Stock Code：2424

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ELECTRONICS

Longhua Electronics Co., Ltd.

2024 Annual General Meeting of Shareholders

Meeting Handbook

June 25, 2024

Convening method: Physical Shareholders' Meeting

Place: No. 2, Xuzhou Road, Zhongzheng District, Taipei City
(Room 403, International Conference Center, National Taiwan University Hospital)

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Longhua Electronics Co., Ltd.

2024 Annual Shareholders' Meeting Agenda

Convening method: Physical shareholders meeting

Meeting Time : 9:00 a.m. June 25, 2024 (Tuesday)

Meeting Place: No. 2, Xuzhou Road, Zhongzheng District, Taipei City

(Room 403, International Conference Center, National Taiwan University Hospital)

1. Call the Meeting to Order

2. Chairperson Remarks

3. Reporting matters

    (1) The company's 2023 Operating status Report.

    (2) The Audit Committee’s Review Report for the 2023 final accounts.

    (3) Implementation situation of private placement of common shares report.

    (4) Report on 2023 Accumulated Losses Reaching One-Half of Paid-in Capital.

    (5) Report on Amendment to the Company’s “Rules of Procedures for the Board of Director”.

4. Adoption matters

    (1) Adoption of the 2023 Business Report and Financial Statements.

    (2) Adoption of the Proposal for 2023 Deficit Compensation.

5. Discussion matters

    (1) Proposal for a cash offering by private placement.

    (2) Amendment to some articles of the company's "Operational Procedures for Loaning of Company Funds".

6. Election matter

    Comprehensive Re-election of directors of the company.

7. Other proposal

    Release the Prohibition on new Directors and their representatives from Participation in Competitive Business.

8. Extraordinary motion

9. Meeting Adjourned

III. Reporting Matters

First case

Reason: The company's 2023 Operating status Report. Please inspect.

Explanation: 1. Please refer to Attachment 1 on pages 14-19 of this handbook for the company's 2023 Business Report.

2. Please inspect.

Second case

Reason: The Audit Committee’s Review Report for the 2023 final accounts. Please inspect.

Explanatory: 1. Please refer to Attachment 2 on page 20 of this handbook for the Audit Committee’s Review Report.

2. Please inspect.

Third case

Reason: Implementation situation of private placement of common shares report. Please inspect.

Explanatory: 1. Implementation situation of private placement of common shares report, please refer to Attachment 4 on pages 40-43 of this handbook.

2. Please inspect.

Fourth case

Reason: Report on 2023 Accumulated Losses Reaching One-Half of Paid-in Capital. Please inspect.

Explanatory: 1. According to Article 211 of the Company Law, when company loss reaches half of paid-in capital, the board of directors shall report to the latest Shareholders' meeting.

2. The cumulative loss of the company's 2023 financial statements audited by CPAs was NT$684,471,791, which has exceeded half of the paid-in capital of NT$532,750,000. It was submitted to the 2024 Annual General Meeting of Shareholders in accordance with the law.

3. Please inspect.

Fifth case

Reason: Report on Amendment to the Company’s “Rules of Procedures for the Board of Directors”. Please inspect.

Explanatory: 1. In accordance with No.1120383996 issued by the Financial Supervisory Commission on January 11, 2024, amend some articles of the "Regulations Governing the Exercise of Powers by Audit Committees of Public Companies" and the article 12,13 of " Regulations Governing Procedures for the Board of Directors Meeting of Public Companies". Amends some articles of the Company’s “Rules of Procedures for the Board of Directors” specifically.

2. For the draft comparison table of Amendment articles, please refer to Attachment 5 on page 44 of this handbook.

3. Please inspect.

IV. Adoption matters

The first case Proposed by the board of directors

Reason: Adoption of the 2023 Business Report and Financial Statements, please adopt it.

Explanatory: 1. The company's 2023 business report and financial statements have been prepared and passed by the resolution of the board of directors on March 28, 2024. The financial statements have been audited by CPAs Lin Boquan and Weng Shirong of PWC United Accounting Firm.

2. The company's 2023 business report and the above-mentioned financial statements have been submitted to the audit committee for review and issued review report.

3. Please refer to Attachment 1 on pages 14-19 and Attachment 3 on pages 22-39 of this handbook for the company's 2023 business report, financial statements and CPAs' audit report.

4. Please adopt.

Resolution:

The second case Pproposed by the board of directors

Reason: Adoption of the Proposal for 2023 Deficit Compensation, please adopt it.

Explanatory: 1. The company's deficit yet to be compensated at the beginning of the period was \$489,912,019, and the after-tax loss in 2023 was NT\$194,559,772, and the losses to be made up in 2023 were NT\$684,471,791. It is proposed to deficit compensation by paid-in capital NT\$349,834,900 according to Article 239 of the Company Law. After compensation, the company's deficit yet to be compensated at the end of the period was \$334,636,891. Please refer to page 6 of this handbook for the Deficit Compensation table.

2. Please adopt.

Resolution:

Longhua Electronics Co., Ltd.

2023 Deficit Compensation table

Unit: NT$

Item	Amount
Deficit yet to be compensated at the end of at the beginning of the period	(489,912,019)
Net profit (loss) after tax in 2023	(194,559,772)
2023 Deficit yet to be compensated	(684,471,791)
Deficit Compensated Item:	
Capital reserve-share premium	349,834,900
Deficit yet to be compensated at the end of the period	(334,636,891)

Chairman: WANG, WKANG-HSIANG Manager: WANG, SHARON Accounting Supervisor: Zheng Youzheng

V. Discussion matters

The first case Proposed by the board of directors

Reason: Proposal for a cash offering by private placement. Please discuss.

Explanatory:

1. In order to enrich working capital, improve the financial structure or other capital needs in response to the company's future development, to maintain the sustainable development of the company's business and enhance the company's competitiveness, there is a capital need. It is planned to comply with Article 43-6 of the Securities and Exchange Act and relevant laws and regulations, a private placement of common shares shall be conducted within the limit of no more than 15 million common shares, with a face value of NT$10 per share, and shall be issued in installments within one year from the date of approval of the resolution of the shareholders' general meeting, and the installments shall be issued in no more than 4 times.
2. According to the provisions of Article 43-6 of the Securities Exchange Law, the matters that should be explained when handling private placement are as follows:
   (1) Necessary reasons for private placement:
      A. Reasons for not using public issuance: It is difficult for the company to measure the current financing market conditions. In order to ensure the timeliness and raise funds feasibility and reduce capital costs effectively, it plans to use private placement to increase cash capital and issue private placement common shares. In addition, by authorizing the board of directors to use private placements based on market conditions and in line with the company's actual needs, the flexibility and efficiency of the company's financing will be improved.
      B. Private placement quota: no more than 15 million common shares.
      C. The use of funds for private placement and Estimated benefits: This private placement of securities can be processed once or in batches within one year from the date of resolution of the shareholders' meeting. The use of funds and expected benefits for each batch of private placements are as follows:

<table>
<tr><th>Estimated number of times</th><th>Estimated number of shares for private placement (thousand shares)</th><th>Purpose of funds in each time</th><th>Estimated benefits for each time</th></tr>
<tr><td>First time</td><td>3,750</td><td rowspan="4">To enrich working capital, improve financial structure or other capital needs to meet the company's future development.</td><td rowspan="4">Reduce the company's operating risks, improve the company's financial structure, and improve future operating efficiency, which has positive benefits for shareholders' equity.</td></tr>
<tr><td>Second time</td><td>3,750</td></tr>
<tr><td>Third time</td><td>3,750</td></tr>
<tr><td>Fourth time</td><td>3,750</td></tr>
<tr><td colspan="4">The estimated issuance quota for the above-mentioned time processing may be adjusted according to the actual issuance status. During each actual processing, all or part of the previously unissued shares and/or the subsequent expected number of shares to be issued may be issued simultaneously. But the total number of shares issued shall not exceed 15,000 thousand shares.</td></tr>
</table>

(2) Basis and rationality of price setting:

A. The private placement price shall not be lower than the 80% of the price set by the company's board of directors in accordance with the pricing basis authorized by the shareholders' meeting resolution before the pricing date based on the following two bases:

(a) Calculate the simple arithmetic average of the closing price of common shares one, three or five business days before the pricing date, deduct the free allotment ex-rights and dividends, and add back the share price after capital reduction and anti-ex-rights.

(b) The simple arithmetic average of the closing prices of common stocks in the thirty business days before the pricing date, deducting free allotment ex-rights and dividends, and adding back the share price after capital reduction and anti-ex-rights.

B. The actual issuance price of this private equity transaction shall not be lower than the resolution of the shareholders' meeting, and the board of directors shall be authorized to decide according to the above-mentioned pricing principles based on future consultation with specific persons and market conditions, but shall not be lower than the par value of the shares.

C. The pricing method of this private placement case is based on the provisions of "Public Companies Should Note When Handling Private Placement of Securities" and takes into account the future development of the company and the transfer time, objects and quantity of private placement securities. There are strict restrictions. Moreover, it is not allowed to negotiate for listing within three years, and there are factors such as poor liquidity. Therefore, the setting of the private placement price should be reasonable and will not have a significant impact on shareholders' rights and interests.

(3) How to choose a specific person:

A. The specified person for the securities in this private placement case shall comply with the Limited to specific persons which provisions of Article 43-6 of the Securities and Exchange Act and the provisions of the Financial Supervisory Commission’s (112)No. 1120383220 of September 12, 2023, and the provisions of September 1, 2010 as stipulated in the revised provisions of "Public Companies Should Pay Attention to Private Placement of Securities" No.0990046878 letter issued by the Financial Management and Securities Regulatory Commission.

B. The company has not yet negotiated a specific applicant, but the selection method and purpose, necessity and expected benefits of the applicant are as follows:

a. Selection method and purpose: It is proposed that the board of directors authorize the chairman to give priority consideration to those who can directly or indirectly benefit the company's future operations, and can contribute to the company's profits, and can directly or indirectly benefit shareholders' rights and interests, and select them from various specific persons who meet the requirements of the competent authority.

b. The necessity and expected benefits of candidates being strategic investors: In order to respond to the industry trend, improve operational efficiency, and improve financial structure, the company plans to introduce strategic investors, optimize the equity structure, and use their funds, technology, and knowledge , brand or business capabilities, etc., are expected to provide the company with production efficiency, quality optimization, expand customer base, reduce operating costs and operating pressure, and strengthen the company's long-term competitiveness.

