

Stock Code : 4979

LUXNET CORPORATION

2025 Annual Shareholders' Meeting

Handbook (Translation)

Time : June 24, 2025 (Tuesday) at 9:00 a.m.

Type : Physical Shareholders' Meeting

Place : Hotel Kuva Chateau International Hall 1

(3F, Building B, No.398, Minquan Rd., Zhongli Dist., Taoyuan City, Taiwan)

LuxNet Corporation
2025 Annual Shareholders’ Meeting Handbook
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LuxNet Corporation
2025 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. Special Motion

7. Meeting Adjourned

LuxNet Corporation

2025 Annual Shareholders' Meeting

II. Meeting Agenda

Time : June 24, 2025 (Tuesday) at 9:00 a.m.

Type : Physical Shareholders' Meeting

Place : Hotel Kuva Chateau International Hall 1

(3F, Building B, No.398, Minquan Rd., Zhongli Dist., 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) 2024 Business Report
 - (2) 2024 Audit Committee's Review Report
 - (3) To report the execution status of the rectification plan of the fund loaned
 - (4) To report 2024 distributable compensation for employees and directors
 - (5) To report the Distribution of 2024 Earnings of cash dividend
 - (6) To report the status of private placement of common stock
 - (7) To report the issuance of the Third and Fourth Domestic Unsecured Conversion Bonds
4. Proposed Resolutions
 - (1) Adoption of 2024 Business Report and Financial Statements
 - (2) Adoption of the Proposal for Distribution of 2024 Earnings
5. Discussion Items
 - (1) To amend the Articles of Incorporation
 - (2) To approve the amendments to the Company's "Operating Procedures for Loaning of Funds and Making of Endorsements/Guarantees".
 - (3) To approve lifting the non-compete restriction of the 8th board of directors
 - (4) To approve the private placement of common shares or Domestic Convertible Bonds.
6. Special Motion
7. Meeting Adjourned

Report Items

Report Item 1

Subject : 2024 Business Report

Descriptions :

2024 Business Report, please refer to "Attachment 1" (pages 11 to 12 of the Handbook).

Report Item 2

Subject : 2024 Audit Committee's Review Report

Descriptions :

2024 Audit Committee's Review Report, please refer to "Attachment 2" (pages 13 of the Handbook).

Report Item 3

Subject : To report 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 Supervisory Commission (FSC), 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 Toptrans (Suzhou) 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, 2025.

Report item 4

Subject : To report 2024 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 employees' compensation and shall allocate not more than 5% of the profit as directors' remuneration.
- (2) On March 13, 2025, the Board has adopted a proposal of distribution of employees' compensation of NT\$29,239,202 and directors' compensation of NT\$11,695,683; both shall be paid in cash.

Report item 5

Subject : To report the Distribution of 2024 Earnings of cash dividend

Descriptions :

- (1) On March 13, 2025, the Board has adopted a proposal of the distribution of cash dividend of NT\$217,545,769. The cash dividend per share is estimated to be NT\$1.54463283.
- (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 : To report the status of private placement of common stock

Descriptions :

- (1) It has been approved by the Annual General Shareholders' Meeting held on June 14, 2024 to authorize the Board of Directors, within the limit of 15 million 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 private placement.
- (2) The private placement of common share will expire one year on June 13, 2025. Considering the capital market conditions, the Board of Directors on May 8, 2025 has approved to discontinue the program.

Report Item 7

Subject : To report the issuance of the Third and Fourth Domestic Unsecured Conversion Bonds

Descriptions :

- (1) In order to purchase factory and equipment, strengthen operational funds, the Company issued the third and fourth domestic unsecured convertible bonds on Dec. 9, 2024 and Dec. 25, 2024, respectively, with a total issuance amount of NT\$800 million. The issuance was declared effective by the Financial Supervisory Commission (FSC) through Letter No. 1130361742 dated Nov. 19, 2024.
- (2) The issuance conditions and details on the execution of the Company's third and fourth domestic unsecured convertible bonds, please refer to the table below.

Type of Corporate Bonds	Third Domestic Unsecured Conversion Bond	Fourth Domestic Unsecured Conversion Bond
Issuance (Processing) Date	Dec. 9, 2024	Dec. 25, 2024
Face Value	NT\$100,000	NT\$100,000
Location of Issuance and Trading	Taiwan	Taiwan
Issue Price	Issued at 100% of the face value	Issued at 112.08% of the face value
Total Amount	NT\$600,000,000	NT\$200,000,000
Interest rate	Coupon Rate 0%	Coupon Rate 0%
Term	3 years Maturity date: Dec. 9, 2027	3 years Maturity date: Dec. 25, 2027
Guarantor	None	None
Trustee	TAIPEIFUBON Commercial Bank Co., Ltd	TAIPEIFUBON Commercial Bank Co., Ltd
Underwriter	Fubon Securities Co. Ltd.	Fubon Securities Co. Ltd.
Reviewing attorney	Handsome Attorneys-At-Law attorney Chiu, Ya-Wen	Handsome Attorneys-At-Law lawyer Chiu, Ya-Wen
Certifying CPA	Ernst & Young. Auditors Cheng, Ching-Piao Chen, Kuo-Shuai	Ernst & Young. Auditors Cheng, Ching-Piao Chen, Kuo-Shuai

Repayment Method	Except for bondholders convert them into common shares of the Company in accordance with Article 10 of Regulations for the Issuance and Conversion of the Third Domestic Unsecured Conversion Bond, exercise the right of repurchase in accordance with Article 19 of this Regulation, or the Company redeem them in advance in accordance with Article 18 of this Regulation, or buy back and write off by the Taipei Exchange, the Company will repay the bondholders' convertible corporate bonds according to the face value in cash within ten business days (included the tenth business days) from the day following the maturity date of these convertible bonds.	Except for bondholders convert them into common shares of the Company in accordance with Article 10 of Regulations for the Issuance and Conversion of the Fourth Domestic Unsecured Conversion Bond, exercise the right of repurchase in accordance with Article 19 of this Regulation, or the Company redeem them in advance in accordance with Article 18 of this Regulation, or buy back and write off by the Taipei Exchange, the Company will repay the bondholders' convertible corporate bonds according to the face value in cash within ten business days (included the tenth business days) from the day following the maturity date of these convertible bonds.	
Unpaid principal	NT\$600,000,000	NT\$200,000,000	
Terms of redemption or early prepayment	Please refer to the “Regulations for the Issuance and Conversion of the Third Domestic Unsecured Conversion Bond”	Please refer to the “Regulations for the Issuance and Conversion of the Fourth Domestic Unsecured Conversion Bond”	
Restrictive clauses	None	None	
Name of credit rating agency, rating date, results on rating of bonds	N/A	N/A	
Other Rights	The monetary amount of common shares already converted, (exchanged, or subscribed), overseas depositary receipts or any other securities as of the date of printing of the Annual Report	None	None
	Issuance and Conversion (Exchange or Subscription) Regulations	Please refer to the “Regulations for the Issuance and Conversion of the Third Domestic Unsecured Conversion Bond”	Please refer to the “Regulations for the Issuance and Conversion of the Fourth Domestic Unsecured Conversion Bond”
Issuance and conversion, exchange, or subscription regulations, possible issuance conditions of dilution, effect on existing shareholder equity	Please refer to https://emops.twse.com.tw	Please refer to https://emops.twse.com.tw	
Underlying shares and name of the entrusted custodian institution	N/A	N/A	

Proposed Resolutions

Proposal 1

Proposed by the Board of Directors

Subject : Adoption of 2024 Business Report and Financial Statements

Descriptions :

- (1) The 2024 Consolidated Financial Statements and Individual Financial Statements have been audited by the Company's auditing CPAs, Cheng, Ching-Piao and Chen, Kuo-Shuai of Ernst & Young.
- (2) The Company's 2024 Business Report, Independent Auditors' Report, the aforementioned Financial Statements, please refer to "Attachment 1" (pages 11 to 12 of the Handbook) and "Attachment 3" (pages 14 to 35 of the Handbook).

Proposal 2

Proposed by the Board of Directors

Subject : Adoption of the Proposal for Distribution of 2024 Earnings

Descriptions :

The Proposal for 2024 Earnings Distribution, please refer to "Attachment 4" (pages 36 of the Handbook).

Discussion Items

Discussion Item 1

Proposed by the Board of Directors

Subject : To amend the Articles of Incorporation.

Descriptions :

To comply with regulatory requirements, a company should clearly stipulate in the Articles of Incorporation that a certain percentage of annual profits should be allocated to adjust the salaries or distribute as employees' compensation to entry-level employees. The Company proposed to amend the "Articles of Incorporation", please refer to "Attachment 5" (pages 37 to 38 of the Handbook) for a comparison table before and after the amendments.

