
B1	Appropriation and distribution of 2021 earnings:								
B1	Legal reserve appropriated			10,943		(10,943)			-
B3	Special reserve appropriated				20,088	(20,088)			-
B5	Cash dividends of ordinary share					(7,849)			(7,849)
C3	Overdue unclaimed cash dividend listed as capital		244			442,388			244
D1	Net income in 2023					(928)	5,489		442,388
D3	Other comprehensive income (loss), net of tax, in					441,460	5,489		442,388
D5	Total comprehensive income (loss)					441,460	5,489		442,388
E1	Issuance of ordinary shares		244						4,561
N1	Share-based payment transaction	\$5,000	1,093,546						446,949
T1	Amortization of employee restricted shares		1,471						1,471
T2	Employee restricted shares for cancellation	(180)	(259)					(393)	(393)
Z1	Balance as of December 31, 2023	\$1,408,398	\$1,099,148	\$10,943	\$20,088	\$512,007	\$(14,598)	\$-	\$3,035,986

English Translation of Consolidated Financial Statements Originally Issued in Chinese

LUXNET CORPORATION AND SUBSIDIARIES

Parent-Company-Only Statements of Cash Flows

For the Years Ended December 31, 2023 and 2022

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	2023	2022	Code	Items	2023	2022
A10000	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A20000	Income before income tax	\$442,388	\$270,795	B02700	Acquisition of property, plant and equipment	(50,859)	(5,848)
A20010	Adjustments:			B02800	Proceeds from disposal of property, plant and equipment	200	3,091
A20100	Income and expense adjustments:			B04500	Acquisition of intangible assets	(1,088)	(2,100)
A20200	Depreciation	93,540	108,368	B06800	Increase in other non-current assets	(3,290)	(989)
A20300	Amortization	1,914	2,807	BBBB	Net cash provided by (used in) investing activities	(55,037)	(5,846)
A20300	Expected credit loss (gain)	5	(5,339)				
A20900	Interest expense	4,671	7,086	CCCC	Cash flows from financing activities:		
A21200	Interest income	(8,645)	(3,147)	C00100	Repayments of short-term loans	(52,821)	(35,329)
A21900	Cost of share based payment	1,078	(711)	C01600	Increase in (repayment of) short-term loans	-	220,000
A22500	Loss (gain) on disposal of property, plant and equipment	(182)	(159)	C01700	Repayments of long-term loans	(220,000)	(320,000)
A23700	Impairment loss on non-financial assets	7,227	15,381	C04500	Cash dividends paid	(7,849)	-
A23800	Reversal of impairment loss on non-financial assets	(18)	(27)	C04600	Capital increase by cash	1,181,500	-
A29900	Other - loss related to inventories	60,355	32,015	C09900	Other items - overdue unclaimed cash dividend listed as capital surplus	244	237
A30000	Changes in operating assets and liabilities:						
A31150	Accounts receivables	(46,077)	(118,095)	CCCC	Net cash provided by (used in) financing activities	901,074	(135,092)
A31180	Other receivables	(10,859)	(7,153)				
A31200	Inventories	(153,278)	(208,612)				
A31230	Prepayments	4,597	(5,250)				
A31240	Other current assets	5,138	(4,439)				
A32125	Contract liabilities	3,381	(3,700)	EEEE	Increase in cash and cash equivalents	1,348,440	115,101
A32150	Accounts payable	60,300	171,656	E00100	Cash and cash equivalents at beginning of period	483,826	368,725
A32180	Other payables	35,128	11,679	E00200	Cash and cash equivalents at end of period	\$1,832,266	\$483,826
A32190	Other payables - related parties	30	790				
A32230	Other current liabilities	543	(3,876)				
A32240	Net defined benefit liabilities	(1,127)	(105)				
A33000	Cash generated from (used in) operations	500,109	259,964				
A33100	Interest received	8,155	3,024				
A33300	Interest paid	(5,056)	(6,889)				
A33500	Income tax paid (returned)	(805)	(60)				
AAAA	Net cash provided by (used in) operating activities	502,403	256,039				