(4) If the applicant to be negotiated in this private placement case is an insider or related party:

A. List of insiders or related parties:

Shareholder account name	The applicant is an insider or related person
WANG, WKANG-HSIANG	Chairman of the company (legal representative of Xinqing)
WANG, SHARON	Director and general manager of the company (legal representative of Rhodes)
ALLEN Y. WANG	Director of the company (Sanya legal person representative)
Wang Yawei	The directors of the company are related by the first degree
Li Yanzhang	Director of the company (legal representative of Shanyuan Construction)
Lin Kunming	Director of the company (legal representative of Xinqing)
Wang Xu Xue'e	Shareholders of the company
Xinqing Investment Development Co., Ltd.	Director of the company
ROWDA TECH COMPANY	Director of the company
Sanya Investment Co., Ltd.	Director of the company
Shanyuan Construction Co., Ltd.	Director of the company
Zhonghua Investment Co., Ltd.	Some of the directors are the same as the company
Sanli Investment Co., Ltd.	Some of the directors are the same as the company
Huazhu Engineering Co., Ltd.	Related person

B. The selection method and purpose of insiders or related parties: have a good understanding of the company's operations.

C. Relationship between the top 10 shareholders of the applicant and the company:

Xinqing Investment and Development Co., Ltd.				
No.	Shareholder name	Number of shares	Ratio %	Relationship with the company
1	Wang Yafeng	168,000	2.21	2-degree relationship with the chairman of the company
2	Wang Yacheng	354,000	4.66	2-degree relationship with the chairman of the company
3	WANG, WKANG-HSIANG	1,949,000	25.64	Chairman of the company
4	Wang Xu Xue'e	776,000	10.21	Shareholders of the company
5	ALLEN Y. WANG	799,000	10.51	Director of the company
6	Wang Lichi	232,000	3.05	3-degree relationship with the chairman of the company
7	WANG, SHARON	566,000	7.45	Director of the company
8	Wang Yawei	566,000	7.45	Shareholders of the company
9	Zhonghua Investment Co.,	1,123,000	14.78	Shareholders of the company

	Ltd.			
10	Sanya Investment Co., Ltd.	750,000	9.87	Director of the company

ROWDA TECH COMPANY				
No.	Shareholder name	Number of shares	Shareholding ratio%	Relationship with the company
1	Shanyuan Construction Co., Ltd.	88,000,000	100%	Director of the company

Sanya Investment Co., Ltd.				
No.	Shareholder name	Number of shares	Shareholding ratio %	Relationship with the company
1	Wang Xu Xue'e	2,506,000	31.33	Shareholders of the company
2	WANG, WKANG-HSIANG	2,506,000	31.33	Chairman of the company
3	ALLEN Y. WANG	1,466,000	18.33	Director of the company
4	Wang Lichi	76,000	0.95	3-degree relationship with the chairman of the company
5	WANG, SHARON	609,000	7.61	Director of the company
6	Wang Yawei	609,000	7.61	Shareholders of the company
7	Wang Liqun	76,000	0.95	3-degree relationship with the chairman of the company
8	Wang Liming	76,000	0.95	3-degree relationship with the chairman of the company
9	Wang Liju	76,000	0.95	3-degree relationship with the chairman of the company

Shanyuan Construction Co., Ltd.				
No.	Shareholder name	Number of shares	Shareholding ratio%	Relationship with the company
1	Sanyuan Investment Co., Ltd.	14,732,214	31.74	None
2	WANG, WKANG-HSIANG	7,069,187	15.06	Chairman of the company
3	Sanya Investment Co., Ltd.	6,451,206	13.74	Director of the company
4	Chen Yusheng	6,068,006	12.93	Shareholders of the company
5	Chen Wu Jingmei	4,172,749	8.89	Shareholders of the company
6	Wang Xu Xue'e	2,695,841	5.74	Shareholders of the company
7	Chen Qisheng	976,992	2.08	Shareholders of the company

8	Xu Nengci	851,695	1.81	Shareholders of the company
9	Chen Wenjuan	694,851	1.48	Shareholders of the company
10	Chen Wenjin	678,674	1.45	Shareholders of the company

No.	Zhonghua Investment Co., Ltd.			
1	Shareholder name	Number of shares	Shareholding ratio %	Relationship with the company
2	Wang Yacheng	28,000	2.8	2-degree relationship with the chairman of the company
3	Wang Yafeng	28,000	2.8	2-degree relationship with the chairman of the company
4	WANG, SHARON	222,000	22.2	Director of the company
5	Wang Yawei	222,000	22.2	Shareholders of the company
6	ALLEN Y. WANG	200,000	20	Director of the company
7	Wang Lichi	100,000	10	3-degree relationship with the chairman of the company
8	Wang Xu Xue'e	100,000	10	Shareholders of the company
9	Sanya Investment Co., Ltd.	100,000	10	Director of the company

No.	Sanli Investment Co., Ltd.			
1	Shareholder name	Number of shares held	Shareholding ratio %	Relationship with the company
2	Wang Xu Xue'e	8,200,000	68.33%	Shareholders of the company
3	WANG, SHARON	200,000	1.67%	Director of the company
4	ALLEN Y. WANG	200,000	1.67%	Director of the company
5	Wang Yawei	200,000	1.67%	Shareholders of the company
6	Wang Lichi	800,000	6.67%	3-degree relationship with the chairman of the company
7	Wang Liqun	800,000	6.67%	3-degree relationship with the chairman of the company
8	Wang Liming	800,000	6.67%	3-degree relationship with the chairman of the company
9	Wang Liju	800,000	6.67%	3-degree relationship with the chairman of the company

Huazhu Engineering Co., Ltd.				
No.	Shareholder name	Number of shares held	Shareholding ratio %	Relationship with the company
1	Shanyuan Construction Co., Ltd.	6,400,000	100.00	None

(5) If the candidates to be negotiated in this private placement case are not insiders or related parties, it is planned to submit a request to the shareholders' meeting to authorize the board of directors to handle it with full authority.

(6) The rights and obligations of the ordinary shares in this private placement are the same as those of the company’s issued ordinary shares. However, according to the provisions of the Securities and Exchange Act, the ordinary shares in this private placement may not be sold within three years from the date of delivery, except for transfer in accordance with Article 43-8 of the Securities and Exchange Act. Three years after the completion of the private placement of ordinary shares from the date of delivery, the board of directors is authorized to decide whether to apply to the competent authority for supplementary issuance and securities listing and trading in accordance with relevant regulations based on the prevailing conditions.

3. If the common shares in this private placement are calculated based on the upper limit of 15 million shares, and the common shares after the company plans to issue 3,000,000 common shares in the fourth private placement in 2023, the maximum equity dilution rate for the original shareholders will be 26.65%. Considering that the funds raised this time are expected to be used to enrich working capital, improve financial structure or other purposes to meet the company's future development capital needs, its benefits will have an impact on shareholders' rights and interests, so the proposed issuance of new shares will not affect the rights and interests of original shareholders and cause significant dilution.
4. The number of issued shares of this private equity common stock, issuance price, selection of applicants, capital increase base date, issuance conditions, planned projects, raised amount, fund utilization and progress, expected benefits and other undiscussed matters or what happens in the future. If revisions are necessary due to changes in laws, opinions of the competent authorities, or changes in operational assessment or objective circumstances, the shareholders' meeting is proposed to authorize the board of directors to handle the matter with full authority.
5. After the private placement case is approved by the board of directors, the shareholders' meeting is proposed to authorize the chairman and his designated person to sign, negotiate and change all contracts and documents related to the issuance of ordinary shares in the form of private placement on behalf of the company, and to handle all matters for the company. Matters related to the issuance of common shares through private placement.
6. In accordance with the provisions of Article 43-6 of the Securities and Exchange Act regarding the company's private placement of securities proposal, please refer to the Disclosure Information Observatory (website: http://mops.twse.com.tw/) for details. Please click (Enter the Investment Zone) Private Equity Zone.

Resolution:

The second case Proposed by the board of directors

Reason: Amendment to some articles of the company's "Operational Procedures for Loaning of Company Funds". Please proceed to discuss.

Explanatory:

1. According to the Taiwan Stock Exchange’s No. 1131800276 letter, the limit standard for the total amount of funds loaned to business contacts need to be added, and some articles of the company’s " Operational Procedures for Loaning of Company Funds " are planned to be amended.
2. Comparison table of before and after the amendments to articles, please refer to Attachment 6 on page 45 of this Handbook.

Resolution:

VI. Election matter

Proposed by the board of directors

Reason: Comprehensive Re-election of directors of the company. Please discuss.

Explanatory:

1. The term of the company's directors will expire on July 28, 2024. According to the law, a comprehensive re-election in advance will be submitted to 2024 general shareholders meeting.
2. According to the company's articles of association, it is planned to elect 9 directors (including 4 independent directors) at 2024 general shareholders' meeting. The term of the new director is 3 years and may be re-elected. The term is from June 25, 2024 to June 24, 2027. They will take office immediately after the shareholders' meeting.
3. The company’s director election adopts the candidate nomination system stipulated in Article 192-1 of the Company Law. Shareholders should select directors from the list of candidates. For the list of candidates reviewed and approved by the board of directors, please refer to pages 46 of this handbook. Attachment 7. For the company’s “Rules for Director Elections”, please refer to Appendix 3 on pages 62-63 of this Handbook.

Resolution:

VII. Other proposal

Proposed by the board of directors

Reason: Release the Prohibition on new Directors and their representatives from Participation in Competitive Business. Please discuss.

Explanation:

1. According to Article 209 of the Company Law, “A Director who does anything for himself or on behalf of anither person that within the scope of the company’s business, shall explain to the meeting of shareholders the important contents of such an act and secure its approval".
2. Please refer to the details of directors (including independent directors) who intend to release the prohibition of the competition and their representative who concurrently hold positions in other companies, please see attachment 8 on page 47-50 of this Handbook.