Discussion Item 2

Proposed by the Board of Directors

Subject : To approve the amendments to the Company's "Operating Procedures for Loaning of Funds and Making of Endorsements/Guarantees".

Descriptions :

In response to the Company's practical operation needs, an amendment to the "Operating Procedures for Loaning of Funds and Making of Endorsements/Guarantees", please refer to "Attachment 6" (pages 39 of the Handbook) for a comparison table before and after the amendments.

Discussion Item 3

Proposed by the Board of Directors

Subject : To approve lifting the non-compete restriction of the 8th board of directors.

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 8th board of 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 8th directors' non-compete behaviors are as follows:

Director	Released restriction items	Scope of the company's business	Title
Huei Ming Chien (Representative of Ming Shing Investment Co, Ltd.)	Optoway Technology Inc.	Optical communication industry	Chairman CSO
	EZOPTO Corp.		Director
Todd Swanson	Proficium, Inc.	Optical communication industry	CEO

Shun Long Weng	Star Asia Vision Corp.	Opto Semiconductor	Independent Director
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Discussion Item 4

Proposed by the Board of Directors

Subject : To approve the private placement of common shares or domestic convertible bonds.

Descriptions :

(1) To meet future operational needs, the Company proposes a private placement of common shares or domestic convertible bonds, with a total amount not exceeding 15 million shares. The number of common shares converted from the domestic convertible bonds shall also fall within this 15 million shares limit, based on the conversion price at the time of issuance. It is proposed that the shareholders' meeting authorize the Board of Directors to issue shares in one to three installments within one year from the resolution date of the shareholders' meeting, depending on market condition and the Company's operational needs.

(2) The basis and reasonableness of the private placement pricing:

A. Private Placement of Common Shares:

The issue price per share of common shares in the private placement shall not be lower than 80% of the higher price of the reference price, which shall be the higher of:

- a. The simple average closing price of the common shares shall be calculated on the basis of 1, 3, or 5 business days before the price determination date, minus the ex-rights and dividends of the free allotments, plus the stock price after the ex-rights of the capital reduction;
- b. The simple average closing price of the common shares is calculated based on 30 business days before the price determination date, minus the ex-rights and dividends of the free allotments, plus the stock price after the ex-rights of the capital reduction.

B. Private Placement of Domestic Convertible Bonds:

- a. Par value: NT\$100,000 or its multiples.
- b. Term: No more than 3 years from the issue date.
- c. Coupon rate: 0%.
- d. The issue price shall not be lower than 80% of the theoretical price, calculated using pricing models that take into account the rights embedded in the issuance terms. The conversion price shall not be lower than 80% of the higher value determined by:
 - (a) The simple average closing price of the common shares shall be calculated on the basis of 1, 3, or 5 business days before the price determination date, minus the ex-rights and dividends of the free allotments, plus the stock price after the ex-rights of the capital reduction;
 - (b) The simple average closing price of the common shares is calculated based on 30 business days prior to the price determination date, minus the ex-rights and dividends of the free allotments, plus the stock price after the ex-rights of the capital reduction.

C. 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. 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 persons
- The object of the private placement of common shares is in accordance with Article 43-6 of the Securities Exchange Act and the Letter 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 million 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 private placement fund is to enhance working capital, in order to meet the capital needs of the company's long-term development, each of the private placement 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.
- (9) Pursuant to Article 4 of the "Directions for Public Companies Conducting Private Placements of Securities" where there is a material change in the Company's management within one year prior to the board resolution approving the private placement of securities and up to one year following the delivery date of such privately placed securities, the Company shall engage a securities underwriter to provide an assessment opinion on the necessity and reasonableness of conducting the private placement. As the Company underwent a re-election of directors at the shareholders' meeting held on June 14, 2024, with the number of changed seats reaching one-third of the board, the Company has engaged Fubon Securities Co., Ltd. to issue the evaluation opinion. Please refer to "Attachment 7" (pages 40 to 45 of the Handbook).

Voting by Poll

Special Motion

Meeting Adjourned

III. Attachments

Attachment 1

LuxNet Corporation 2024 Business Report

In 2024, the global economy continued to face numerous adverse challenges, including persistent international inflationary pressure, ongoing conflicts in the Middle East and between Russia and Ukraine, a slowdown in the Chinese economy, and escalating impacts from climate change. These factors have resulted in continued sluggish demand on the consumer end worldwide. However, the AI boom continued to sweep across the globe. The practical applications of AI, from autonomous vehicles and voice assistants to medical diagnostics, have increasingly permeated all industries. This trend has also led to more stringent computing power requirements for data centers, accelerating the upgrading of optical communication transmission speeds. As a result, our Company continued to benefit from strong global demand for high-speed data center products, which drove steady business growth and an increase in capacity utilization. Supported by the Company's continued implementation of lean management strategies, both revenue and profit in 2024 showed growth over 2023.

Operating Results for 2024:

1. Business Philosophy and Implementation:

The Company adheres to the corporate culture of “Integrity, Harmony, Performance Orientation, and Sustainable Operation,” and is committed to the management principles of “Accountability and Continuous Innovation.” We remain dedicated to the goals of new product development and continuous improvement in product quality.

In recent years, our core development has focused on the manufacturing technology and services for high-speed data center products. By insisting on self-developed and manufactured solutions and a differentiated market strategy, we have continued to implement systematic operational management and have gradually enhanced overall performance.

2. Implementation Results of Business Plans:

In 2024, the Company recorded consolidated revenue of NT\$3.451 billion, representing a 16.75% increase compared to NT\$2.956 billion in 2023. Net income after tax for 2024 was NT\$533 million, with basic earnings per share of NT\$3.79.

3. Financial Income and Profitability Analysis:

In 2024, total cash inflow amounted to NT\$1.295 billion, including NT\$766 million from operating activities, NT\$94 million outflow from investing activities, and NT\$623 million inflow from financing activities. Year-end cash stood at NT\$3.128 billion, with a debt ratio of 28%. Due to continued growth in sales revenue from North America, coupled with lean management and product mix optimization, profitability improved. Please refer to the attached financial statements for further financial information.

4. Research and development status:

The Company's developed products are primarily used in 5G transmission and data centers, with transmission distances ranging from 300m to 80km. The completed transmitter components include 10G/25G DFB LD and 70mW CW LD for use in 5G fronthaul and 800G data transmission, respectively. The optical receiver components include PD-type products. Current R&D focuses include 70/100mW CW LDs for 800G/1.6T applications, co-packaged optics (CPO), and silicon photonics technologies.

Despite global economic uncertainties such as inflation, geopolitical tensions, and the transition of the U.S. administration, the rapid development of AI technology has brought positive impacts. The Company will continue to leverage its vertical integration capabilities to develop high-speed products and expand its OEM business. We will further strengthen our R&D capabilities and enhance customer satisfaction through lean management, thereby reinforcing customer relationships. We aim to deliver even better operational performance in 2025 to reward our shareholders. We sincerely thank all shareholders for their continued support and trust and respectfully request your ongoing encouragement.

Chairman

Huei Ming Chien

President

Da Tsung Lin

Accounting Office

Ya Yu Wang

Attachment 2

Audit Committee's Review Report

The board of directors has prepared the Company's 2024 Business Report, Financial Statements and proposal for earnings distribution. The CPA firm of Ernst & Young was audited the Financial Statements and has issued an audit report. Above Business Reports, Financial Statements and earnings distribution proposal have reviewed by Audit Committee of the Company and do not find any discrepancy. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Chairman of the Audit Committee : Yen Chih Wang

March 13, 2025

Attachment 3

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

INDEPENDENT AUDITORS' REPORT

To The Board of Directors of
LuxNet Corporation

Opinion

We have audited the accompanying consolidated balance sheets of LuxNet Corporation (the “Company”) and its subsidiaries as of December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2024 and 2023, and notes to the consolidated financial statements, including the summary of material accounting policies (together “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, 2024 and 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 2024 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\$ 3,451,043 thousand for the year ended December 31, 2024 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\$385,381 thousand, representing 8% of consolidated total assets, as of December 31, 2024 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 4 and 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 2024 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, 2024 and 2023.