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

LuxNet Corporation
2023 Earnings Distribution Table

Unit : NT\$

Item	Amount
Accumulate deficit	70,547,680
Loss : Other comprehensive income (Remeasurements of the defined benefit plan)	(928,000)
Add : 2023 Earning after Tax	442,387,814
Sub total	512,007,814
Add : Reversal Special reserve-Add on Shareholder's Equity (Note 1.)	5,489,197
Loss : Leagle reserve	(44,145,981)
Distributable net earnings	473,350,710
Distributable items	
Cash dividends to common shareholders (140,839,794 Sshares× NT\$1.43000433 per share)	(201,401,515)
Unappropriated Earnings after earnings distribution	271,949,195
<p>Note 1. The special reserve is handled in accordance with Article 41, Paragraph 1 of the Securities and Exchange Act and Financial Supervisory Commission, R.O.C.No. 1090150022 issued on 31 March 2021.</p> <p>Note 2. According to the provisions of the Taiwan Finance and Taxation No. 871941343 Letter dated April 30, 87 of the Ministry of Finance, when distributing surpluses, individual identification methods should be adopted; The distributable surplus for 2023 is distributed first, and if there is any shortfall, the distributable surplus accumulated before is distributed in the order of the year in which the surplus is generated.</p>	

Chairman
Huei Ming Chien

President
Da Tsung Lin

Accounting Office
Chien Chu Chih

Attachment 5

Comparison Table for Amendment of “Articles of Incorporation”

Item No.	AFTER THE REVISION	BEFORE THE REVISION	Revision Notes
13	<p>The Corporation shall have <u>five</u> to nine Directors. Their term of office shall be three years and shall be elected from among the shareholders with disposing capacity. And all directors may be re-elected.</p> <p>If it is necessary to amend this Article or the Measures for the Election of Directors, in addition to the provisions of Article 172 et seq. of the Company Law, a comparative table before and after the amendment shall be specified in the cause of convening the shareholders' meeting. After the public offering of the Company, the aggregate shareholding ratio of all directors concerned shall be in accordance with the regulations of the securities authority. The Company may purchase liability insurance for directors for their liability for the execution of their business during their term of office.</p>	<p>The Corporation shall have seven to nine Directors. Their term of office shall be three years and shall be elected from among the shareholders with disposing capacity. And all directors may be re-elected.</p> <p>If it is necessary to amend this Article or the Measures for the Election of Directors, in addition to the provisions of Article 172 et seq. of the Company Law, a comparative table before and after the amendment shall be specified in the cause of convening the shareholders' meeting. After the public offering of the Company, the aggregate shareholding ratio of all directors concerned shall be in accordance with the regulations of the securities authority. The Company may purchase liability insurance for directors for their liability for the execution of their business during their term of office.</p>	Amendments required for the company's operational planning.
27	<p>The Article of Incorporations was approved on Oct. 23, 2001, the first Amendment was approved by the shareholders' meeting on Jun. 12 2002, the second Amendment on Jan. 14,2003, the third Amendment on July 16, 2003, the fourth Amendment on Aug. 2, 2004,the fifth Amendment on June 2, 2006, the sixth Amendment on June 24, 2010, the seventh Amendment on Dec. 16, 2010, the eighth Amendment on June 22, 2012, the ninth Amendment on May 27, 2015, the tenth Amendment on May 25, 2016, the eleventh Amendment on June 29, 2018, the twelfth Amendment on June 14, 2019,the thirteenth Amendment on June 16,2020, the fourteenth Amendment on June 17, 2022, the fifteenth Amendment on June 20, 2023, <u>the sixteenth Amendment on June 14, 2024.</u></p>	<p>The Article of Incorporations was approved on Oct. 23, 2001, the first Amendment was approved by the shareholders' meeting on Jun. 12 2002, the second Amendment on Jan. 14,2003, the third Amendment on July 16, 2003, the fourth Amendment on Aug. 2, 2004,the fifth Amendment on June 2, 2006, the sixth Amendment on June 24, 2010, the seventh Amendment on Dec. 16, 2010, the eighth Amendment on June 22, 2012, the ninth Amendment on May 27, 2015, the tenth Amendment on May 25, 2016, the eleventh Amendment on June 29, 2018, the twelfth Amendment on June 14, 2019,the thirteenth Amendment on June 16,2020, the fourteenth Amendment on June 17,2022.</p>	Added a correction date.