Resolution:

VIII. Extraordinary motion

IX. Meeting adjournment

Attachment 1

Business report

Dear Mr. and Mrs. Shareholders: Hello everyone!

Longhua is the only Taiwan company that provides global maritime satellite broadband networks, global satellite operation data center services, and B5G/6G Taiwan satellite operations. Longhua has technical cooperation with the internationally renowned Hughes Group, the largest supplier of global satellite broadband products. Not only can service quality and market competitiveness be increased, but it can also be used to develop satellite broadband application services and maritime Internet of Things systems, further gain dominance in satellite technology, and allow the international market to see Taiwan's local satellite operating companies. Longhua has established 6 satellite ground receiving stations around the world, mainly in Taiwan, the United States, Australia, Japan, Italy and India. It has successfully completed global satellite broadband coverage, covering the Pacific, Atlantic, Indian Ocean and European waters. The world's major economic areas. Since most of the earth is covered by oceans, the oceans have various resources besides transportation and fishing. Therefore, various working platforms are built on the seas. Whether on ships or working platforms, communications and networks are extremely important. In addition to integrating high and low multi-orbit satellites covering major economic sea areas around the world to improve coverage and support low-latency communications, Longhua has further integrated maritime ship-end equipment specifically designed for the ship environment to provide services to ocean-going customers. Fishing ships, cargo ships, merchant ships, transportation ships and offshore working platforms to ensure the reliability and efficiency of network system information. We will also continue to develop maritime satellite-related hardware applications and image compression technology peripheral value-added services in the future, so as to enter markets such as shipping freighters, oil drilling platforms, drones and unmanned ships to increase customer stickiness. With the development of maritime communications, the demand for networked and intelligent ship management is gradually increasing, and the future growth prospects of Longhua's maritime business are foreseeable.

Longhua Subsidiary-UVideo is rapidly establishing itself as a global leader in high-quality, low-latency real-time video streaming solutions on wireless networks. Its unparalleled technology seamlessly integrates adaptive video compression and transport protocols to revolutionize streaming capabilities by delivering exceptional ultra-low bandwidth performance down to 4kbps, redefining the concept of "low bandwidth" video solutions. UVideo has developed the world's only high-compression, low-latency, real-time and efficient video compression technology suitable for remote video streaming applications. Even under ultra-low bit rates and unreliable networks, they can ensure seamless transmission as low as 4kbps. Seamless streaming provides unparalleled flexibility for real-time operations. This product family provides secure and reliable industrial-grade solutions and user-friendly components for real-time video, audio and data streaming, real-time control and remote viewing capabilities, and comprehensive Possibility of live streaming anytime and anywhere. This will enable many new industries to take advantage of real-time video streaming, including a wide range of applications such as aviation, drones, oil and gas, military and police defense satellite communications and surveillance, maritime satellite communications and surveillance systems, and can further extend the provision of services to high-demand users. Requirements for sea, land and air solutions as well as satellite network integration in areas with high definition, high security and high efficiency transmission or inconvenient communication. Benefiting from the influence of the international war situation, UVideo has successively signed cooperation agreements with international satellite service companies, and has also been used in real-time image return and surveillance by military, police and defense units in Europe, the United States and other countries, as well as drone business. Its business covers in the United Kingdom, France, Australia, the United States, Canada and Asia, high -margin orders for aviation, drones, oil and natural gas, etc., increase the overall product gross profit and inject profits, which can better ensure the safety of income and cash flow. Its future business growth trend is expected to develop rapidly.

Longhua obtained the frequency distribution license issued by the Ministry of Digital Development in April 2023 and obtained qualified and legal operating qualifications in Taiwan. Longhua has global coverage of multi-orbit satellite communication services and combines UVideo's efficient video compression technology products. It has a sea, land and air satellite network integration solution that is unique in the world. In the future, it will develop in 6G, satellite communications, Internet of Things, artificial intelligence and other technologies. Combined, the global network communication industry has entered the next era of rapid development of terminal direct-connected satellites and new types of satellite commercialization. The future business development and growth of Longhua and its subsidiary Youshixun will be prosperous and just around the corner.

I. 2023 Annual Operation Report

(I) Operation status in 2023

In 2023, Longhua's consolidated revenue was 106,671 thousand, mainly including maritime broadband service business of 24,831 thousand (accounting for 23.28% of revenue), high-efficiency image compression technology of 74,610 thousand (accounting for 69.94% of revenue), and satellite antennas. And its peripheral equipment sales amounted to 4,063 thousand (accounting for 3.81% of revenue). The consolidated revenue in 2023 was 106,671 thousand, an increase of 34.30% from 79,428 thousand in 2022, mainly due to the substantial growth of imaging products, which increased significantly from 44,289 thousand in 2022 to 74,610 thousand. The annual growth rate was as high as 68.46%, which was due to the increase in Ukraine and Russia War, countries around the world have successively increased their demand for image transmission in the satellite environment, which has led to the expansion of the high-performance image compression technology developed by our company into military and defense applications in Europe and the United States. In addition, due to the global economic recovery in the post-epidemic era and the effects of maritime ship-end installations in 2022, the maritime broadband service business has also grown significantly from 11,890 thousand in 2022 to 24,831 thousand, with an annual growth rate of 108.84%.

(II) Budget implementation

Not applicable. The company's 2024 budget has not been public.

(III) Analysis of financial revenue and expenditure and profitability

1. Financial income and expenditure

Unit: Thousands of New Taiwan Dollars

Item	2023	2022	Increase (decrease) amount	Increase (decrease) ratio
interest income	1,903	169	1,734	1026.04 %
interest expense	13,249	8,454	4,795	56.72 %

2. Profitability analysis

Item	2023	2022
Return on assets (%)	-30.93 %	-32.29%
Return on equity (%)	-67.87 %	-67.00%
Operating profit (loss) to paid-in capital (%)	-35.44 %	-34.10%
Net income (loss) before tax to paid-in capital (%)	-37.34 %	-35.22%
Net profit (loss) rate (%)	-186.50 %	-215.19%
Earnings (loss) per share after tax (yuan) (Note)	- 3.95	-4.60

(Note) The 2023 loss per share has not yet been approved by the shareholders' meeting.

(IV) Research and development results

1. Maritime satellite communication business

In order to achieve the integrity of satellite communications and provide more interconnections, platforms and communication solutions under high-quality connections through the global NOC infrastructure, the company's years of research and development results are as follows:

(1) Self-built satellite ground station

The infrastructure for global satellite coverage and reception has been completed, and a self-built satellite ground station has a global satellite network monitoring center in Taiwan. The Taiwan center is interconnected with all regional satellite networks and manages all local and roaming data traffic for billing and settlement.

(2) Maintenance customer service

Provide customer service all year, provide customers with explanation and consulting services, troubleshoot problems and effectively solve customer problems.

(3) Original factory timely support

By cooperating with various satellite original manufacturers, you can immediately obtain in-depth technical support from the original satellite manufacturers to provide better network quality and stability.

(4) Intelligent ship management

Intelligent ship management includes more than 2,000 ship data, electronic chart displays and information system mass flow meters (MFM). From the ship to the cloud infrastructure, important and valuable ship data can be easily accessed to support the operational decisions of crew and management. Significantly reduce environmental footprint.

(5) Telemedicine

Real-time video and voice communication with doctors, transmission of medical equipment diagnosis results, and assistance in remote emergency judgment.

(6) Low bandwidth video

Exclusive image compression transmission technology and ultra-low data loss can save up to 80% of data usage costs.

(7) LTE mobile data

Dynamic data routing between LTE mobile, Ku-band and L-band satellite networks controls data usage and duration for a single user through the firewall.

(8) Behavior management

Behavior management uses next-generation firewall (NGFW) to manage user behavior and manage application access as needed. * Integrated intrusion prevention * Application awareness and control to block specific applications * URL filtering to enforce policies on specific URLs * Standard firewall capabilities.

(9) VoIP network services

VoIP solutions extend services to customer premises on land. Through cooperation with Telstra and Chunghwa Telecom, LHSAT is able to assign local telephone numbers to ships. With number resources in more than 90 countries around the world, LHSAT can directly make local calls to ships without paying expensive satellite or international phone charges.

2. High-efficiency video compression imaging products

The results of years of research and development are as follows:

(1) Automatic, adaptive, and reliable video streaming can overcome the worst bandwidth shortage areas of the network.

(2) Through streaming transmission as low as 4kbps, data transmission costs are greatly reduced.

(3) Remotely monitor multiple areas of interest, allowing users to operate real-time surveillance videos from anywhere in the world.

(4) Total Recall TM image enhancement function allows users to select any area from the stream (regardless of quality) to quickly download high-resolution images and videos, thereby providing detailed visual confirmation of events.

(5) With an extensive feature set, this selection provides the flexibility to meet operational needs. Whether it's a fully integrated deployable camera, a standalone hardware encoder or software-based products for Linux, Android and iOS, they have a diverse set of options to meet unique needs.

(6) The program code library is portable and easy to install across multiple processor platforms.

II. 2024 Operation Plan

(I) Business policy

1. Obtain qualified legal operating qualifications and licenses in Taiwan

The listed company's capital, financial resources and market foothold have obtained qualified legal operating qualifications and licenses in Taiwan from the Department of Digital Development. Local operations, local services and entry into the international market, providing truly seamless international maritime broadband satellite communication services.

2. Develop products suitable for future diverse satellite market applications and rapidly expand satellite communication channels

(1) Integrate multi-orbit satellite communication services

Mid- and low-orbit satellites support low-latency communications, and high-orbit satellites improve coverage by integrating multi-orbit satellite communication services to cover a wider area, achieve low-latency data transmission, and improve satellite communication efficiency.

(2) Develop heterogeneous network integration inspire series product line

The integrated application system is developed based on the integration of LEO/GEO/5G heterogeneous networks and the standardized solutions designed and developed with industry standards based on Longhua's years of experience in maritime satellite services.