/s/Cheng, Ching-Piao

/s/Chen, Kuo-Shuai

Ernst & Young
Taiwan, R.O.C.
March 13th, 2025

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, 2024 and 2023

(Amounts Expressed In Thousands of New Taiwan Dollars)

Assets Code	Amount	As of December 31, 2024		As of December 31, 2023	
		Amount	%	Amount	%
Current assets					
1100 Cash and cash equivalents		\$3,127,743	66	\$1,832,266	52
1170 Accounts receivables, net		400,417	9	300,474	8
1200 Other receivables		46,538	1	25,509	1
1220 Current tax assets		60	-	870	-
130x Inventories		385,381	8	559,947	16
1419 Other prepaid expense		3,461	-	3,552	-
1421 Prepayments		685	-	1,903	-
1470 Other current assets		7,108	-	2,361	-
11xx Total current assets		<u>3,971,393</u>	<u>84</u>	<u>2,726,882</u>	<u>77</u>
Non-current assets					
1517 Financial assets measured at fair value through other comprehensive income		86,779	2	131,836	4
1600 Property, plant and equipment		615,158	13	654,255	19
1780 Intangible assets		1,165	-	874	-
1900 Other non-current assets		70,671	1	6,230	-
15xx Total non-current assets		<u>773,773</u>	<u>16</u>	<u>793,195</u>	<u>23</u>
1xxx Total Assets		<u>\$ 4,745,166</u>	<u>100</u>	<u>\$ 3,520,077</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, 2024 and 2023

(Amounts Expressed In Thousands of New Taiwan Dollars)

Code	Liabilities and Equity		As of December 31, 2024		As of December 31, 2023	
	Accounts	Notes	Amount	%	Amount	%
	Current liabilities					
2130	Contract liabilities	4, 6(14)	\$ 466	-	\$ 6,255	-
2170	Accounts payable		451,625	9	362,421	11
2200	Other payables	4, 6(9)	139,332	3	111,895	3
2220	Other payables - related parties	7	-	-	820	-
2230	Current tax liabilities	4, 6(19)	6,393	-	-	-
2399	Other current liabilities		2,933	-	2,700	-
21xx	Total current liabilities		600,949	12	484,091	14
	Non-current liabilities					
2500	Financial liabilities measured at fair value through profit or loss	4, 6(10)	3,000	-	-	-
2530	Bonds payable	4, 6(11)	743,094	16	-	-
25xx	Total non-current liabilities		746,094	16	-	-
2xxx	Total liabilities		1,347,043	28	484,091	14
31xx	Equity attributable to shareholders of the parent					
3100	Capital	4, 6(12)				
3110	Common stock		1,408,398	30	1,408,398	40
3200	Capital surplus		1,174,245	25	1,099,148	31
3300	Retained earnings					
3310	Legal reserve		55,089	1	10,943	-
3320	Special reserve		14,599	-	20,088	-
3350	Unappropriated earnings		805,447	17	512,007	15
3400	Other components of equity		(59,655)	(1)	(14,598)	-
3xxx	Total equity		3,398,123	72	3,035,986	86
3x2x	Total liabilities and equity		\$4,745,166	100	\$3,520,077	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, 2024 and 2023
(Amounts Expressed In Thousands of New Taiwan Dollars, Except for Earnings Per Share)

	Accounts	Notes	2024		2023	
			Amount	%	Amount	%
4000	Operating revenues	4, 6(14), 7	\$3,451,043	100	\$2,956,487	100
5000	Operating costs	6(4)	(2,819,255)	(82)	(2,382,737)	(81)
5900	Gross profit		631,788	18	573,750	19
6000	Operating expenses	7				
6100	Sales and marketing		(7,513)	-	(8,595)	-
6200	General and administrative		(91,191)	(3)	(68,242)	(2)
6300	Research and development		(48,190)	(1)	(53,938)	(2)
6450	Reversal of expected credit losses (expected credit losses)	6(15)	(275)	-	(5)	-
6900	Total operating expenses		(147,169)	(4)	(130,780)	(4)
	Operating income		484,619	14	442,970	15
7000	Non-operating incomes and expenses	6(17), 7				
7100	Interest income		30,576	1	8,645	-
7010	Other incomes		3,132	-	608	-
7020	Other gains and losses		27,115	1	(5,164)	-
7050	Finance costs		(1,593)	-	(4,671)	-
	Total non-operating incomes and expenses		59,230	2	(582)	-
7900	Income before income tax		543,849	16	442,388	15
7950	Income tax expense	4, 6(19)	(10,596)	(1)	-	-
8200	Net income		533,253	15	442,388	15
8300	Other comprehensive income (loss)	6(18)				
8310	Items that not be reclassified subsequently to profit or loss					
8311	Remeasurements of defined benefit plans		245	-	(928)	-
8316	Unrealized gain (loss) on equity instruments investment measured at fair value through other comprehensive income		(45,057)	(1)	5,489	-
8300	Total other comprehensive income (loss), net of tax		(44,812)	(1)	4,561	0
8500	Total comprehensive income (loss)		488,441	14	446,949	15
9750	Earnings per share-basic (in NTD)	4, 6(20)	\$3.79		\$3.34	
9850	Earnings per share-diluted (in NTD)	4, 6(20)	\$3.79		\$3.33	

(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, 2024 and 2023

(Amounts Expressed In Thousands of New Taiwan Dollars)

Code	Items	Equity Attributable to Shareholders of the Parent						Total 31XX	Total Equity 3XXX
		Retained Earnings			Others				
		Common Stock	Capital Surplus	Legal reserve	Special reserve	Unappropriated Earnings	gain (loss) on financial assets at fair value through other comprehen- sive income (loss)		
A1	Balance as of January 1, 2023	3100	3200	3310	3320	3350	3420	3490	\$1,417,018
	Appropriation and distribution of 2022 earnings:	\$1,323,578	\$4,146	\$-	\$-	\$109,427	\$(20,087)	\$(46)	\$1,417,018
B1	Legal Reserve			10,943		(10,943)			-
B3	Special Reserve				20,088	(20,088)			-
B5	Cash dividends of ordinary shares		244			(7,849)			(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	85,000							1,178,546
N1	Share-based payment transaction		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)
Z1	Balance as of December 31, 2023	1,408,398	1,099,148	10,943	20,088	512,007	(14,598)	439	3,035,986
	Appropriation and distribution of 2023 earnings:								
B1	Legal Reserve			44,146		(44,146)			-
B17	Special Reserve				(5,489)	5,489			-
B5	Cash dividends of ordinary shares					(201,401)			(201,401)
C5	Equity component of convertible bonds issued by the Company		75,097						75,097
D1	Net income in 2024					533,253			533,253
D3	Other comprehensive income (loss), net of tax, in 2024					245	(45,057)		(44,812)
D5	Total comprehensive income (loss)					533,498	(45,057)		488,441
Z1	Balance as of December 31, 2024	\$1,408,398	\$1,174,245	\$55,089	\$14,599	\$805,447	\$(59,655)	\$-	\$3,398,123

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, 2024 and 2023

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	2024	2023	Code	Items	2024	2023
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A10000	Income before income tax	\$543,849	\$442,388	B02700	Acquisition of property, plant and equipment	(88,910)	(50,859)
A20000	Adjustments:			B02800	Proceeds from disposal of property, plant and equipment	1,715	200
A20010	Income and expense adjustments:			B04500	Acquisition of intangible assets	(2,294)	(1,088)
A20100	Depreciation	68,112	93,540	B06800	Increase (decrease) in other non-current assets	(4,306)	(3,290)
A20200	Amortization	3,933	1,914	BBBB	Net cash provided by (used in) investing activities	(93,795)	(55,037)
A20300	Expected credit losses (gains)	275	5				
A20400	Net loss of financial liabilities at fair value through profit or loss	820	-				
A20900	Interest expense	1,593	4,671	CCCC	Cash flows from financing activities:		
A21200	Interest income	(30,576)	(8,645)	C00100	Repayments of short-term loans	-	(52,821)
A21900	Cost of share based payment	-	1,078	C01200	Proceeds from bonds issued	824,156	-
A22500	Loss (gain) on disposal of property, plant and equipment	13,340	(182)	C01700	Repayments of long-term loans	-	(220,000)
A23700	Impairment loss on non-financial assets	-	7,227	C04500	Cash dividends paid	(201,388)	(7,849)
A23800	Reversal of impairment loss on non-financial assets	(11,594)	(18)	C04600	Capital increase by cash	-	1,181,500
A29900	Other - loss related to inventories	(17,821)	60,355	C09900	Other items - overdue unclaimed cash dividend listed as capital surplus	-	244
A30000	Changes in operating assets and liabilities:				Net cash provided by (used in) financing activities	622,768	901,074
A31150	Accounts receivables	(100,218)	(46,077)				
A31180	Other receivables	(19,435)	(10,859)				
A31200	Inventories	192,387	(153,278)				
A31230	Prepayments	1,309	4,597				
A31240	Other current assets	(4,747)	5,138	EEEE	Increase in cash and cash equivalents	1,295,477	1,348,440
A32125	Contract liabilities	(5,789)	3,381	E00100	Cash and cash equivalents at beginning of period	1,832,266	483,826
A32150	Accounts payable	89,204	60,300	E00200	Cash and cash equivalents at end of period	\$3,127,743	\$1,832,266
A32180	Other payables	17,008	35,128				
A32190	Other payables - related parties	(820)	30				
A32230	Other current liabilities	233	543				
A32240	Net defined benefit liabilities	(120)	(1,127)				
A33000	Cash generated from (used in) operations	740,943	500,109				
A33100	Interest received	28,982	8,155				
A33300	Interest paid	(28)	(5,056)				
A33500	Income tax paid	(3,393)	(805)				
AAAA	Net cash provided by (used in) operating activities	766,504	502,403				

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

INDEPENDENT AUDITORS' REPORT

To The Board of Directors of
LuxNet Corporation

Opinion

We have audited the accompanying Parent-company-only balance sheets of LuxNet Corporation (the “Company”) as of December 31, 2024 and 2023, and the related Parent-company-only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2024 and 2023, and notes to the Parent-company-only financial statements, including the summary of material accounting policies (together “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, 2024 and 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 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 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 2024 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 Parent-company-only revenue amounting to NT\$ 3,451,043 thousand for the year ended December 31, 2024 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 inventory in amount of NT\$385,381 thousand, representing 8% of Parent-company-only total assets, as of December 31, 2024 is significant to the Company's Parent-company-only 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 inventory physical taking, and looking into the status of inventory utilization. We have also evaluated the appropriateness of the related disclosure in Notes 4 and 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 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 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:

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

(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. 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.
5. 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.
6. 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 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 2024 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.