Attachment 6
The Candidate List

Title	Name	Education	Experience	Current Position
Director	Hsing Hsien Kung	UC - Berkeley Ph.D. in Electrical Engineering	Chairman, LuxNet Corp. Co-founder,SDL Inc., VP manufacturing Pine photonics,founder & CEO	None
Director	Ming Shing Investment Co., Ltd. Representative Ming Shi	Master of Civil Engineering, Illinois Institute of Technology, USA Master of Computer Science, Florida Polytechnic University	Vice Chairman Kingstate Electronic Corp.	President and Chairman Infostone Communication Consultant (Shenzhen) Co.Ltd. Director , LuxNet Corp.
Director	Zhenjia Investment Co., Ltd. Representative Chao Yang Su	Master of Science in Optoelectronic Sciences, National Central University.	Assistant Manager,Optoway Technology Inc Assistant Researcher at the Telecommunications Research Institute, Chunghwa Telecom.	Special Assistant to the Chairman LuxNet Corp. Supervisor Zhenjia Investment Co., Ltd.
Independent Director	Ruei Ming Jamp	Ph.D. in Computer Science, Pennsylvania State University, US	Partner Acorn Campus	Ph.D. in Computer Science, Pennsylvania State University, US Partner Acorn Campus Independent Director LuxNet Corp. Director ,Wincomm Corp. Director ,Toplogis,Inc Director ,Strategy Companion Corporation Director ,Liquid Light Solid State Lighting Co., Ltd. Director ,Leading Group Biotechnology Limited Director ,Alliance Materials Director ,Virtual Man Director ,Aidmics Biotechnology Director ,Rob Web Tech Co. Ltd Director ,H3 Platform, Inc.
Independent Director	Shun Long Weng,	Doctor of Biotechnology Medicine at National Chiao Tung University	President of Hsinchu MacKay Memorial Hospital	Director of Hsinchu MacKay Memorial Hospital Chairperson of the Review Committee for Medical and Pharmaceutical

		<p>Master of Reproductive Medicine in Infertility at the Eastern Virginia Medical School, USA.</p> <p>Bachelor of Medicine at Taipei Medical University</p>		<p>Experts at the Northern Branch of the Executive Committee for Hospital Medical Service Review of the Taiwan Hospital Association</p> <p>Director of the Executive Committee for Hospital Medical Service Review at the Northern Branch of the Taiwan Hospital Association</p> <p>President of the Association of Hospital Presidents in the Northern Region</p> <p>Director of the Taiwan Endometriosis Society</p> <p>Director of the Regional Hospital Association of the Republic of China</p> <p>Director of the Association of Hospital Institutions in Taiwan Church</p> <p>Executive Director of the Hsinchu City Medical Association</p> <p>Member of the Medical Review Committee of the Hsinchu City Government</p> <p>Member of the Medical Disciplinary Committee of the Hsinchu City Government</p> <p>Member of the Medical Dispute Mediation Committee of the Hsinchu City Government</p> <p>Member of the Review Committee for Compensation of Crime Victims at the Taiwan High Prosecutors Office</p> <p>Adjunct Associate Professor/Clinical Professor at the Mackay Medical College, Department of Medicine</p>
Independent Director	Ding Kang Huw	<p>Master of Accounting from Long Island University, New York</p>	<p>General manager LuxNet Corp.</p> <p>Managing Director TGVEST Capital .</p> <p>Managing Director UMC Capital.</p> <p>Deputy Manager Direct Investment Department of China Development Industrial Bank</p>	None

Independent Director	Yen Chih Wang	Master , Finance at National Taiwan University	Vice president, Investment Department, Taishin Venture Investment Co., Ltd. Deputy General Manager, Investment Department, Far Eastern Life Insurance Co., Ltd.	Vice president, Investment Department, Taishin Venture Investment Co., Ltd. Chairman, Hongying Ltd. Supervisor, Pronology Services Inc., Ltd.
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IV. Appendix

Appendix1

LuxNet Corporation Articles of Incorporation

Section I General Provisions

Article 1 : The Corporation shall be incorporated by the Company Act of the Republic of China, and its Chinese name shall be 華星光通科技股份有限公司, and its English name shall be "LuxNet Corporation".

Article 2 : The Corporation operates the following business:

CC01080 Electronics Components Manufacturing

F119010 Wholesale of Electronic Materials

F219010 Retail Sale of Electronic Materials

F401010 International Trade

I501010 Product Designing

Article 3 : The Corporation shall have its principal office in Taoyuan City, and shall be free, whenever necessary and upon approval of the Board of Directors to set up branch offices at various locations within or outside the territory of the Republic of China.

Section II Capital Stock

Article 4 : The total capital stock of the Corporation shall be in the amount of 2,000,000,000 New Taiwan Dollars, divided into 200,000,000 shares, at ten New Taiwan Dollars each, and may be paid-up in installments subject.

A total of 8,000,000 shares (representing 80,000,000 New Taiwan Dollars) among the above total capital stock shall be reserved for issuing employee stock options and may be paid-up in installments subject to the approval by the meeting of the Board of Directors.