Targeting operational services and terminal equipment, it provides narrowband, we provide broadband, LTE and other full-bandwidth antenna products, and develop maritime ship-end equipment specifically designed for the ship environment, strengthening global coverage and signal combination, and providing maritime business customers with more options.

3. Provide software and hardware solutions designed for bandwidth-efficient video streaming applications in the fields of maritime, land, air, CCTV, IoT, AI, covert and tactical video surveillance.
   (1) Provide complex engineering solutions to corporate and government customers.
   (2) Expand the huge business opportunities for drones.
   (3) Provide real-time industrial monitoring through AI artificial intelligence video streaming.

(II) Expected sales quantity and its basis

The company's expected sales volume is based on existing customer demand orders, market analysis and overall operating production and sales plan reports. It is expected that the overall operating conditions in 2024 will continue to grow steadily.

(III) Important production and marketing policies

1. Insight into and grasp customer needs and achieve "customer-centered value creation."
2. Develop new products and expand new markets and new customers, and strengthen market development capabilities.
3. Go to the United States and Australia to expand business and strive for military, police, defense and commercial OEM orders in the United States and Australia.
4. Improve R&D and operational capabilities, increase partners or cross-industry cooperation, and expand online value-added services.
5. Cost efficiency through multi-orbit satellite operation and product diversification.
6. Through the coordinated operation of the parent company and its subsidiaries, the synergy of the group’s strategies can be unleashed.

III. Future company development strategy

(I) Looking at the future development of 6G, satellite communications, Internet of Things, AI artificial intelligence and other technologies, actively develop towards B5G/6G, seize the century wave of rapid development of 6G, satellite, and AI future communications, and actively layout and develop new satellite communications products Big business opportunity.

(II) Be the global leader in delivering high-quality, low-latency, real-time video over any wireless network. Includes satellite, cellular and mesh networks.

(III) Strengthen the functions of Taiwan's operating headquarters and carry out global business development with Taiwan as the center and the world as the hinterland.

(IV) Actively implement the spirit of "widening alliances, mutual benefit and common prosperity", actively enter the international ecosystem, and invest in the development of innovative satellite communication application services with potential.

IV. Impact of external competitive environment, regulatory environment and overall operating environment

As digitalization and broadband network business continue to update and develop, the application and development of related products will also continue to update and increase. As a result, industry competition will intensify in the future. In the future, various regulations will also become more stringent along with technological updates, especially for the Internet. In terms of service information security and other aspects, based on security considerations, relevant certification services and regulations will increase in the future. However, the company still adheres to stable and pragmatic operating principles, implements management and improves operating efficiency, and increases product development and software application capabilities. Moreover, Longhua’s maritime broadband services are mainly aimed at customers in the international shipping industry. Both offshore fisheries and maritime transport operators may be registered in various countries around the world, so the regulations and taxes they face are more complicated. Although Maritime Satellite Broadband services are still in their infancy, but there are still other competitors internationally, so external competition cannot be ignored. In particular, maritime broadband services will focus on developing the international market in the future. Therefore, they must not only strengthen the competitiveness of their own services, but also continuously Increasing product application levels and adapting to foreign competitive environments will not only increase its own competitive strength, but also increase the company's revenue and profits, creating value for shareholders, customers, society and employees.

Finally, the global epidemic, geopolitics, and war factors have changed the world's economic operation model, which has placed higher requirements on enterprise risk management. The company has actively expanded different diversified and new types of satellite market application products, and through parent-subsidiary collaboration Operations, giving full play to the synergy of the group's strategies, and at the same time working closely with customers, suppliers and government resources to maintain a flexible and flexible business model to cope with the challenging market environment. Looking forward to next year, it will still be a year of great business opportunities and challenges. We hope that all shareholders will continue to give us their support and recognition.

Best wishes to all shareholders

Good health, safty and happiness

Chairman: WANG, WKANG-HSIANG

General Manager: WANG, SHARON

Accounting Supervisor: Chen Mengze

Attachment 2

Audit Committee Review Report

The board of directors prepared the company's consolidated financial statements and parent company only financial statements for the year 2023, which have been audited by two CPAs Lin Boquan and Weng Shirong from PWC United Accounting Firm. Together with the business report and the Deficit Compensation proposal, etc., they have been reviewed by the audit committee, I think there is no inconsistency, please review it in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Sincerely,

Longhua Electronics Co., Ltd. 2024 Annual Shareholders' Meeting

Longhua Electronics Co., Ltd.

Convener of Audit Committee : Wu Hengyi 恒翊 巫

March 28, 2024

Attachment 3

Longhua Electronics Co., Ltd.

Statement of Affiliated Enterprise Consolidated Financial Statement

2023(since January 1 to December 31,2023), the Company should be included in the preparation of Affiliated enterprise Consolidated in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" The Company with the financial statements is the same as the Company that should be included in the preparation of the parent-subsidiary consolidated financial statements according to IFRSs No. 10, and the Affiliated information that should be disclosed in the parent-subsidiary consolidated financial statements has been disclosed in the previously disclosed parent-subsidiary consolidated financial statements. It is no longer necessary to prepare the consolidated financial statements of affiliated enterprises separately.

Hereby declare

Company Name: Longhua Electronics Co., Ltd.

Chairman: WANG, WKANG-HSIANG

March 28, 2024

CPA audit report

(113)Financial Audit Report No.23005453

To Longhua Electronics Co., Ltd.:

Audit opinion

The CPAs have audited the Consolidated balance sheets as of December 31, 2023 and 2022, and the Consolidated statements of comprehensive income, changes in equity and cash flows for the years ended 2023 and 2022, and the notes to the Consolidated financial statements (including a summary of significant accounting policies) of Longhua Electronics Co., Ltd. And its subsidiaries (hereinafter referred to as "Longhua Group").

According to the opinion of the CPAs, the above-mentioned Consolidated financial statements, in all Significant sections, are prepared in accordance with the reporting standard for Securities Issuers and the IFRSs, IAS, interpretations issued by the FSC. They are enough to properly express the Consolidated financial situations as of December 31, 2023 and 2022of Longhua Group, the Consolidated financial performance and its Consolidated cash flows from January 1 to December 31 in 2023 and 2022.

Basis for audit opinion

The CPAs performs the audit work in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in 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. The CPAs are independent of Longhua Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and The CPAs have fulfilled our other ethical responsibilities in accordance with these requirements. The CPAs believe that the audit evidence The CPAs have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters

Key audit matters are those matters that, in the CPAs professional judgment, were of most significance in our audit of the Consolidated financial statements of Longhua Group for the year ended December 31, 2023. 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 The CPAs do not provide a separate opinion on these matters.

Key audit matter for the Longhua Group's Consolidated financial statements for the year ended December 31, 2023 is stated as follows:

Impairment assessment of real estate, plant and equipment and right-of-use assets

<u>Matters Description</u>

Regarding the accounting policies for impairment of real estate, plant and equipment and non-financial assets, please refer to Notes four(12), (13) and (15) to the consolidated financial statements; for the uncertainty of accounting estimates and assumptions for impairment of real estate, plant and equipment, please refer to Note five(3) to the Consolidated Financial Statements; Notes six(7) and

(8) to the Consolidated Financial Statements for descriptions of accounting items for real estate, plant and equipment.

Longhua Group estimates the recoverable amount of real estate, plant and equipment based on the value in use, which is used as the basis for impairment assessment. Since the evaluation of the value in use involves the judgment of the management, any change in the estimate due to changes in economic conditions or company strategies may cause impairment in the future. Therefore, the CPAs listed the impairment evaluation of real estate, plant and equipment as one of the most important matters of audit.

Corresponding audit procedure

A summary of the audit procedures performed by the CPAs is as follows:

1. Evaluate the key assumptions used by management to estimate future cash flows, including considering industry characteristics and comparing with historical results to assess the reasonableness of changes in projected revenue, gross profit and expenses.
2. Obtained the impairment assessment report issued by experts entrusted by Longhua Group, reviewed and assessed the rationality of the valuation method used and the industry and environment it belongs to, the estimation process of future cash flow, discount rate and cash-generating unit capital cost assumptions, and evaluated the model Compare the cash flow for the future year listed in the report with the business plan proposed by the management, and evaluate the rationality of the amount of impairment.

Add the existence of top ten sales object income

Matter Description

For the accounting policy of revenue recognition, please refer to Note four (22) of the consolidated financial report; for the accounting items of operating income, please refer to Note six (17) to the consolidated financial report.

Longhua Group continues to expand the new business of maritime broadband business, in which satellite software, hardware and traffic revenue account for a high proportion of the overall revenue, so the CPAs will audit the existence of the top ten new sales targets for satellite software, hardware and traffic revenue one of the most important matters.

Corresponding audit procedure

A summary of the audit procedures performed by the CPAs is as follows:

1. Assess and test whether the internal control process of sales transactions operates in accordance with the company's internal control system.
2. Check the relevant industry background and other information of the sales target.
3. Obtain and check the relevant certificates of the sales object's business income transactions.

Other Matters – Individual Financial Reporting

Longhua Electronics Co., Ltd. Has prepared the parent company only financial statements for 2023 and 2022, and the CPAs have issued audit reports with unqualified opinions plus emphasize matters and unqualified opinions for reference.

Responsibilities of management and governing units for the consolidated financial statements

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

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

The governance units (including the audit committee) of Longhua Group are responsible for supervising the financial reporting process.

Auditors Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in 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 auditing standards generally accepted in the Republic of China, The CPAs exercise professional judgment and maintain professional skepticism throughout the audit. The CPAs 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 consolidated company and its subsidiary's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the consolidated company and its subsidiary's ability to continue as a going concern. If The CPAs conclude that a material uncertainty exists, The CPAs are required to draw attention in our auditors' report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the consolidated company and its subsidiary to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated company and its subsidiary to express an opinion on the Consolidated financial statements. The CPAs are responsible for the direction, supervision and performance of the group audit. The CPAs remain solely responsible for our audit opinion.

The CPAs 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 The CPAs identify during our audit.