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, 2024 and 2023.

/s/Cheng, Ching-Piao

/s/Chen, Kuo-Shuai

Ernst & Young
Taiwan, R.O.C.
March 13th, 2025

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 (Continued)
As of December 31, 2024 and 2023
(Amounts Expressed In Thousands of New Taiwan Dollars)

Code	Liabilities and Equity Accounts	Notes	As of December 31, 2024		As of December 31, 2023	
			Amount	%	Amount	%
	Current liabilities					
2130	Contract liabilities	4, 6(14)	\$ 466	-	\$ 6,255	-
2170	Accounts payable		451,625	9	362,421	11
2200	Other payables	4, 6(9)	139,532	3	111,895	3
2220	Other payables - related parties	7	-	-	820	-
2230	Current tax liabilities	4, 6(19)	6,393	-	-	-
2399	Other current liabilities		2,933	-	2,700	-
21xx	Total current liabilities		600,949	12	484,091	14
	Non-current liabilities					
2500	Financial liabilities measured at fair value through profit or loss	4, 6(10)	3,000	-	-	-
2530	Bonds payable	4, 6(11)	743,094	16	-	-
25xx	Total non-current liabilities		746,094	16	-	-
2xxx	Total liabilities		1,347,043	28	484,091	14
31xx	Equity attributable to shareholders of the parent					
3100	Capital					
3110	Common stock		1,408,398	30	1,408,398	40
3200	Capital surplus		1,174,245	25	1,099,148	31
3300	Retained earnings					
3310	Legal reserve		55,089	1	10,943	-
3320	Special reserve		14,599	-	20,088	-
3350	Unappropriated earnings		805,447	17	512,007	15
3400	Other components of equity		-59,655	(1)	-14,598	-
3xxx	Total equity		3,398,123	72	3,035,986	86
3x2x	Total liabilities and equity		\$4,745,166	100	\$3,520,077	100

(The accompanying notes are an integral part of the parent company only 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, 2024 and 2023
(Amounts Expressed In Thousands of New Taiwan Dollars, Except for Earnings Per Share)

	Accounts	Notes	2024		2023	
			Amount	%	Amount	%
4000	Operating revenues	4, 6(14), 7	\$3,451,043	100	\$2,956,487	100
5000	Operating costs	6(4)	-2,819,255	-82	-2,382,737	(81)
5900	Gross profit		631,788	18	573,750	19
6000	Operating expenses	7				
6100	Sales and marketing		-7,513	-	-8,595	-
6200	General and administrative		-91,191	-3	-68,242	(2)
6300	Research and development		-48,190	-1	-53,938	(2)
6450	Reversal of expected credit losses (expected credit losses)	6(15)	-275	-	-5	-
	Total operating expenses		-147,169	-4	-130,780	-4
6900	Operating income		484,619	14	442,970	15
7000	Non-operating incomes and expenses	6(17), 7				
7100	Interest income		30,576	1	8,645	-
7010	Other incomes		3,132	-	608	-
7020	Other gains and losses		27,115	1	(5,164)	-
7050	Finance costs		-1,593	-	(4,671)	-
	Total non-operating incomes and expenses		59,230	2	-582	-
7900	Income before income tax		543,849	16	442,388	15
7950	Income tax expense	4, 6(19)	-10,596	-1	-	-
8200	Net income		533,253	15	442,388	15
8300	Other comprehensive income (loss)	6(18)				
8310	Items that not be reclassified subsequently to profit or loss					
8311	Remeasurements of defined benefit plans		245	-	-928	-
8316	Unrealized gain (loss) on equity instruments investment measured at fair value through other comprehensive income		-45,057	-1	5,489	-
8300	Total other comprehensive income (loss), net of tax		-44,812	-1	4,561	0
8500	Total comprehensive income (loss)		488,441	14	446,949	15
9750	Earnings per share-basic (in NTD)	4, 6(20)	\$3.79		\$3.34	
9850	Earnings per share-diluted (in NTD)	4, 6(20)	\$3.79		\$3.33	

(The accompanying notes are an integral part of the parent company only 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, 2024 and 2023

(Amounts Expressed In Thousands of New Taiwan Dollars)

Code	Items	Equity Attributable to Shareholders of the Parent					Others		Total Equity
		Common Stock	Capital Surplus	Legal reserve	Special reserve	Unappropriated Earnings	Gain (loss) on financial assets at fair value through other comprehensive income (loss)	Unearned Employee Benefit	
		3100	3200	3310	3320	3350	3420	3490	3XXX
A1	Balance as of January 1, 2023	\$1,323,578	\$4,146	\$-	\$-	\$109,427	\$(20,087)	\$(46)	\$1,417,018
B1	Appropriation and distribution of 2022 earnings:								
B3	Legal Reserve			10,943		-10,943			-
B5	Special Reserve				20,088	-20,088			-
C3	Cash dividends of ordinary shares					-7,849			-7,849
B5	Overdue unclaimed cash dividend listed as capital surplus		244						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	85,000	1,093,546						1,178,546
N1	Share-based payment transaction		1,471						1,471
T1	Amortization of employee restricted shares							-393	-393
T2	Employee restricted shares for cancellation	-180	-259					439	-
Z1	Balance as of December 31, 2023	1,408,398	1,099,148	10,943	20,088	512,007	-14,598	-	3,035,986
	Appropriation and distribution of 2023 earnings:								
B1	Legal Reserve			44,146		-44,146			-
B17	Special Reserve				-5,489	5,489			-
B5	Cash dividends of ordinary shares					-201,401			-201,401
C5	Equity component of convertible bonds issued by the Company		75,097						75,097
D1	Net income in 2024					533,253			533,253
D3	Other comprehensive income (loss), net of tax, in 2024					245	-45,057		-44,812
D5	Total comprehensive income (loss)					533,498	(45,057)		488,441
Z1	Balance as of December 31, 2024	\$1,408,398	\$1,174,245	\$55,089	\$14,599	\$805,447	\$(59,655)	\$-	\$3,398,123

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

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese
Parent-Company-Only Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023
(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	2024	2023	Code	Items	2024	2023
A10000	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A20000	Income before income tax	\$543,849	\$442,388	B02700	Acquisition of property, plant and equipment	(88,910)	(50,859)
A20010	Adjustments:			B02800	Proceeds from disposal of property, plant and equipment	1,715	200
A20100	Income and expense adjustments:			B04500	Acquisition of intangible assets	(2,294)	(1,088)
A20200	Depreciation	68,112	93,540	B06800	Increase (decrease) in other non-current assets	(4,306)	(3,290)
A20300	Amortization	3,933	1,914	BBBB	Net cash provided by (used in) investing activities	(93,795)	(55,037)
A20400	Expected credit losses (gains)	275	5				
A20900	Net loss of financial liabilities at fair value through profit or loss	820	-				
A21200	Interest expense	1,593	4,671	CCCC	Cash flows from financing activities:		
A21900	Interest income	(30,576)	(8,645)	C00100	Repayments of short-term loans	-	(52,821)
A22500	Cost of share based payment	-	1,078	C01200	Proceeds from bonds issued	824,156	-
A23700	Loss (gain) on disposal of property, plant and equipment	13,340	(182)	C01700	Repayments of long-term loans	-	(220,000)
A23800	Impairment loss on non-financial assets	-	7,227	C04500	Cash dividends paid	(201,388)	(7,849)
A29900	Reversal of impairment loss on non-financial assets	(11,594)	(18)	C04600	Cash increase by cash	-	1,181,500
A30000	Other - loss related to inventories	(17,821)	60,355	C09900	Other items - overdue unclaimed cash dividend listed as capital surplus	-	244
A31150	Changes in operating assets and liabilities:						
A31180	Accounts receivables	(100,218)	(46,077)	CCCC	Net cash provided by (used in) financing activities	622,768	901,074
A31200	Other receivables	(19,435)	(10,859)				
A31230	Inventories	192,387	(153,278)				
A31240	Prepayments	1,309	4,597	EEEE	Increase in cash and cash equivalents	1,295,477	1,348,440
A32125	Other current assets	(4,747)	5,138	E00100	Cash and cash equivalents at beginning of period	1,832,266	483,826
A32150	Contract liabilities	(5,789)	3,381	E00200	Cash and cash equivalents at end of period	\$3,127,743	\$1,832,266
A32180	Accounts payable	89,204	60,300				
A32190	Other payables - related parties	17,008	35,128				
A32230	Other current liabilities	(820)	30				
A32240	Net defined benefit liabilities	233	543				
A33000	Cash generated from (used in) operations	(120)	(1,127)				
A33100	Interest received	740,943	500,109				
A33300	Interest paid	28,982	8,155				
A33500	Income tax paid	(28)	(5,056)				
AAAA	Net cash provided by (used in) operating activities	(3,393)	(805)				
		766,504	502,403				