Article 4-1 : If the Company wishes to cancel the public offering, it shall handle the matters related to the cancellation of the public offering in accordance with the provisions of Article 156-bis of the Company Law, except for the approval of the board of directors.

Article 4-2 : If the Company intends to transfer the repurchased shares of the Company to the employees at a lower price than the average price of the actual repurchased shares, the transfer shall be carried out only after the resolution of the latest shareholders' meeting in accordance with the relevant regulations.

Article 4-3 : If the Company intends to issue employee stock warrants at a subscription price lower than the market price (net value per share), it shall issue them only after a resolution of the shareholders' meeting in accordance with relevant regulations.

Article 4-4 : The treasury shares acquired by the Company in accordance with the Company Law may be transferred to employees of the controlled or subordinate company who meet certain conditions. The Company's employee stock option certificates may be issued to the recipients, including employees of the controlled or affiliated company who meet certain conditions. When the Company issues new shares, the employees who offtake the shares may include employees of the controlling or subordinate company who meet certain conditions. The Company's issuance of new shares restricting the rights of employees may include employees of controlled or affiliated companies who meet certain conditions.

Article 5 : The total amount of the company's reinvestment shall not be subject to the

restriction of 40% of the paid-in share capital under Article 13 of the Company Law.

Article 6 : The company's shares are registered and signed or sealed by the directors representing the company, and issued after obtaining a visa in accordance with the law.

After the public offering of the Company, the issued shares may be exempted from printing shares, but should be registered with the centralized securities custodian institution.

Article 7 : Unless otherwise provided by laws and regulations, the company's stock affairs operations shall be handled in accordance with the provisions of the "Guidelines for the Handling of Shares of Public Offering Companies".

Article 7-1 : The transfer of shares shall cease within 60 days before the opening of each ordinary meeting of shareholders, within 30 days before the extraordinary meeting of shareholders, or within 5 days before the basis date on which the company decides to distribute dividends and dividends or other benefits.

Section III Shareholders Meeting

Article 8 : Shareholders' meetings of the Corporation are of two types:

I. Regular meetings which shall be convened within six months after the close of each fiscal year.

II. Special meetings which shall be convened in accordance with relevant laws, rules, and regulations when necessary.

The convening and notice of the shareholders' regular and special meetings shall be processes in accordance with Article 172 of the Company Act.

The notice may as an alternative, be given by means of electronic transmission.

Article 9 : When a shareholders' meeting is held, the chairman of the board of directors shall be the chairman. When the chairman of the board of directors requests leave or is unable to exercise his or her powers for any reason, the chairman of the board of directors shall designate a director to act as his agent; If the chairman of the board of directors does not appoint a proxy, the directors shall appoint one person to act as an agent. The shareholders' meeting shall be convened by a person other than the board of directors who convenes the board, and the chairman shall be the person with the right to convene, and if there are two or more conveners rights, one person shall be elected to serve as each other.

Article 10 : If a shareholder is unable to attend a shareholders' meeting, he/she may appoint a proxy to attend it, with a power of attorney issued by the Corporation indicating the scope of power authorized, in accordance with Article 177 of the Company Act and 'Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies'.

Article 11 : Each share is entitled to one voting right, unless there is no voting right in accordance with the provisions of the Company Law. Except as otherwise provided by the Company Act, shareholders' meetings may be held if attended by shareholders representing more than one half of the total issued and outstanding capital stock of the Corporation. Resolutions shall be adopted at the meeting with the concurrence of a majority of the votes held by shareholders present at the meeting. Shareholders of the Corporation can also vote via the electronic voting system and those who do shall be deemed to have attended the meeting in person; electronic voting shall be conducted in accordance with relevant laws and regulations. =

Article 12 : The resolutions of the shareholders' meetings shall be recorded in the minutes and such minutes shall be signed by or affixed with the seal of the Chairman of the meeting. Minutes shall be sent to all shareholders within twenty days after the meeting. The distribution of the minutes of shareholders' meeting may be effected by means of a public notice after the Corporation has offered its

shares to the public. The first item of proceedings shall be distributed by a company offering shares to the public by way of public announcement.

Section IV Directors and the Audit Committee

Article 13 : The Corporation shall have seven to nine Directors. Their term of office shall be three years and shall be elected from among the shareholders with disposing capacity. And all directors may be re-elected.

If it is necessary to amend this Article or the Measures for the Election of Directors, in addition to the provisions of Article 172 et seq. of the Company Law, a comparative table before and after the amendment shall be specified in the cause of convening the shareholders' meeting. After the public offering of the Company, the aggregate shareholding ratio of all directors concerned shall be in accordance with the regulations of the securities authority. The Company may purchase liability insurance for directors for their liability for the execution of their business during their term of office.