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

From the matters communicated with those charged with governance, The CPAs determine those matters that were of significance in the audit of Longhua Group for the year ended December 31, 2023 and are therefore the key audit matters. The CPAs describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, The CPAs 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.

PWC United Accounting Firm

Lin Boquan 林柏全

CPA

Weng Shirong 翁世榮

Financial Supervisory Commission
Approved visa number: Jinguanzheng Shenzi No. 1100350706
Former Securities and Futures Administration Commission of the Ministry of Finance
Approved visa number: (88) Tai Cai Zheng (6) No. 95577

March 28, 2024

Longhua Electronics Co., Ltd. and its subsidiaries
Consolidated Balance sheet
For the Years Ended December 31, 2023 and 2022

Unit: NT$ thousand

	Assets	Notes	2023/12/31 Amount		2023/12/31 %	2022/12/31 Amount		2022/12/31 %
	Current assets							
1100	Cash and cash equivalents	Six (1)	$	176,847	26	$	162,293	29
1136	Financial assets measured at amortized cost – current	Six (2) and eight		46,963	7		-	-
1170	Net accounts receivable	Six (3)		32,027	5		17,189	3
1200	Other receivables			13	-		288	-
1220	Current income tax assets			108	-		7	-
130X	Inventory	Six (4) and eight		14,900	2		8,032	1
1410	Prepayments			23,873	4		10,051	2
1476	Other financial assets - current	Six (6) and eight		-	-		30,816	6
11XX	**Total Current Assets**			294,731	44		228,676	41
	Non-current assets							
1600	Real estate, plant and equipment	Six(7) and eight		220,341	33		211,315	39
1755	Right-of-use assets	Six(8) and seven		139,429	21		94,659	17
1780	Intangible assets			290	-		-	-
1900	Other non-current assets	Six(9), seven and eight		10,647	2		17,894	3
15XX	**Total non-current assets**			370,707	56		323,868	59
1XXX	**Total assets**		$	665,438	100	$	552,544	100

(Continued on next page)

Longhua Electronics Co., Ltd. and its subsidiaries
Consolidated Balance sheet
For the Years Ended December 31, 2023 and 2022

Unit: NT$ thousand

	Liabilities and equity	Notes	2023/12/31 Amount	%	2022/12/31 Amount	%
	Current liabilities					
2100	Short-term loan	Six(10) and eight	$ 39,943	6	$ 39,480	7
2130	Contract liabilities - current	Six(17)	7,331	1	613	-
2150	Notes payable		1,320	-	1,039	-
2170	Accounts payable		5,626	1	3,417	1
2200	Other payables	Six(11)	22,528	4	16,329	3
2280	Lease liabilities - current	Six(8) and seven	60,325	9	51,627	9
2320	Long-term liabilities due within one year or within one business cycle	Six(12) and eight	80,114	12	68,940	13
2399	Other current liabilities - other	Six(19)	12,907	2	954	-
21XX	**Total current liabilities**		230,094	35	182,399	33
	Non-current liabilities					
2527	Contract liabilities - non-current	Six (17)	6,212	1	1,180	-
2540	Long term loan	Six(12) and eight	46,703	7	24,784	5
2550	Liabilities - non-current		1,826	-	1,826	-
2570	Deferred income tax liability	Six(23)	146	-	-	-
2580	Lease liabilities - non-current	Six (8) and seven	88,614	13	47,976	9
25XX	**Total non-current liabilities**		143,501	21	75,766	14
2XXX	**Total liabilities**		373,595	56	258,165	47
	Share capital	Six(14)				
3110	Common stock		532,750	80	485,250	88
	Capital surplus	Six(15)				
3200	Capital surplus		405,386	61	273,110	49
	Retained earnings	Six (16)				
3310	Legal reserve		25,322	4	25,322	5
3350	Unappropriated earnings		(684,472)	(103)	(489,912)	(89)
	Other equity					
3400	Other equity		(234	-	193)	-
31XX	**Total equity attributable to Owners of the parent company**		279,220	42	293,577	53
36XX	**Non-controlling equity**		(12,623	2	(802	-
3XXX	**Total equity**		291,843	44	294,379	53
	Significant disaster loss	Ten				
	Significant Subsequent Events	Eleven				
3X2X	**Total liabilities and equity**		$ 665,438	100	$ 552,544	100

The appended notes to the consolidated financial statements are part of this consolidated financial report, please refer to them together.

Chairman: WANG, WKANG-HSIANG:Click here to enter text.　General Manager: WANG, SHARON　Accounting Supervisor: Zheng Youzheng:

Longhua Electronics Co., Ltd. and its subsidiaries
Consolidated statement of comprehensive income
From January 1 to December 31, 2023 and 2022

Unit: NT$ thousand
(Except loss per share in NT$)

	Items	Notes	2023 Amount	2023 %	2022 Amount	2022 %
4000	Operating income	Six(17) and seven	$ 106,671	100	$ 79,428	100
5000	Operating cost	Six(4) (22)	(168,306)	(158)	(153,966)	(194)
5900	Gross operating loss		(61,635)	(58)	(74,538)	(94)
	Operating expenses	Six(22)				
6100	Selling expenses		(43,370)	(41)	(29,931)	(37)
6200	Management costs		(53,643)	(50)	(42,843)	(54)
6300	Research and development costs		(30,172)	(28)	(18,182)	(23)
6000	Total operating expenses		(127,185)	(119)	(90,956)	(114)
6900	Operating loss		(188,820)	(177)	(165,494)	(208)
	Non-operating income and expenses					
7100	Interest income	Six(18)	1,903	2	169	-
7010	Other income	Six(19)	797	1	13,552	17
7020	Other gains and losses	Six(20)	(427)	(-)	(10,695)	(13)
7050	Financial costs	Six(21) and seven	(13,249)	(12)	(8,454)	(11)
7000	Total non-operating income and expenses		(10,122)	(9)	(5,428)	(7)
7900	**Net loss before tax**		(198,942)	(186)	(170,922)	(215)
7950	Income tax expense	Six(23)	-	-	-	-
8200	**Net loss for the period**		($ 198,942)	(186)	($ 170,922)	(215)
	Other comprehensive income (net)					
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation of foreign financial statements		($ 664)	-	($ 264)	-
8399	Income tax related to items that may be reclassified		146	-	48	-
8300	**Other comprehensive income (net)**		($ 518)	-	($ 216)	-
8500	**Total comprehensive profit and loss**		($ 198,424)	(186)	($ 171,138)	(215)
	Net loss attributable to:					
8610	Owners of parent		($ 194,560)	(182)	($ 170,041)	(214)
8620	Non-controlling equity		($ 4,382)	(4)	($ 881)	(1)
	Total comprehensive loss attributable to:					
8710	Owners of parent		($ 194,133)	(182)	($ 170,234)	(214)
8720	Non-controlling equity		($ 4,291)	(4)	($ 904)	(1)
	Loss per share	Six (24)				
9750	Basic loss per share		($ 3.95)		($ 4.60)	

The appended notes to the consolidated financial statements are part of this consolidated financial report, please refer to them together.

Chairman: WANG, KANG-HSIANG:Click here to enter text. General Manager: WANG, SHARON Accounting Supervisor: Zheng Youzheng:

Longhua Electronics Co., Ltd. and its subsidiaries
Consolidated Equity Changes Statement
From January 1 to December 31, 2023 and 2022

Unit: NT$ thousand

		Equity attributable to owners of the parent company									
			Paid-in capital		Retained earnings						
	Notes	Common stock	Issue Premium	Change in AEMR AEJE	Legal reserve	Special reserve	Unappropriated accumulated deficit	Exchange differences on translation of foreign financial statements	Total	Non-controlling equity	Total equity
January 1 to December 31, 2022											
1/1/2022 Balance		$ 340,250	$ 170,205		$ 25,322	$ 5,671	($ 325,542)	$ -	$ 215,906	($ 67)	$ 215,839
Net loss for the period		-	-		-	-	(170,041)	-	(170,041)	(881)	(170,922)
Other comprehensive P/L for the period		-	-		-	-	-	(193)	(193)	(23)	216
Total comprehensive P/L		-	-		-	-	(170,041)	(193)	(170,234)	(904)	(171,138)
Earning allocation and distribution 2021											
Reversal of special surplus reserve				-		(5,671)	5,671		-	-	-
Issue of shares by cash	Six (14)	145,000	94,330	-	-	-	-	-	239,330	-	239,330
Change on own equity of subsidiaries	Six (25)	-	-	8,575	-	-	(-)	-	8,575	1,773	10,348
12/31/2022 Balance		$ 485,250	$ 264,535	$ 8,575	$ 25,322	$ -	($ 489,912)	($ 193)	$ 293,577	($ 802)	$ 294,379
January 1 to December 31, 2023											
1/1/2023 Balance		$ 485,250	$ 264,535	$8,575	$ 25,322	$ -	($ 489,912)	$ 193	$ 293,577	$ 802	$ 294,379
Net loss for the period		-	-	-	-	-	(194,560)	-	(194,560)	(4,382)	(198,942)
Other comprehensive P/L for the period		-	-	-	-	-	-	(427)	(427	91	518
Total comprehensive P/L		-	-	-	-	-	(194,560)	(427)	(194,133)	(4,291)	(198,424)
Issue of shares by cash	Six (14)	47,500	85,300	-	-	-	-	-	132,800	-	132,800
Change on own equity of subsidiaries	Six (25)	-	-	46,976	-	-	(-)	-	46,976	16,112	63,088
12/31/2023 Balance		$ 532,750	$ 349,835	$ 55,551	$ 25,322	$ -	($ 684,472)	($ 234)	$ 279,220	$ 12,623	$ 291,843

The appended notes to the consolidated financial statements are part of this consolidated financial report, please refer to them together.