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

Attachment 4

LuxNet Corporation
2024 Earnings Distribution Table

Unit : NT\$

Item	Amount
Accumulate deficit	271,949,195
Add: Other comprehensive income (Remeasurements of the defined benefit plans)	245,000
Add: 2024 Earnings after Tax	533,252,626
Sub total	805,446,821
Loss : Special Reserve-Loss on Shareholder's Equity (Note 1.)	(45,056,325)
Loss : Legal Reserve	(53,349,763)
Distributable net earnings	707,040,733
Distributable items	
Cash dividends to common shareholders (140,839,794 shares × NT\$1.54463283 per share)	(217,545,769)
Unappropriated Earnings after earnings distribution	489,494,964
<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, 1998 of the Ministry of Finance, when distributing surpluses, individual identification methods should be adopted; The distributable surplus for 2024 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
Ya Yu Wang

Attachment 5

Comparison Table for Amendment of “Articles of Incorporation”

Article No.	AFTER THE REVISION	BEFORE THE REVISION	Revision Notes
23	<p>If the company makes a profit in the year (<u>Profit refers to the profit before tax deduction of the profit before distribution of employees and directors' remuneration.</u>), 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. <u>If the company makes a profit in the year, it shall allocate no less than 1% to adjust the salaries or distribute as employees' compensation to entry-level employees. However, if the company still has accumulated losses, it should reserve the amount of compensation in advance. Employee compensation may be paid in the form of stocks or cash, and the recipients may include employees of controlled or affiliated companies who meet certain conditions. The conditions and method of payment are authorized to be determined by the board of directors.</u></p>	<p>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.</p>	Amended in accordance with the law

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, the sixteenth Amendment on June 14, 2024, <u>the seventeenth Amendment on June 24, 2025.</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, the fifteenth Amendment on June 20, 2023, the sixteenth Amendment on June 14, 2024.</p>	Add the amendment date
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Attachment 6

**Comparison Table for Amendment of
“Operating Procedures for Loaning of Funds and Making of Endorsements/Guarantees”**

Article No.	AFTER THE REVISION	BEFORE THE REVISION	Revision Notes
5.4.3	The Company may make capital loans to foreign companies in which the Company directly or indirectly holds 100% of the voting rights, or to foreign companies in which the Company directly or indirectly holds 100% of the voting rights, in an amount not exceeding 20% of the net worth of the <u>loaned companies</u> , and the loan period shall be in accordance with Article 5.6.	The Company may make capital loans to foreign companies in which the Company directly or indirectly holds 100% of the voting shares, or to foreign companies in which the Company directly or indirectly holds 100% of the voting shares, up to 20% of the Company's net worth, and the loan period shall be in accordance with Article 5.6.	Define the corresponding company for calculating net worth
5.9.1	When the Company’s subsidiary plans to lend funds to others or make Endorsements / Guarantees, the subsidiary shall have made “Operating Procedures for Loaning of Funds and Making of Endorsements/Guarantees”, according to the “Regulations Governing Loaning of Funds and Making of Endorsements / Guarantees by Public Companies”, and follow it. The net worth is calculated based on the <u>subsidiary</u> .	When the Company’s subsidiary plans to lend funds to others or make Endorsements / Guarantees, the subsidiary shall have made “Operating Procedures for Loaning of Funds and Making of Endorsements/Guarantees”, according to the “Regulations Governing Loaning of Funds and Making of Endorsements / Guarantees by Public Companies”, and follow it. The net worth is calculated based on the Company.	Define the corresponding company for calculating net worth
<u>9</u>	Revision history of these procedures Adopted on Jun. 24, 2010. The 1st amendment on Dec. 16, 2010. The 2nd amendment on Jun. 25, 2013. The 3rd amendment on Jun 14, 2019 <u>The 4th amendment on Jun 24, 2025</u>	Revision history of these procedures Adopted on Jun. 24, 2010. The 1st amendment on Dec. 16, 2010. The 2nd amendment on Jun. 25, 2013. The 3rd amendment on Jun 14, 2019	Add the amendment date

**Evaluation Opinion on the Necessity and Reasonableness of
Private Placement of Securities for the Year 2025**

Evaluator: Fubon Securities Co., Ltd.

Representative: Chairman Ming Chien Cheng

Date: May 28 2025

Evaluation Opinion of the Underwriter on the Private Placement of Securities for the Year 2025

1. Preface

LuxNet Technology Co., Ltd. (hereinafter referred to as the “Company” or “LuxNet”) plans to conduct a private placement of common shares or domestic convertible bonds (hereinafter referred to as the “Private Placement”) in accordance with Article 43-6 of the Securities and Exchange Act. The proposal was approved by the Company’s board of directors on March 13, 2025, and is scheduled to be submitted to the shareholders’ meeting on June 24, 2025, for discussion. The private placement shall not exceed a total of 15 million shares. The number of common shares converted from the domestic convertible bonds shall also fall within the aforementioned limit, calculated based on the conversion price at the time of placement. The private placement may be carried out in one to three tranches within one year from the date of the shareholders’ resolution, depending on market conditions or operational needs. The prospective subscribers shall be selected from specific persons as defined under Article 43-6 of the Securities and Exchange Act and related regulations.

Pursuant to Article 4 of the “Directions for Public Companies Conducting Private Placements of Securities”, where there has been a material change in management control during the one-year period prior to the board resolution and up to one year after the delivery date of the privately placed securities, the company shall engage an underwriter to issue an evaluation opinion on the necessity and reasonableness of the private placement. Such opinion shall be disclosed in the notice of the shareholders’ meeting for reference in their decision-making. In accordance with Q&A Section 5-1 on the Private Placement System, a material change in management control refers to a change in one-third or more of the directors.

This evaluation opinion is provided by the underwriter regarding the necessity and reasonableness of the Company’s proposed Private Placement, as follows:

2. Underwriter’s Evaluation Opinion

(1) Legal Compliance Assessment

Upon review of the minutes of the board of directors meeting dated March 13, 2025, the proposal scheduled to be discussed at the shareholders’ meeting on June 24, 2025, and the Company’s consolidated financial statements for fiscal year 2024 audited and certified by a CPA, the Company recorded a net income after tax of NT\$533,253 thousand and retained earnings of NT\$875,135 thousand at year-end. The intended subscribers of the Private Placement are strategic investors who can assist the Company in enhancing technology, improving product quality, reducing costs, increasing efficiency, expanding markets, and who recognize the Company’s operational philosophy, all while meeting the criteria of specific persons under Article 43-6 of the Securities and Exchange Act. Therefore, the proposed Private Placement is in compliance with the “Regulations Governing the Offering and Issuance of Securities by Securities Issuers.”

(2) Evaluation of the Necessity and Reasonableness of this Private Placement

A. Necessity of the Private Placement

The Company's main product categories include laser chips for optical communication, photodiode chips, TO-can optical subassemblies, unidirectional and bidirectional optical subassemblies, high-speed parallel optical engines, and OEM services, totaling seven major product lines. The Company continues to invest in high-speed transmission products applied to 5G and AI data centers. In recent years, with the major global cloud service providers increasing capital expenditures for data center construction, server demand has grown. According to Digitimes, global server shipments are projected to increase from 17.008 million units in 2021 to 23.745 million units in 2026, highlighting sustained growth in data center traffic and demand for related components such as optical transceivers.

In light of its operational conditions and industry outlook, the Company plans to use the funds from this Private Placement to replenish working capital required for future business development. This would strengthen its financial structure and overall competitiveness, while enhancing shareholder equity. Fundraising through public offerings would likely face unfavorable terms or difficulty in raising the required amount within the desired timeframe. In contrast, private placement offers better efficiency, flexibility, and lower issuance costs. Additionally, the three-year transfer restriction for investors helps secure long-term strategic cooperation. Therefore, conducting the fundraising via private placement is deemed necessary.