Article 14 : The Company shall appoint independent directors among the above directorships, and the number of independent directors shall not be less than three. The election of independent directors and non-independent directors adopts a candidate nomination system, and the list of candidates is elected together with the shareholders' meeting, and the number of candidates is calculated separately. The nomination and selection method of independent directors and non-independent directors and other matters to be complied with shall be handled in accordance with the relevant regulations of the securities authority.

Article 14-1 : Pursuant to Article 14quarter of the Securities and Exchange Act, the Company has established an audit committee, which consists of all independent directors, one of whom serves as the convener, and at least one of whom shall have accounting or financial expertise. The decisions of the Audit Committee shall be approved by at least one-half of all members. The first term of the Audit Committee shall be established on the date of the first election of the independent directors elected in accordance with the preceding Article. From the date of establishment of the Audit Committee, the Audit Committee shall be responsible for enforcing the functions and powers of the Supervisor under the Company Act, the Securities and Exchange Act, and other laws and regulations.

Article 15 : The Board of Directors shall be attended by more than two-thirds of the directors and a majority of the directors present shall agree to elect one of them as the chairman of the board of directors and may elect one of them as the vice chairman of the board. The chairman represents the company externally .

Article 16 : The board of directors shall be convened by the chairman of the board of directors, unless otherwise provided by the Company Law. Unless otherwise provided by the Companies Law, the resolution of the board of directors shall be carried out with the presence of a majority of the directors and the consent of a majority of the directors present.

Article 17 : When the board of directors meets, the chairman of the board of directors shall be the chairman, and if the chairman of the board of directors is unable to exercise his or her powers for any reason, his proxy shall be handled in accordance with Article 208 of the Company Law. Directors shall attend the board of directors in person, and if a director is unable to attend for any reason, he or she may appoint another director to act as an agent, provided that a power of attorney shall be issued each time and the scope of authorization for the reason for convening shall be listed, and the proxy in the preceding paragraph shall be limited to the entrustment of one person. The Board of Directors may participate in the meeting by videoconference, and the directors shall be deemed to be present in person. The convening of the Board of

Directors of the Company shall be notified to the Directors seven days in advance, and the Company may convene the Board of Directors at any time in case of emergency. The meeting of the Board of Directors of the Company may be made in writing, by e-mail or by fax.

Article 18 : The directors of the Company may pay regular remuneration such as carriage fees, salaries, etc., regardless of operating profits and losses, the amount of which is authorized to be agreed upon by the Board of Directors according to the degree of participation and contribution to the operation of the Company, taking into account the level of domestic and foreign industries.

Section V Management

Article 19 : The Company may appoint managers, whose appointment, dismissal and remuneration shall be handled in accordance with the provisions of the Company Law ◦

Section VI Accounting

Article 20 : The Company's fiscal year runs from January 1 to December 31. At the end of each year, final accounts shall be processed.

Article 21 : The Company shall, in accordance with Article 228 of the Company Law, at the end of each fiscal year, have the following forms prepared by the board of directors and submit them to the Audit Committee for verification 30 days before the meeting of the ordinary meeting of shareholders, and the Audit Committee shall issue a report and submit it to the ordinary meeting of shareholders for recognition.

1. Business report.

2. Financial Statements.

3. Proposals for the distribution of surpluses or the provision of losses.

Article 22 : The distribution of dividends and dividends is based on the proportion of shares held by shareholders. When the company has no surplus, dividends and dividends shall not be paid ◦

Article 23 : If the company makes a profit in the year, it shall allocate 5% to 15% for employee remuneration and not more than 5% for directors and supervisors. However, if the company still has accumulated losses, it should reserve the amount of compensation in advance. The remuneration of employees in the preceding paragraph shall be paid to the recipients of stock or cash, including employees of controlled or affiliated companies who meet certain conditions.

Article 24 : If there is any net profit after closing of a fiscal year, the Corporation shall first pay business income tax, offset losses in previous years, set aside a legal capital reserve at 10% of the profits left over, except when the statutory surplus reserve has reached the amount of paid-in capital of the company; In addition, according to the company's operational needs and the provisions of the law, a special surplus reserve will be allocated, and the rest will be in addition to the payment of dividends, if there is still a surplus and no surplus has been distributed at the beginning of the same period. When dividends and dividends are distributed in whole or in part, by way of issuing new shares, they shall be distributed by resolution of the shareholders' meeting; Authorize the Board of Directors to attend the resolution of more than two-thirds of the Directors and a majority of the Directors in the event of cash distribution, and report to the shareholders' meeting; To distribute all or part of the statutory surplus reserve and capital reserve, authorize the board of directors to present at least two-thirds of the directors and the resolution of a majority of the directors present at the resolution of the directors to release cash and report to the shareholders' meeting.