Chairman: WANG, WKANG-HSIANG:Click here to enter text.　　General Manager: WANG, SHARON　　Accounting Supervisor: Zheng Youzheng:

Longhua Electronics Co., Ltd. and its subsidiaries
Consolidated Cash Flow Statement
From January 1 to December 31, 2023 and 2022

Unit: NT$ thousand

	Notes	2023	2022
Cash Flow from Operating Activities			
Continuing business operations net loss before tax		($ 198,942)	($ 223,726)
Adjustment item			
Income expense item			
Depreciation expense	Six (7,8,22)	94,145	95,530
Amortization expense	Six (22)	15	288
Interest expense	Six (21)	13,249	8,454
Interest income	Six (18)	(1,903)	(169)
Gain recognized on re-measurement to sell of assets disposal groups constituting discontinued operation	Six (20)	-	(113)
Changes in assets/liabilities related to operating activities			
Net change in assets related to operating activities			
Accounts receivable		(14,838)	(15,466)
Other receivables		275	3,601
Inventory		(28,543)	(2,650)
Prepayments		(13,133)	(4,113)
Net change in liabilities related to operating activities			
Contract liabilities - current		11,750	(229)
Notes payable		281	(1)
Accounts payable		2,209	1,642
Other payables		13,208	4,075
Other current liabilities - other		11,953	(386)
Cash outflow from operations		(110,274)	(80,459)
Interest charged		1,903	(169)
Interest paid		(13,249)	(8,454)
Income tax paid		(94)	(5)
Refunded income tax		2	12
Net cash outflow from operating activities		(121,712)	(89,075)
Cash flow from investing activities			
Decrease (increase) in other financial assets		-	(12,783)
Acquisition of property, plant and equipment	Six (27)	(4,014)	(8,189)
Acquire intangible assets		(305)	
Disposal of real estate, plant and equipment prices		-	840
Increase in other non-current assets		(16,147)	(6,797)
Subsidiary cash inflow		1,527	-
Net cash inflows (outflows) from investing activities		(18,939)	(26,929)
Cash Flow from Financing Activities			
Increase in short-term loan (decrease)	Six (28)	463	9,146
Amount of long-term loans in the current period	Six (28)	122,000	85,000
Long-term loan repayment in the current period	Six (28)	(88,907)	(57,383)
Lease principal repayment	Six (28)	(74,666)	(69,554)
Increase (decrease) in other non-current liabilities		-	(1,398
Cash capital increase	Six(14)	132,800	239,330
Increase in non-controlling interests	Six(25)	63,088	10,349
Net cash inflow from financing activities		154,778	215,490
Effect of exchange rate changes on cash and cash equivalents		427	(216
Increase in cash and cash equivalents for the current period		14,554	99,270
Beginning cash and equivalent cash balance		162,293	63,023
Ending cash and equivalent cash balance		$ 176,847	$ 162,293

The appended notes to the consolidated financial statements are part of this consolidated financial report, please refer to them together.

Chairman: WANG, WKANG-HSIANG　　General Manager: WANG, SHARON　　Accounting supervisor: Zheng Youzheng

CPA audit report

(113)Financial audit Report No.23004746

Audit opinion

The CPAs have audited the Parent Company only balance sheets as of December 31, 2023 and 2022, and the Parent Company only statements of comprehensive income, changes in equity and cash flows for the years ended 2023 and 2022, and the notes to the Parent Company only financial statements (including a summary of significant accounting policies) of Longhua Electronics Co., Ltd.

According to the opinion of the CPAs, the above-mentioned Parent Company only financial statements, in all material respects, are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. They are enough to properly express the Parent Company only financial position as of December 31, 2023 and 2022, and Parent Company only financial performance and Parent Company only cash flows from January 1 to December 31 in 2023 and 2022.

Basis for audit opinion

The CPAs performs the audit work in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. The CPAs' 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 Longhua Electronics Co., Ltd. in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters

Key audit matters are those matters that, in the CPAs professional judgment, were of most significance in our audit of the Longhua Electronics Co., Ltd. financial statements for the year ended December 31, 2023. 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.

Key audit matter for the company's Parent Company only financial statements for the year ended December 31, 2023 is stated as follows:

Impairment assessment of real estate, plant and equipment and right-of-use assets

<u>Item Description</u>

Regarding the accounting policies for impairment of real estate, plant and equipment and non-financial assets, please refer to Notes four(12), (14) and (16) to the Parent Company only financial statements; for the uncertainty of accounting estimates and assumptions for impairment of real estate, plant and equipment, please refer to Note five(3) to the Parent Company only Financial Statements; Notes six(8) and six(9) to the Parent Company only Financial Statements for descriptions of accounting items for real estate, plant and equipment.

Longhua Electronics Co., Ltd. estimates the recoverable amount of real estate, plant and equipment based on the value in use, which is used as the basis for impairment assessment. Since the evaluation of the value in use involves the judgment of the management, any change in the estimate due to changes in economic conditions or company strategies may cause impairment in the future. Therefore, the CPAs listed the impairment evaluation of real estate, plant and equipment as one of the most important matters of audit.

Corresponding audit procedure

A summary of the audit procedures performed by the CPAs is as follows:

1. Evaluate the key assumptions used by management to estimate future cash flows, including considering industry characteristics and comparing with historical results to assess the reasonableness of changes in projected revenue, gross profit and expenses.
2. Obtained the impairment assessment report issued by experts entrusted by Longhua Electronics Co., Ltd. reviewed and assessed the rationality of the valuation method used and the industry and environment it belongs to, the estimation process of future cash flow, discount rate and cash-generating unit capital cost assumptions, and evaluated the model Compare the cash flow for the future year listed in the report with the business plan proposed by the management, and evaluate the rationality of the amount of impairment.

Add the existence of top ten sales object income

Item Description

For the accounting policy of revenue recognition, please refer to Note 4(23) of the parent company only financial report; for the accounting items of operating income, please refer to Note 6 (18) to the parent company only financial report.

Longhua Electronics Co., Ltd. continues to expand the new business of maritime broadband business, in which satellite software, hardware and traffic revenue account for a high proportion of the overall revenue, so the CPAs will audit the existence of the top ten new sales targets for satellite software, hardware and traffic revenue one of the most important matters.

Corresponding audit procedure

A summary of the audit procedures performed by the CPAs is as follows:

1. Assess and test whether the internal control process of sales transactions operates in accordance with the company's internal control system.
2. Check the relevant industry background and other information of the sales target.
3. Obtain and check the relevant certificates of the sales object's business income transactions.

Responsibilities of management and governing units for the parent company only financial statements

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

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

The governance units (including the audit committee) of Longhua Electronics Co., Ltd. are responsible for supervising the financial reporting process.

The CPAs Responsibilities for the Audit of the parent company only Financial Statements

The CPAs' 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 audit report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in 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 auditing standards generally accepted in the Republic of China, The CPAs exercise professional judgment and maintain professional skepticism throughout the audit. The CPAs 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 Longhua Electronics Co., Ltd. internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Longhua Electronics Co., Ltd. ability to continue as a going concern. If The CPAs conclude that a material uncertainty exists, we are required to draw attention in audit report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. The CPAs conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Longhua Electronics Co., Ltd. to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Longhua Electronics Co., Ltd. to express an opinion on the parent company only financial statements. The CPAs are responsible for the direction, supervision and

performance of the entity audit and remain entity responsible for our audit opinion.

The CPAs 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.

The CPAs also provide those charged with governance with a statement that The CPAs 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 The CPAs' independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, The CPAs determine those matters that were of significance in the audit of Longhua Electronics Co., Ltd. for the year ended December 31, 2023 and are therefore the key audit matters. The CPAs describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, The CPAs 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.

PWC United Accounting Firm

CPA

Lin Boquan 林柏全

Weng Shirong

Financial Supervisory Commission
Approved visa number: Jinguanzheng Shenzi No. 1100350706
Former Securities and Futures Administration Commission of the Ministry of Finance
Approved visa number: (88) Tai Cai Zheng (6) No. 95577

March 28, 2024

Longhua Electronics Co., Ltd. and its subsidiaries
Parent Company only Balance sheet
For the Years Ended December 31, 2023 and 2022

Unit: NT$ thousand

	Assets	Notes	2023/12/31			2022/12/31		
				Amount	%		Amount	%
	Current assets							
1100	Cash and cash equivalents	Six (1)	$	136,555	21	$	153,906	28
1136	Financial assets measured at amortized cost – current	Six(2)and eight		46,958	8		-	-
1170	Net accounts receivable	Six (3)		6,957	1		12,473	2
1180	Accounts receivable – net amount from related parties	Seven		579	-		-	-
1200	Other receivables	Seven		1,484	-		60	-
1220	Current income tax assets			99	-		7	-
130X	Inventory	Six (4) and eight		10,917	2		5,282	1
1410	Prepayments			27,343	4		9,335	2
1476	Other financial assets - current	Six (6) and Eight		-	-		30,816	6
11XX	**Total Current Assets**			230,892	36		211,879	39
	Non-current assets							
1550	Investments using the equity method	Six(7)		38,890	6		6,878	1
1600	Real estate, plant and equipment	Six(8) and eight		220,341	34		211,315	39
1755	Right-of-use assets	Six(9) and Seven		139,429	22		94,659	18
1990	Other non-current assets	Six(10) and Seven and Eight		10,631	2		17,879	3
15XX	**Total non-current assets**			409,291	64		330,731	61
1XXX	**Total assets**		$	640,183	100	$	542,610	100

(Continued on next page)

Longhua Electronics Co., Ltd. and its subsidiaries
Parent Company only Balance sheet
For the Years Ended December 31, 2023 and 2022

Unit: NT$ thousand

	Liabilities and Equity	Notes	2023/12/31 Amount	%	2022/12/31 Amount	%
	Current liabilities					
2100	Short-term loan	Six (11) and eight	$ 39,943	6	$ 39,480	7
2130	Contract liabilities - current	Six(18)	7,331	1	613	-
2150	Notes payable		1,320	-	1,039	-
2170	Accounts payable		1,723	-	2,171	-
2200	Other payables	Six(12)	14,320	2	8,603	2
2280	Lease liabilities - current	Six (9) and seven	60,325	10	51,627	10
2320	Long-term liabilities due within one year or within one business cycle	Six (13) and eight	80,114	13	68,940	13
2399	Other current liabilities - other	Six(20)	12,412	2	674	-
21XX	**Total current liabilities**		217,488	34	173,147	32
	Non-current liabilities					
2527	Contract liabilities - non-current	Six(18)	6,212	1	1,180	-
2540	Long term loan	Six(13) and eight	46,703	7	24,784	5
2550	Liabilities - non-current		1,826	-	1,826	-
2580	Lease liabilities - non-current	Six (9) and seven	88,614	14	47,976	9
2600	Other non-current liabilities - other	Seven	120	-	120	-
25XX	**Total non-current liabilities**		143,475	22	75,886	14
2XXX	**Total liabilities**		360,963	56	249,033	46
	EQUITY					
	Share capital	Six(15)				
3110	Common stock		532,750	83	485,250	89
	Capital surplus	Six(16)				
3200	Capital surplus		405,386	64	273,110	50
	Retained earnings	Six (17)				
3310	Legal reserve		25,322	4	25,322	5
3350	Unappropriated earnings		(684,472)	(107)	(489,912)	(90)
	Other equity					
3400	Other equity		(234)	-	(193)	-
3XXX	**Total equity**		279,220	44	293,577	54
	Significant disaster loss	Ten				
	Significant Subsequent Events	Eleven				
3X2X	**Total liabilities and equity**		$ 640,183	100	$ 542,610	100

The appended notes to the consolidated financial statements are part of this consolidated financial report, please refer to them together.