B. Reasonableness of the Private Placement

(a) Reasonableness of Issuance Procedures

The materials reviewed from the March 13, 2025, board meeting include the proposal content, pricing method, and selection mechanism for specific persons, all of which comply with the Securities and Exchange Act and related regulations. The proposal is scheduled for shareholder approval on June 24, 2025, and the issuance procedures are deemed reasonable.

(b) Reasonableness of the Type of Securities to be Privately Placed

The proposed securities are common shares or domestic convertible corporate bonds—commonly accepted instruments in the capital market with high investor acceptance—thus, the choice of securities is reasonable.

(c) Reasonableness of the Anticipated Benefits

The Private Placement will provide the Company with stable, long-term funding to support operational needs. This will help lower capital costs, strengthen its industry position, and enhance long-term competitiveness. The resulting improvement in the financial structure and business scale is expected to promote steady operational growth and enhance shareholder value. The anticipated benefits are deemed reasonable.

C. Evaluation of Subscriber Selection Method, Purpose, Necessity, and Expected Benefits

(a) Selection Method and Purpose

Based on the board resolution on March 13, 2025, the subscribers shall be selected as specific persons in accordance with Article 43-6 of the Securities and Exchange Act. These specific persons are strategic investors identified by the Company to meet the demands of industry trends and future development. Their participation is expected to enhance the Company's operational capability and competitive advantage. Therefore, the selection method and purpose are deemed appropriate.

(b) Necessity and Anticipated Benefits

Through capital infusion from the selected subscribers, the Company will secure long-term funding, reduce working capital costs, and improve its financial structure. This, in turn, will enhance profitability and competitive positioning, ultimately contributing to the Company's sustainable development. Accordingly, the necessity and expected benefits of selecting these subscribers are considered reasonable.

D. Impact of the Material Change in Management Control on the Company's Operations, Finances, and Shareholder Equity

Based on the board resolution and related materials dated March 13, 2025, interviews with Company executives, the Company's financial reports, and publicly disclosed information on the Market Observation Post System, the underwriter has conducted a comprehensive assessment. The Company underwent a change in 8 out of 9 board seats within the one-year period preceding the board's resolution for the Private Placement, thus meeting the criteria for a material change in management control as defined in Q&A Section 5-1, Subparagraph 2 of the Private Placement System, which stipulates that a change in one-third or more of the board constitutes such a situation. The changes in the board composition before and after are as follows:

Date	Feb 29, 2024	Jun 14, 2024 (Full re-election at AGM)	Jan 10, 2025 (Change in representative of corporate director)	Jan 16, 2025 (Chairman change)	Feb 4, 2025 (Change in representative of corporate director)
	9 Directors (Including 3 Independent Directors)	7 Directors (Including 4 Independent Directors)	7 Directors (Including 4 Independent Directors)	7 Directors (Including 4 Independent Directors)	7 Directors (Including 4 Independent Directors)
Chairman	Huei Ming Chien	Zhenjia Investment Co., Ltd. Representative: Chao Yang Su	Zhenjia Investment Co., Ltd. Representative: Chao Yang Su	Ming Shing Investment Co, Ltd. Representative: Huei Ming Chien	Ming Shing Investment Co, Ltd. Representative: Huei Ming Chien
Vice Chairman	TriKnight Capital Corporation Representative: Duen Chian Cheng	—	—	—	—
Director	Chih Cheng Chien	—	—	—	—
Director	YSI Investment Corporation Representative: Ming Shi	Ming Shing Investment Co, Ltd. Representative: Ming Shi	Ming Shing Investment Co, Ltd. Representative: Huei Ming Chien	Zhenjia Investment Co., Ltd. Representative: Chao Yang Su	Zhenjia Investment Co., Ltd. Representative: Todd Swanson

Director	Vacancy(Note 1)	Hsing Hsien Kung	Hsing Hsien Kung	Hsing Hsien Kung	Hsing Hsien Kung
Director	VacancyNote 2)	—	—	—	—
Independent Director	Yung Sheng Liu	Yen Chih Wang	Yen Chih Wang	Yen Chih Wang	Yen Chih Wang
Independent Director	Yi Hua Chung	Shun Long Weng	Shun Long Weng	Shun Long Weng	Shun Long Weng
Independent Director	Ruei Ming Jamp	Ruei Ming Jamp	Ruei Ming Jamp	Ruei Ming Jamp	Ruei Ming Jamp
Independent Director	—	Ding Kang Huw	Ding Kang Huw	Ding Kang Huw	Ding Kang Huw

Note 1: Director Hsing Hsien Kung was removed from office within the one-year period prior to the March 13, 2025 board resolution.

Note 2: Director Chih Ping Kuo resigned within the same period.

Within one year prior to the board resolution dated March 13, 2025, approving the private placement of securities, the Company experienced a director turnover rate exceeding one-third. Among them, Director Hsing Hsien Kung was removed from office and Director Chih Ping Kuo tendered his resignation prior to March 13, 2024, which resulted in two vacancies on the 7th-term Board of Directors. Subsequently, on June 14, 2024, the Company held a full re-election of directors, adjusting the composition of the 8th-term Board of Directors to seven seats, comprising three regular directors and four independent directors. The election of the new board members was aimed at strengthening the functions of independent directors and enhancing corporate governance by increasing the number of independent directors. As for regular directors, individuals with extensive experience in the relevant industries were appointed to assist the Company in mapping out its future business development strategy and enhancing operational momentum.

A review of the audited consolidated financial reports for the most recent three fiscal years shows that the Company's revenue was NT\$1,318,546 thousand, NT\$2,956,487 thousand, and NT\$3,451,043 thousand in 2022 to 2024, respectively, while net income for the same periods was NT\$270,795 thousand, NT\$442,388 thousand, and NT\$533,253 thousand. This indicates stable and continuous growth in revenue and profitability, aligned with overall trends in the optical communication industry. Thus, the board changes are deemed to have had a positive impact on the Company's operations, financial status, and shareholder equity.

Furthermore, as the shares to be subscribed in this Private Placement may represent up to 9.63% of the Company's post-placement paid-in capital, the possibility that the subscriber may obtain a board seat in the future cannot be ruled out. Therefore, the impact of the Private Placement on the Company's operations, finances, and shareholder equity is assessed as follows:

(a) Impact on Business Operations

The selected subscribers for this Private Placement are strategic investors who are either already familiar with the Company's operations or can assist in enhancing its

competitive edge. These investors are expected not only to inject necessary funding but also to help expand the Company's business and accelerate market development. Accordingly, the Private Placement is expected to have a positive impact on the Company's operations.

(b) Impact on Financial Position and Shareholder Equity

The proposed Private Placement is limited to 15 million shares. The issue price for common shares shall not be lower than 80% of the reference price, while the issue and conversion price of the convertible bonds shall also not be lower than 80% of the theoretical or reference price. These pricing mechanisms are deemed reasonable and expected to have only limited dilution effects on shareholder equity. Moreover, the capital raised through this Private Placement will support the Company in enhancing its financial structure and operational performance, thereby improving competitiveness and profitability. This will contribute positively to the Company's long-term sustainability and shareholder value.

3. Conclusion

To meet the needs of future development, the Company resolved on March 13, 2025, to proceed with this Private Placement, aiming to secure stable and long-term funding. Such capital is expected to facilitate business expansion, enhance the financial structure, drive stable operational growth, and improve shareholder equity.

After reviewing the resolution materials approved by the board of directors on March 13, 2025, and the proposal to be discussed at the shareholders' meeting on June 24, 2025, the underwriter has found no major legal violations or apparent unreasonableness in the issuance plan and procedures of this Private Placement. Furthermore, after a comprehensive assessment of the expected benefits of the Private Placement, the method for selecting subscribers, and the impact of the material change in management control on the Company's operations, finances, and shareholder equity, the underwriter concludes that the necessity and reasonableness of conducting the Private Placement are well justified.

4. Other Declarations

- (1) This opinion is provided solely for reference by LuxNet Technology Co., Ltd. in relation to the agenda item regarding the Private Placement to be discussed at the shareholders' meeting scheduled for June 24, 2025, and shall not be used for any other purpose.
- (2) The content of this opinion is based on the materials reviewed from the Company's board resolution dated March 13, 2025, the proposed agenda for the June 24, 2025 shareholders' meeting, interviews conducted with relevant Company executives, the CPA-audited financial statements, and publicly disclosed information available on the Market Observation Post System. The underwriter shall not bear any legal liability for any changes to this opinion resulting from future amendments to the Private Placement plan or other subsequent events.
- (3) The underwriter declares that it is not a related party of LuxNet Technology Co., Ltd.