Taking into account the environment and growth stage, the Company will take into account the future capital needs and long-term financial planning, and the surplus distribution will be appropriately paid by means of stock dividends or cash dividends, of which the total cash dividends shall not be less than 10% of the total dividends paid to shareholders in the current year.

Section VII Supplementary Provisions

Article 25 : The company may engage in external endorsement guarantee business due to business or investment relationships .

Article 26 : In regard to all matters not provided for in the Articles of Incorporation, the Company Law and relevant laws and regulations of the Republic of China shall govern.

Article 27 : The Article of Incorporations was approved on Oct. 23, 2001, the first Amendment was approved by the shareholders' meeting on Jun. 12 2002, the second Amendment on Jan. 14,2003, the third Amendment on July 16, 2003, the fourth Amendment on Aug. 2, 2004,the fifth Amendment on June 2, 2006, the sixth Amendment on June 24, 2010, the seventh Amendment on Dec. 16, 2010, the eighth Amendment on June 22, 2012, the ninth Amendment on May 27, 2015, the tenth Amendment on May 25, 2016, the eleventh Amendment on June 29, 2018, the twelfth Amendment on June 14, 2019,the thirteenth Amendment on June 16,2020, the fourteenth Amendment on June 17,2022, the fifteenth Amendment on June 20, 2023.

Appendix 2

LuxNet Corporation Rules of Procedure for Shareholders' Meetings

1. The rules of procedure of the shareholders' meeting of the Company shall be handled in accordance with these Regulations, unless otherwise provided by laws and regulations or the Articles of Association.
2. The Company shall set up a signature book for the attending shareholders to sign in, or the attending shareholders shall pay the sign-in card to sign in on their behalf; The video meeting of the shareholders' meeting shall be accepted and reported on the video conference platform of the shareholders' meeting 30 minutes before the start of the meeting, and the shareholders who have completed the registration shall be deemed to have attended the shareholders' meeting in person.
The number of shares present is calculated according to the number of shares reported to the signing book or the sign-in card and video conference platform, plus the number of shares exercising voting rights electronically.
3. The attendance and voting of shareholders' meetings shall be calculated on the basis of shares.
If the shareholders' meeting is held by video conference, and the shareholders wish to participate by video conference, they should register with the Company two days before the shareholders' meeting.
4. The place where the shareholders' meeting shall be held shall be at the seat of the Company or at a place convenient for shareholders to attend and suitable for the convening of the shareholders' meeting, and the start time of the meeting shall not be earlier than 9 a.m. or later than 3 p.m. When the Company convenes a video shareholders' meeting, it shall not be restricted by the location of the preceding paragraph.
5. If the shareholders' meeting is convened by the board of directors, the chairman of the board of directors shall be the chairman of the board, and if the chairman of the board of directors requests leave or is unable to exercise his or her powers for any reason, the vice chairman of the board of directors shall act as his or her representative, and if no vice chairman or vice chairman of the board of directors also requests leave or is unable to exercise his or her powers for any reason, the chairman of the board of directors shall designate a permanent director to act as his or her representative; If there is no managing director, one director shall be appointed to act as an agent, and if the chairman of the board of directors has not appointed an agent, the managing director or directors shall appoint one person to act as an agent.
If a shareholders' meeting is convened by a person other than the board of directors who has the right to convene, the chairman of the meeting shall be the person with the right to convene.
6. The company may appoint appointed lawyers, accountants or relevant personnel to attend the shareholders' meeting as observers
The meeting staff handling the shareholders' meeting should wear identification cards or armbands.
7. The company shall record or video record the entire process of the shareholders' meeting and keep it for at least one year.
If the shareholders' meeting is held by video conference, the company shall record and keep the shareholders' registration, registration, registration, questions, voting and the company's vote counting results, and continuously and continuously record and record the entire video conference. The Company shall properly preserve the information and audio and video recordings in the preceding paragraph during the period of existence, and provide the audio and video recordings to the person entrusted with the video conference affairs for

preservation.