Chairman: WANG, WKANG-HSIANG:Click here to enter text.　　General Manager: WANG, SHARON　　Accounting Supervisor: Zheng Youzheng:

Longhua Electronics Co., Ltd. and its subsidiaries
Parent Company only statement of comprehensive income
From January 1 to December 31, 2023 and 2022

Unit: NT$ thousand
(Except loss per share in NT$)

	Items	Notes	2023 Amount	2023 %	2022 Amount	2022 %
4000	Operating income	Six(18) and seven	$ 34,748	100	$ 35,139	100
5000	Operating cost	Six (4) (23) and seven	(157,114)	(452)	(142,207)	(405)
5900	Gross operating loss		(122,366)	(352)	(107,068)	(305)
	Operating expenses	Six (23)				
6100	Selling expenses		(18,165)	(52)	(15,251)	(43)
6200	Management costs		(26,430)	(76)	(23,912)	(68)
6300	Research and development costs		(6,500)	(19)	(4,596)	(13)
6000	Total operating expenses		(51,095)	(147)	(43,759)	(124)
6900	Operating loss		(173,461)	(499)	(150,827)	(429)
	Non-operating income and expenses					
7100	Interest income	Six(19)	1,765	5	166	-
7010	Other income	Six(20) and seven	4,770	14	14,239	41
7020	Other gains and losses	Six(21)	(911	2)	10,062)	(29)
7050	Financial costs	Six(22) and seven	(13,154)	(38)	(8,454)	(24)
7070	Profit and loss share of subsidiaries, affiliated enterprises and joint ventures recognized using the equity method	Six (7)	(15,391)	(44)	(15,103)	(43)
7000	Total non-operating income and expenses		(21,099)	(61)	19,214)	(55)
7900	**Net loss before tax**		(194,560)	(560)	(170,041)	(484)
7950	Income tax expense	Six (24)	-	-	-	-
8200	**Net loss for the period**		($ 194,560)	(560)	($ 170,041)	(484)
	Other comprehensive income (net)					
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation of foreign financial statements	Six (7)	($ 427	1	- 193)	-
8360	The total amount of items that may subsequently be reclassified to profit or loss		427	1	- 193)	-
8300	**Other comprehensive income (net)**		($ 427	1	$ 193)	-
8500	**Total comprehensive profit and loss**		($ 194,133)	(559)	($ 170,234)	(484)
	Loss per share	Six (25)				
9750	Basic loss per share		($ 3.95)		($ 4.60)	

The appended notes to the consolidated financial statements are part of this consolidated financial report, please refer to them together.

Chairman: WANG, WK ANG-HSIANG:Click here to enter text. General Manager: WANG, SHARON Accounting Supervisor: Zheng Youzheng:

Longhua Electronics Co., Ltd. and its subsidiaries
Parent Company only Statement of Changes in Equity
From January 1 to December 31, 2023 and 2022

Unit: NT$ thousand

		Paid-in capital		retained earnings				
	Notes	Common stock	Capital surplus, additional paid-in capital	Change in AEMR AEJE	Legal reserve	Special reserve	Unappropriated accumulated deficit	Exchange differences on translation of foreign financial statements	total equity
January 1, to December 31, 2022									
1/1/2022 Balance		$ 340,250	$ 170,205	$ -	$ 25,322	$ 5,671	($ 325,542)	$ -	$ 215,906
Net loss for the period		-	-	-	-	-	(170,041)	-	(170,041)
Other comprehensive P/L	Six (7)	-	-	-	-	-	(-)	193	(193)
Total comprehensive profit and loss for the period		-	-	-	-	-	170,041	193	170,234
Earning allocation and distribution 2021									
Reversal of special surplus reserve		-	-	-	-	5,671	5,671	-	-
Issue of shares by cash	Six (15)	145,000	94,330	-	-	-	-	-	239,330
Difference between consideration and carrying amount of subsidiaries acquired or disposed	Six (7)	-	-	8,575	-	-	(-)	-	(8,575)
12/31/2022 Balance		$ 485,250	$ 264,535	$ 8,575	$ 25,322	$ -	($ 489,912)	$ 193	$ 293,577
January 1, to December 31, 2023									
1/1/2023 Balance		$ 485,250	$ 264,535	$ 8,575	$ 25,322	$ -	($ 489,912)	$ 193	$ 293,577
Net loss for the period		-	-	-	-	-	(194,560)	-	(194,560)
Other comprehensive P/L	Six (7)	-	-	-	-	-	-	(427)	(427)
Total comprehensive P/L for the period		-	-	-	-	-	(194,560)	(427)	(194,133)
Issue of shares by cash	Six (15)	47,500	85,300	-	-	-	-	-	132,800
Difference between consideration and carrying amount of subsidiaries acquired or disposed	Six (7)	-	-	46,976	-	-	-	-	46,976
12/31/2023 Balance		$ 532,750	$ 349,835	$ 55,551	$ 25,322	$ -	($ 684,472)	($ 234)	$ 279,220

The appended notes to the consolidated financial statements are part of this consolidated financial report, please refer to them together.

Chairman: WANG, WKANG-HSIANG:Click here to enter text. General Manager: WANG, SHARON: Accounting Supervisor: Zheng Youzheng:

Longhua Electronics Co., Ltd. and its subsidiaries
Parent Company only Statement of Cash Flows
From January 1 to December 31, 2023 and 2022

Unit: NT$ thousand

	Notes	2023	2022
Cash Flow from Operating Activities			
Net loss before tax for the period		(194,560)	(170,041)
Adjustment items			
Income expense items			
Depreciation expense	Six (7,8,22)	94,145	95,530
Amortization expense	Six (22)	-	288
Interest income	Six (18)	(1,765)	166
Interest expense	Six (21)	13,154	(8,454)
Disposal of interests in real property, plant and equipment	Six (20)	(-)	113
Share of loss of associates and joint ventures accounted for using equity method	Six (6)	15,390	15,103
Changes in assets/liabilities related to operating activities			
Net change in assets related to operating activities			
Accounts receivable		(5,516)	(10,750)
Accounts receivable- related parties		579	-
Other receivables		1,424	3,491
Inventory		(27,310)	(1,705)
Prepayments		(17,319)	(5,513)
Net change in liabilities related to operating activities			
Contract liabilities - current		(11,750)	(229)
Notes payable		(281)	1
Accounts payable		448	396
Other payables		12,499	617
Other current liabilities - other		(11,738)	600
Cash outflow from operations		(78,932)	(65,239)
Interest charged		1,765	166
Interest paid		(13,154)	8,454
Income tax paid		(94)	(5)
Income tax return		2	(12)
Net cash outflow from operating activities		(90,413)	(73,520)
Cash flow from investing activities			
Acquiring financial assets measured at amortized cost		16,142	-
Acquisition of property, plant and equipment	Six (26)	(4,014)	(8,189)
Disposal of real estate, plant and equipment		-	840
Acquire investment using equity-method	Six (6)	(-)	(14,050)
Increase in other financial assets		-	12,783
Increase in deposit out		(1,528)	(6,782)
Net cash inflows (outflows) from investing activities		(18,628)	(40,964)
Cash Flow from Financing Activities			
Increase(decrease) in short-term loan	Six (27)	463	(9,146)
Hold long-term loans in the current period	Six (27)	122,000	85,000
Long-term loan repayment in the current period	Six (27)	(88,907)	(57,383)
Lease principal repayment	Six (27)	(74,666)	(69,554)
Cash capital increase	Six(14)	132,800	239,330
Net cash inflow from financing activities		91,690	206,539
Increase in cash and cash equivalents for the current period		17,351	92,055
Beginning cash and equivalent cash balance		153,906	61,851
Ending cash and equivalent cash balance		$ 136,555	$ 153,906

The appended notes to the consolidated financial statements are part of this consolidated financial report, please refer to them together.