IV. Appendix

Appendix 1

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 convener 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 five 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, the sixteenth Amendment on June 14, 2024.

Appendix 2

LuxNet Corporation

Operating Procedures for Loaning of Funds and Making of Endorsements/ Guarantees

1. Purpose:
These Procedures are established to regulate the lending of funds to others, endorsements, or guarantees made by the Company or its subsidiaries (hereinafter referred to as “these Procedures”).
2. Scope:
All fund lending, endorsements, or guarantees made by the Company or its subsidiaries shall be governed by these Procedures unless otherwise provided by laws and regulations.
3. Authority and Responsibility:
These Procedures are prepared by the Finance and Accounting Department. Any amendments shall be proposed by the Finance and Accounting Department, approved by the Board of Directors, and submitted to the Shareholders’ Meeting for approval before implementation.
4. Definitions:
 - 4.1 The Company or its subsidiaries may lend funds to the following parties:
 - (1) Companies or firms that have business transactions with the Company.
 - (2) Companies or firms in need of short-term financing with no records of dishonored checks or being listed as a blacklisted account by banks.
The responsible person of the Company shall bear joint liability with the borrower for the repayment of funds in the event of a violation of the above. Should the Company incur any losses as a result, the responsible person shall be liable for damages.
The term “short-term” refers to a period of one year. However, if the operating cycle of a company exceeds one year, the operating cycle shall prevail.
The amount of financing mentioned refers to the cumulative balance of short-term financing extended by the Company.
Lending of funds to others by the Company or its subsidiaries shall be subject to the approval of the Board of Directors and within the limit set by the Shareholders’ Meeting, in accordance with Article 15 of the Company Act and relevant regulations of the Financial Supervisory Commission.
 - 4.2 Endorsements and Guarantees refer to the following acts:
 - (1) Financing endorsements and guarantees, including:
 - (i) Discounting of promissory notes;
 - (ii) Endorsements or guarantees made for the purpose of another company’s financing;
 - (iii) Issuance of negotiable instruments for the Company’s own financing purposes to non-financial institutions as guarantees.
 - (2) Customs duty endorsements and guarantees, referring to endorsements or guarantees provided in connection with customs-related matters for the Company or another company.
 - (3) Other endorsements and guarantees, referring to those not falling under the two preceding categories.
Where the Company provides movable or immovable property as collateral to secure another company’s borrowings (e.g., by creating a pledge or mortgage), such conduct shall also be handled in accordance with these Procedures.

4.3 The counterparties eligible to receive endorsements or guarantees from the Company or its subsidiaries shall be limited to the following entities:

- (1) Companies that have business transactions with the Company;
- (2) Companies in which the Company directly or indirectly holds more than 50% of the voting shares;
- (3) Companies that directly or indirectly hold more than 50% of the Company's voting shares;
- (4) Where the Company holds, directly or indirectly, 90% or more of the voting shares in another company, mutual endorsements or guarantees between such companies may be made, provided that the amount shall not exceed 10% of the Company's net worth. However, this restriction does not apply if the shareholding is 100%.

If endorsements or guarantees are made based on a joint investment relationship by shareholders in proportion to their shareholding in the investee company, such acts are not subject to the restrictions in the preceding two paragraphs. The term "investment" refers to direct investment by the Company or indirect investment through wholly-owned subsidiaries.

4.4 The terms "subsidiary" and "parent company" referred to in these Procedures shall be determined in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Where the Company prepares financial reports in accordance with International Financial Reporting Standards (IFRS), the term "net worth" refers to the equity attributable to owners of the parent company as stated in the balance sheet under IFRS.

5. Operating Procedures

5.1 Assessment Criteria for Fund Lending and Endorsements/Guarantees

5.1.1 Where the Company engages in fund lending or endorsements/guarantees due to business transactions with another company or firm, such matters shall be handled in accordance with Article 5.3 of these Procedures.

5.1.2 When handling endorsements or guarantees, the Company shall assess the associated risks and maintain evaluation records. Where necessary, collateral shall be obtained, and the matter shall be approved by the Board of Directors prior to execution.

5.2 Review Procedures for Fund Lending and Endorsements/Guarantees

5.2.1 When the Company handles fund lending or endorsements/guarantees, the Finance Department shall conduct a review and evaluation of the following:

- (1) The necessity and reasonableness of the fund lending or endorsement/guarantee;
- (2) The creditworthiness and risk assessment of the counterparty;
- (3) The impact on the Company's operational risks, financial condition, and shareholder interests;
- (4) Whether collateral should be obtained and the assessed value of such collateral.

5.3 Execution Procedures for Fund Lending and Endorsements/Guarantees

5.3.1 Prior to lending funds or providing endorsements/guarantees, the Company shall carefully evaluate compliance with these Procedures and submit the assessment results specified under Article 5.2 to the Board of Directors for resolution. No other personnel shall be authorized to decide on such matters.

In cases where the Company directly or indirectly holds 90% or more of the voting shares of a subsidiary providing endorsements/guarantees, the matter shall also be submitted to the Board of Directors for resolution. However, endorsements/guarantees between wholly-owned subsidiaries are exempt from this requirement.

Lending of funds between the Company and its subsidiaries shall be submitted to the Board of Directors for approval, and the Chairman may be authorized to disburse the loan in installments or on a revolving basis within a certain amount and time period (not exceeding one year) as resolved by the Board.

The aforementioned "certain amount" must comply with applicable regulations. In principle,

the lending limit authorized to a single entity by the Company or its subsidiaries shall not exceed 10% of the lender's net worth based on its most recent financial statements.

5.3.2 If the Company has appointed independent directors, their opinions shall be fully considered when making decisions on fund lending or endorsements/guarantees. Their consent or objection, along with the reasons for any objections, shall be recorded in the Board meeting minutes.

5.3.3 Upon approval by the Board of Directors, the Finance Department shall record the following details in the "Register of Loans to Others" (see 8.1) for each loan: the counterparty, loan amount, date of Board approval, date of fund disbursement, and matters requiring careful evaluation under these Procedures. The records shall be signed by the responsible supervisor for proper oversight of fund disbursement and recovery status.

5.3.4 When processing endorsements/guarantees or their cancellation, the responsible department shall fill out an application or cancellation form stating the name of the guaranteed entity, the relationship with the Company, the type and purpose of the guarantee, and the amount. The form shall be submitted to the Chairman for approval.

5.3.5 For endorsement/guarantee transactions, details such as the guaranteed obligation, name of the guaranteed enterprise, risk assessment results, amount, date of Board approval, collateral obtained, and the conditions and date for release of the guarantee shall be recorded and entered into the "Endorsement/Guarantee Register" (see 8.2). A report detailing the changes in endorsement/guarantee balances from the previous month shall be compiled and submitted to the Chairman at the beginning of each month.

5.3.6 Seal Custody and Procedures:

(1) The seal used exclusively for endorsements/guarantees shall be the Company's official seal registered with the Ministry of Economic Affairs.

(2) For subsidiaries incorporated abroad, the official seal or signature registered in the local jurisdiction shall serve as the dedicated seal or signature for endorsements/guarantees.

(3) The seal used for endorsements/guarantees shall be kept separately from the personnel responsible for processing the transaction and shall be managed and used in accordance with the Company's "Seal Management Procedures."

(4) When issuing a guarantee for a foreign company, the guarantee letter shall be signed by a person authorized by the Board of Directors.

5.4 Limits on Aggregate and Individual Fund Lending and Endorsements/Guarantees

5.4.1 The aggregate amount of fund lending by the Company shall not exceed 40% of the Company's net worth.

5.4.2 The lending limit to an individual counterparty shall be subject to the following:

(1) For companies or firms with business transactions with the Company, the lending amount shall not exceed the total transaction amount between both parties. "Transaction amount" refers to the greater of the total purchases or sales between the parties.

(2) For companies or firms with a short-term financing need, the lending amount shall not exceed 20% of the Company's net worth.

5.4.3 The Company may make capital loans to foreign companies in which the Company directly or indirectly holds 100% of the voting shares, or to foreign companies in which the Company directly or indirectly holds 100% of the voting shares, up to 20% of the Company's net worth, and the loan period shall be in accordance with Article 5.6.

5.4.4 In the event of changes in circumstances that cause the borrower to no longer meet the criteria set forth in these Procedures or result in an excess over the prescribed limit, a remediation plan shall be developed and submitted to the Audit Committee, and the excess shall be remedied within the plan's timeline.

5.4.5 The Company's limits on endorsements/guarantees are as follows:

(1) The total amount of endorsements/guarantees provided externally shall not exceed the Company's net worth as shown in the most recent financial statements.

If the total external endorsements/guarantees reach 50% of the Company's net worth, an

explanation of the necessity and reasonableness shall be presented at the Shareholders' Meeting.