8. The Chairman shall declare the meeting open immediately, provided that if no shareholder representing a majority of the total number of issued shares is present, the Chairman may announce the postponement of the meeting for a maximum of two postponements, and the total postponement shall not exceed one hour. If the second postponement is still insufficient and more than one-third of the total number of issued shares is present, the chairman shall announce the meeting; If the shareholders' meeting is held by video conference, the company shall also announce the streaming meeting on the video conference platform of the shareholders' meeting. If the second postponement of the preceding paragraph is still insufficient and more than one-third of the total number of issued shares is present, the shareholders may make a false resolution in accordance with the provisions of Article 175, Paragraph 1 of the Company Law, and notify the shareholders of the false resolution to convene the shareholders' meeting within one month; If the shareholders' meeting is held by video conference, and the shareholders wish to participate by video conference, they shall re-register with the Company in accordance with Article 3. Before the end of the meeting, if the number of shares represented by the shareholders present reaches a majority of the total number of issued shares, the chairman may submit the false resolution to the general meeting for voting in accordance with Article 174 of the Company Law.
If a meeting of shareholders is convened by videoconference, if an obstacle occurs on the videoconference platform or by video conferencing due to natural disasters, incidents or other force majeure events before the chairman announces the adjournment of the meeting, and lasts for more than 30 minutes, the meeting shall be postponed or resumed within five days, and the provisions of Article 182 of the Company Law shall not apply.
9. If a shareholders' meeting is convened by the board of directors and its agenda is determined by the board of directors, the meeting shall be conducted in accordance with the scheduled agenda and shall not be changed without a resolution of the shareholders' meeting.
If a shareholders' meeting is convened by a person other than the board of directors with convening power, the agenda set forth in the preceding two paragraphs shall be applied before the conclusion of the proceedings (including provisional motions), and the chairman shall not declare the meeting adjourned without a resolution.
After the meeting is adjourned, the shareholders shall not elect another chairman to resume the meeting at the original location or at another place.
10. Before attending a shareholder speech, a speech slip must be filled in to indicate the main purpose of the speech, the shareholder's account number (or attendance card number) and the account name, and the chairman will determine the order of their speeches
A shareholder present who merely gives a statement and does not speak shall be deemed to have not spoken. If the content of the speech does not match the content of the speech, the content of the speech shall prevail.
When attending a shareholder speech, other shareholders shall not interfere with their speeches except with the consent of the chairman and the shareholder who made the speech, and the chairman shall stop the violator.
If the shareholders' meeting is convened by video conference, the shareholders participating by video conference may ask questions in text on the video conference platform of the shareholders' meeting after the chairman announces the meeting and before the announcement of the adjournment, and the number of questions for each proposal shall not exceed two times, each time shall be limited to 200 words, and the provisions of Article 11 and Items 1 to 3 of this Article shall not apply.
11. Each shareholder speaking on the same proposal shall not exceed two times and shall not exceed five minutes each time without the consent of the Chairman.
If a shareholder's speech violates the provisions of the preceding paragraph or exceeds the scope of the issue, the chairman may stop the shareholder's speech.

12. When a legal person is entrusted to attend a shareholders' meeting, the legal person may appoint only one representative to attend.
When a corporate shareholder appoints two or more representatives to attend a shareholders' meeting, only one person may speak on the same proposal.
13. After attending a statement by a shareholder, the chairman may reply in person or by designating a relevant person.
14. If the Chairman considers that the discussion of a motion has reached a level where it is to be put to a vote, he may suspend the discussion and put it to a vote.
15. The scrutineers and counting officers for voting on motions shall be designated by the Chairman, provided that the scrutineers shall be shareholders.
The results of the voting shall be reported on the spot and recorded.
If the shareholders' meeting is convened by video conference, the Company shall immediately disclose the voting results of various proposals and election results to the video conference platform of the shareholders' meeting after the voting is completed, and shall continue to disclose the meeting for at least 15 minutes after the chairman announces the adjournment of the meeting.
16. During the proceedings, the President may declare a break at such time as he may determine.
17. Unless otherwise provided in the Company Law and the Articles of Association, voting on a motion shall be passed with the consent of a majority of the voting rights of the shareholders present.
18. If there is an amendment or replacement for the same motion, the Chairman shall determine the order in which it shall be voted on with the original motion.
If one of the motions has already been passed, the other motions shall be considered rejected and no further vote shall be taken.
19. The Chairman may direct pickets (or security personnel) to assist in maintaining order at the venue. Pickets (or security personnel) should wear picket armbands when present to assist in maintaining order.
20. Matters not stipulated in these Rules shall be handled in accordance with the relevant provisions of the Company Law or the Articles of Association.
21. The Rules and Procedures shall be effective from the date it is approved by the Shareholders' Meeting. The same applies in case of revision.
22. The Rules of Procedure was approved on June 24, 2010, the first Amendment was approved by the shareholders' meeting on May 25, 2016, the second Amendment on May 25, 2016, the third Amendment on July 16, 2003, the fourth Amendment on June 17, 2022.

Appendix 3

LuxNet Corporation Procedures for Election of Directors

Article 1: The election of directors of the Company shall be conducted in accordance with the provisions of these regulations.

Article 2: The election of directors of the Company shall be held at the shareholders' meeting and shall adopt the method of cumulative voting by name. In the election of directors, each share shall have the same number of votes as the number of directors to be elected, and may vote for one person or distribute the votes among several candidates. The election of directors and independent directors of the Company shall be conducted in accordance with Article 192-1 of the Company Act, and shareholders shall vote on the list of director candidates. Shareholders may exercise their voting rights in writing or electronically, with the method of exercise specified in the notice of shareholders' meeting. The elections for independent directors and non-independent directors shall be conducted separately, and the number of elected seats shall be counted separately. The directors of the Company shall be elected separately by the candidates who receive the highest number of votes as stipulated in the Articles of Association. In the event that two or more candidates receive the same number of votes and exceed the prescribed number of seats, the candidates with the same number of votes shall be determined by drawing lots, and those who are absent shall be drawn by the chairman.

Article 3: Election ballots shall be issued by the Company, and in addition to affixing the seal of the Board of Directors, they shall be numbered according to the shareholder account number or attendance number and the number of voting rights, and distributed to shareholders attending the shareholders' meeting.

Article 4: At the beginning of the election, the chairman shall appoint several scrutineers and vote counters to perform their respective duties.

Article 5: Ballot boxes shall be prepared by the Company and shall be publicly inspected by the scrutineers before voting.

Article 6: If the candidate is a shareholder, the voter shall fill in the candidate's name, shareholder account number, and if the candidate is not a shareholder, the voter shall fill in the candidate's name and national ID number. If the candidate is a government or corporate shareholder, the candidate's name column on the ballot shall list the name of the government or corporation. If the candidate is a representative of a government or corporation, the name of the government or corporation and the name of the representative shall be filled in; if there are multiple representatives, their names shall be filled in separately.

Article 7: The following circumstances shall render the election ballot invalid:

1. Not using the ballot issued by the Company.
2. Casting a blank ballot.
3. Ballots not deposited in the ballot box.
4. Ballots that are damaged, illegible, or altered.
5. If the name of the candidate's shareholder is filled in and does not match the shareholder registry, or if the name and national ID number of the candidate do not match after verification.
6. Writing other text besides filling in the candidate's name and shareholder account number or national ID number and allocating voting rights.
7. If the candidate's name is the same as that of other shareholders and is not accompanied by the shareholder account number or national ID number for identification.

Article 8: After the voting is completed, the votes shall be counted on the spot, with the scrutineers overseeing, and the results of the vote shall be announced on the spot by the chairman.

Article 9: After public issuance, the election shall be invalidated if it does not comply with Article 26-3, Paragraph 3 of the Securities Exchange Act.

Article 10: Matters not provided for in these regulations shall be handled in accordance with the Company Act and relevant laws and regulations.

Article 11: These regulations shall come into force after being passed by the shareholders' meeting, and amendments shall also apply similarly.

Article 12: These regulations were established on June 24, 2010, first amended on December 16, 2010, and second amended on May 25, 2016.

Appendix 4

LuxNet Corporation Shareholdings of All Directors

1. The statutory number of shares of the current directors of the Company is as follows :

Total issued shares	140,839,794 Shares
The minimum required combined shareholding of all directors by law	8,450,387 Shares

2. The shareholding of directors on the book closure date as of April 16, 2024

Position	Position	Shareholding	Shareholding
Chairman	Huei Ming Chien	31,541	0.02%
Vice Chairman	TriKnight Capital Corporation : Duen-Chian Cheng	9,730,990	6.91%
Director	Chih Cheng Chien	0	0
Director	YSI Investment Corporation : Ming Shi	939,579	0.67%
Independent Director	Yung Sheng Liu	0	0
Independent Director	Ruei Ming Jamp	0	0
Independent Director	Yi Hua Chung	0	0
Shareholding of directors		10,702,110	7.60%

Note : The Company has set up an audit committee in accordance with the Act, the provisions on the minimum percentage requirements for the shareholding of supervisors in the preceding two paragraphs shall not apply.