- (2) The amount of any endorsement/guarantee for a single enterprise shall not exceed 10% of the Company's net worth as shown in the most recent financial statements.

5.4.6 The combined limits on endorsements/guarantees by the Company and its subsidiaries are as follows:

- (1) The total amount of external endorsements/guarantees by the Company and its subsidiaries shall not exceed the Company's net worth.

If the total amount reaches 50% of the Company's net worth, an explanation of the necessity and reasonableness shall be presented at the Shareholders' Meeting.

- (2) The amount of endorsement/guarantee to a single enterprise shall not exceed 10% of the Company's net worth as shown in the most recent financial statements.

5.4.7 Where necessary for business operations and in compliance with the conditions set forth in these Procedures, endorsements/guarantees that exceed the prescribed limits may be provided upon Board approval, provided that more than half of the directors shall assume joint and several liability for any losses to the Company resulting from such excess. These Procedures shall be amended accordingly and submitted to the Shareholders' Meeting for ratification. If the Shareholders' Meeting does not ratify the resolution, a plan shall be developed to eliminate the excess within a prescribed period.

If the Company has appointed independent directors, their opinions shall be fully considered at the Board meeting, and their agreement or objection, along with reasons, shall be recorded in the meeting minutes.

5.5 Post-Approval Controls and Procedures for Handling Overdue Claims

5.5.1 After disbursement of a loan, the Company shall continuously monitor the financial condition, business operations, and credit status of the borrower and any guarantor. If collateral has been provided, its value shall be monitored for changes. Two months prior to loan maturity, the borrower shall be notified to repay principal and interest or arrange for a loan extension.

5.5.2 Upon repayment of the loan, the borrower shall first settle any accrued interest along with the principal. Only after full repayment shall the Company cancel and return the promissory notes, loan agreements, or other debt instruments.

5.5.3 If the borrower applies for the release of a mortgage or pledge, the Company shall first confirm whether there is any outstanding balance before determining whether to approve the release.

5.5.4 If the borrower fails to repay the loan on time, the Finance Department shall prepare a written report explaining the reasons and submit it to the General Manager and the Chairman for approval. The responsible unit shall then initiate the debt recovery process.

5.5.5 The Company shall assess the collectability of the loan and recognize an appropriate allowance for bad debts. Relevant information shall be properly disclosed in the financial statements and provided to the certifying CPA for necessary audit procedures.

5.5.6 If the counterparty originally met the criteria for endorsements/guarantees but subsequently fails to comply, or if changes in the basis for limit calculation result in exceeding the limit, the Company shall fully eliminate the endorsement/guarantee amount or the excess portion upon expiration of the contract or within a specified timeframe under an improvement plan, and report such to the Board of Directors.

5.5.7 If the counterparty of the endorsement/guarantee is a subsidiary whose net worth is less than half of its paid-in capital, the Finance and Accounting Department or its designated unit shall establish appropriate post-monitoring and control measures.

For subsidiaries with no par value shares or with a par value not equal to NT\$10 per share, the "paid-in capital" for purposes of this Article shall be the sum of capital stock and capital surplus—premium on issuance of shares.

5.5.8 In the event of a change in circumstances causing the counterparty of the endorsement/guarantee to no longer meet the requirements of these Procedures or resulting in an excess

amount, an improvement plan shall be submitted to the Audit Committee and the matter shall be rectified within the timeline set forth in the plan.

5.5.9 The Company shall assess and recognize any contingent losses arising from endorsements/guarantees, disclose such information appropriately in the financial statements, and provide relevant documents to the certifying CPA for necessary audit procedures.

5.6 Loan Term and Interest Calculation Method

5.6.1 Each loan shall have a term not exceeding one year from the disbursement date, or one operating cycle, whichever is longer.

5.6.2 Interest shall be calculated on a daily basis: the sum of the daily outstanding loan balance (i.e., the aggregate of daily balances) multiplied by the annual interest rate and divided by 360.

5.6.3 Unless otherwise specified, interest shall be collected monthly in principle. The borrower shall be notified to pay interest within one week from the agreed interest accrual date.

5.6.4 Extension of Loans: Before the loan matures, the borrower shall be notified to repay in accordance with the agreement. If an extension is necessary, a new term may be granted upon approval by the Board of Directors.

5.7 Procedures for Public Announcement and Reporting

5.7.1 By the 10th day of each month, the Company shall publicly announce and report the previous month's loan balances and endorsement/guarantee balances of the Company and its subsidiaries.

5.7.2 If any of the following criteria is met, the Company shall make a public announcement and file a report within two days from the date of occurrence:

- (1) The loan balance of the Company and its subsidiaries to others reaches 20% or more of the Company's net worth as stated in the most recent financial statements;
- (2) The loan balance to a single enterprise reaches 10% or more of the Company's net worth;
- (3) The newly extended loan amount reaches NT\$100 million or more and 2% or more of the Company's net worth.

5.7.3 If a subsidiary of the Company is not a domestic public company and meets any of the criteria under the preceding article, the Company shall make the required public announcement and filing on its behalf.

5.7.4 The Company shall also publicly announce and report within two days from the date of occurrence if any of the following applies to endorsements/guarantees:

- (1) The endorsement/guarantee balance of the Company and its subsidiaries reaches 50% or more of the Company's net worth;
- (2) The endorsement/guarantee balance to a single enterprise reaches 20% or more of the Company's net worth;
- (3) The endorsement/guarantee balance to a single enterprise reaches NT\$100 million or more, and the total of endorsements/guarantees, equity-method investment amount, and loan balance reaches 30% or more of the Company's net worth;
- (4) The newly provided endorsement/guarantee amount reaches NT\$300 million or more and 5% or more of the Company's net worth.

5.7.5 If a subsidiary of the Company is not a domestic public company and meets any of the criteria in the preceding paragraph, the Company shall make the required public announcement and filing on its behalf.

5.7.6 The date of occurrence refers to the earlier of the contract signing date, payment date, Board resolution date, or the date the counterpart and amount of the loan or endorsement/guarantee can be confirmed.

5.8 Internal Audit

Internal auditors shall audit fund lending and endorsement/guarantee procedures and implementation at least once per quarter and prepare written records. In case of any material violations, the Audit Committee shall be notified in writing immediately.

5.9 Control Procedures for Fund Lending and Endorsements/Guarantees by Subsidiaries

- 5.9.1 When the Company's subsidiary plans to lend funds to others or make Endorsements/Guarantees, the subsidiary shall have made "Operating Procedures for Loaning of Funds and Making of Endorsements/Guarantees", according to the "Regulations Governing Loaning of Funds and Making of Endorsements / Guarantees by Public Companies", and follow it. The net worth is calculated based on the Company.
- 5.9.2 Subsidiaries shall prepare the "Register of Loans to Others" and "Register of Endorsements/Guarantees" for the previous month and submit them to the Company before the 10th of each month.
- 5.9.3 When the Company's internal auditors conduct on-site audits at subsidiaries based on the annual audit plan, they shall also review the execution of the subsidiaries' fund lending and endorsement/guarantee procedures and determine whether there are any violations of applicable laws. Any deficiencies identified shall be continuously monitored until improvement is completed and a follow-up report shall be submitted to the General Manager.

5.10 Penalties

Personnel involved in operations under these Procedures (e.g., managers and handling personnel) who violate these Procedures or related laws and regulations shall be subject to disciplinary action based on the severity of the violation, in accordance with the Company's "Personnel Management Regulations."

6. Related Attachments: Personnel Management Regulations

7. Implementation and Amendments

- 7.1 These Procedures shall be approved by more than one-half of all Audit Committee members (based on the number of members actually in office), submitted to the Board of Directors for approval, and subsequently submitted to the Shareholders' Meeting for final approval before implementation.

If the Procedures are not approved by more than one-half of all Audit Committee members, they may be implemented upon the approval of two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.

8. Forms Used

- 8.1 Register of Loans to Others
8.2 Register of Endorsements/Guarantees

Revision History of These Procedures

Adopted on Jun. 24, 2010

The 1st amendment on Dec. 16, 2010

The 2nd amendment on Jun. 25, 2013

The 3rd amendment on Jun 14, 2019

Appendix 3

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 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 26, 2025

Position	Name	Shareholdings	Shareholding Ratio (%)
Chairman	Ming Shing Investment Co, Ltd. Representative: Huei Ming Chien	1,000	0
Director	Hsing Hsien Kung	11,045	0.01
Director	Zhenjia Investment Co., Ltd. Representative: Todd Swanson	1,000	0
Independent Director	Ruei Ming Jamp	0	0
Independent Director	Shun Long Weng	30,000	0.02
Independent Director	Ding Kang Huw	0	0
Independent Director	Yen Chih Wang	0	0
Shareholding of directors		43,045	0.03

Note : The Company has established the audit committee in accordance with the Act, the minimum shareholding requirements for directors and supervisors do not apply.