Chairman: WANG, WKANG-HSIANGClick here to enter text. General Manager: WANG, SHARON Accounting Supervisor: Zheng Youzheng

Attachment 4

Summary of execution status of private placement cash capital increase and issuance of common shares from 2020 to 2023

Year	Shareholders meeting approved date	Private placement quota(shares)	Used quota (shares)	Unused quota (shares)	Remark
2020	2020.09.03	12,000,000	9,025,000	2,975,000	Unused quota will not be renewed
2021	2021.07.29	20,000,000	7,000,000	13,000,000	Unused quota will not be renewed
2022	2022.06.17	20,000,000	14,500,000	5,500,000	Unused quota will not be renewed
2023	2023.06.29	15,000,000	7,750,000	7,250,000	Unused quota will not be renewed

Execution of the first private placement cash capital increase and common stock issuance in 2023

<table>
<tr><td>Item</td><td colspan="5">Date of shareholders' meeting resolution: June 29, 2023
Amount: no more than 15,000,000 shares</td></tr>
<tr><td>Types of private placement securities</td><td colspan="5">Common stock</td></tr>
<tr><td>Date and amount approved by the shareholders meeting</td><td colspan="5">June 29, 2023, the company passed a resolution at its AGM to issue a cash capital increase through private placement in accordance with Article 43-6 of the Securities and Exchange Act, with a limit of 15,000,000 Common stock, face value of NT$10 per share, and can be issued in five times within one year.</td></tr>
<tr><td>Basis and rationality of price setting</td><td colspan="5">The pricing date for this private placement of common stock is September 14, 2023. Based on the calculation standard of the private placement reference price resolved by the company's AGM on June 29, 2023, the price is determined based on the higher of the following two bases:
A. The simple arithmetic average of the closing price of common stocks calculated 1,3,5 business days before the pricing date, deducting free allotment ex-rights and dividends, and adding back the stock price after capital reduction and anti-ex-rights.
B. The simple arithmetic average of the closing prices of common stocks in the thirty business days before the pricing date, deducting free rights and dividends from allotments, and adding back the stock price after capital reduction and anti-ex-rights.
Based on the calculation results described in the preceding paragraph, the price per share of this private placement is based on the simple arithmetic average of the closing prices of common stocks on the thirty business days before the pricing date, deducting the free allotment of ex-rights and dividends, and adding back the stock price of NT$36.35 after capital reduction and anti-ex-rights. As a reference price, the private placement price is planned to be NT$29.1 (not less than 80% of the reference price). The estimated amount raised is NT$93,120,000.</td></tr>
<tr><td>Method of selection of qualified persons (ratified at AGM)</td><td colspan="5">The targets of this PO of common stock are limited to specific persons who comply with Article 43-6 of the Securities and Exchange Act and the Financial Supervisory Commission's No.0910003455Letter dated June 13, 2002(91)Taiwan Finance Certificate (1).</td></tr>
<tr><td>Reason for necessity of private placement</td><td colspan="5">In order to enrich working capital, improve financial structure and increase investment content, the company plans to issue 3,200,000 private placement common stock with a par value of NT$10 per share.</td></tr>
<tr><td>Share payment completion date</td><td colspan="5">Not performed.</td></tr>
<tr><td rowspan="2">Information on the placees</td><td>Private placement targets</td><td>Eligibility</td><td>Subscription quantity</td><td>With company relation</td><td>Participating companies Business situation</td></tr>
<tr><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
</table>

Execution of the second private placement cash capital increase and issuance of common shares in 2023

<table>
<tr><td>Item</td><td colspan="5">Date of shareholders' meeting resolution: June 29, 2023
Amount: no more than 15,000,000 shares</td></tr>
<tr><td>Types of private placement securities</td><td colspan="5">Common stock</td></tr>
<tr><td>Date and amount approved by the shareholders' meeting</td><td colspan="5">June 29, 2023, the company passed a resolution at its AGM to issue a cash capital increase through private placement in accordance with Article 43-6 of the Securities and Exchange Act, with a limit of 15,000,000 Common stock, face value of NT$10 per share, and can be issued in five times within one year.</td></tr>
<tr><td>Basis and rationality of price setting</td><td colspan="5">The pricing date for this private placement of common stock is September 26, 2023. Based on the calculation standard of the private placement reference price resolved by the company's shareholders' regular meeting on June 29, 2023, the price is determined based on the higher of the following two bases :
A. The simple arithmetic average of the closing price of common stocks calculated 1,3,5 business days before the pricing date, deducting free allotment ex-rights and dividends, and adding back the stock price after capital reduction and anti-ex-rights.
B. The simple arithmetic average of the closing prices of common stocks in the thirty business days before the pricing date, deducting free rights and dividends from allotments, and adding back the stock price after capital reduction and anti-ex-rights.
Based on the calculation results described in the preceding paragraph, the price per share of this private placement is based on the simple arithmetic average of the closing prices of common stocks on the thirty business days before the pricing date, deducting the free allotment of ex-rights and dividends, and adding back the stock price of NT$33.76 after capital reduction and anti-ex-rights. As a reference price, the private placement price is planned to be NT$27.02 (not less than 80% of the reference price). The estimated amount raised is NT$67,550,000.</td></tr>
<tr><td>Method of selection of qualified persons (ratified at AGM)</td><td colspan="5">The targets of this public offering of common stock are limited to specific persons who comply with Article 43-6 of the Securities and Exchange Act and the Financial Supervisory Commission's No. 0910003455 Letter dated June 13, 2002 (91) Taiwan Finance Certificate (1).</td></tr>
<tr><td>Reason for necessity of private placement</td><td colspan="5">In order to enrich working capital, improve financial structure and increase investment content, the company plans to issue 2,500,000 private placement ordinary shares with a par value of NT$10 per share.</td></tr>
<tr><td>Share payment completion date</td><td colspan="5">September 28, 2023</td></tr>
<tr><td rowspan="2">Information on the placees</td><td>Private placement targets</td><td>Eligibility</td><td>Subscription quantity</td><td>with company relation</td><td>Participating companies Business situation</td></tr>
<tr><td>Xinqing Investment and Development Co., Ltd.</td><td>Comply with Article 43-6 of the Securities and Exchange Act</td><td>2,500,000 shares</td><td>Director of the company</td><td>Not yet</td></tr>
</table>

Execution of the third private placement cash capital increase and issuance of common shares in 2023

<table>
<tr><td>Item</td><td colspan="5">Date of shareholders' meeting resolution: June 29, 2023
Amount: no more than 15,000,000 shares</td></tr>
<tr><td>Types of private placement securities</td><td colspan="5">Common stock</td></tr>
<tr><td>Date and amount approved by the shareholders' meeting</td><td colspan="5">June 29, 2023, the company passed a resolution at its AGM to issue a cash capital increase through private placement in accordance with Article 43-6 of the Securities and Exchange Act, with a limit of 15,000,000 common stock , with a face value of NT$10 per share, and can be raised and issued in five times within one year.</td></tr>
<tr><td>Basis and rationality of price setting</td><td colspan="5">The pricing date for this private placement of common stock is December 25, 2023. Based on the calculation standard of the private placement reference price resolved by the company's AGM on June 29, 2023, the price is determined based on the higher of the following two bases :
A. The simple arithmetic average of the closing price of common stocks calculated 1,3,5 business days before the pricing date, deducting free allotment ex-rights and dividends, and adding back the stock price after capital reduction and anti-ex-rights.
B. The simple arithmetic average of the closing prices of common stocks in the thirty business days before the pricing date, deducting free rights and dividends from allotments, and adding back the stock price after capital reduction and anti-ex-rights.
Based on the calculation results described in the preceding paragraph, the price per share of this private placement is based on the simple arithmetic average of the closing prices of common stocks on the thirty business days before the pricing date, deducting the free allotment of ex-rights and dividends, and adding back the stock price of NT$30.91 after capital reduction and anti-ex-rights. As a reference price, the private placement price is planned to be NT$29.00 (not less than 80% of the reference price). The estimated amount raised is NT$65,250,000.</td></tr>
<tr><td>Method of selection of qualified persons (ratified at AGM)</td><td colspan="5">The targets of this public offering of common stock are limited to specific persons who comply with Article 43-6 of the Securities and Exchange Act and the Financial Supervisory Commission's No. 0910003455 Letter dated June 13, 2001 (91) Taiwan Finance Certificate (1).</td></tr>
<tr><td>Reason for necessity of private placement</td><td colspan="5">In order to enrich working capital, improve financial structure and increase investment content, the company plans to issue 2,250,000 private placement ordinary shares with a face value of NT$10 per share.</td></tr>
<tr><td>Share payment completion date</td><td colspan="5">December 29, 2023</td></tr>
<tr><td rowspan="2">Information on the placees</td><td>Private placement targets</td><td>Eligibility</td><td>Subscription quantity</td><td>With company relation</td><td>Participating companies Business situation</td></tr>
<tr><td>Xinqing Investment and Development Co., Ltd.</td><td>Comply with Article 43-6 of the Securities and Exchange Act</td><td>2,250,000 shares</td><td>Director of the company</td><td>Not yet</td></tr>
</table>

Execution of the fourth private placement cash capital increase and issuance of common stock in 2023

<table>
<tr><th>Item</th><th colspan="5">Date of shareholders’ meeting resolution: June 29, 2023
Amount: no more than 15,000,000 shares</th></tr>
<tr><td>Types of private placement securities</td><td colspan="5">Common stock</td></tr>
<tr><td>Date and amount approved by the shareholders’ meeting</td><td colspan="5">June 29, 2023, the company passed a resolution at its AGM to issue a cash capital increase through private placement in accordance with Article 43-6 of the Securities and Exchange Act, with a limit of 15,000,000 Common stock, with a face value of NT$10 per share, and can be raised and issued in five times within one year.</td></tr>
<tr><td>Basis and rationality of price setting</td><td colspan="5">The pricing date for this private placement of Common stock is March 28, 2024. Based on the calculation standard of the private placement reference price resolved by the company’s shareholders’ regular meeting on June 29, 2023, the price is determined based on the higher of the following two bases :
A. The simple arithmetic average of the closing price of common stocks calculated 1,3,5 business days before the pricing date, deducting free allotment ex-rights and dividends, and adding back the stock price after capital reduction and anti-ex-rights.
B. The simple arithmetic average of the closing prices of common stocks in the thirty business days before the pricing date, deducting free rights and dividends from allotments, and adding back the stock price after capital reduction and anti-ex-rights.
Based on the calculation results described in the preceding paragraph, the price per share of this private placement is based on the simple arithmetic average of the closing prices of common stocks on the thirty business days before the pricing date, deducting the free allotment of ex-rights and dividends, and adding back the stock price of NT$29.98 after capital reduction and anti-ex-rights. As a reference price, the private placement price is planned to be NT$25.00 (not less than 80% of the reference price). The estimated amount raised is NT$75,000,000.</td></tr>
<tr><td>Method of selection of qualified persons (ratified at AGM)</td><td colspan="5">The targets of this public offering of common stock are limited to specific persons who comply with Article 43-6 of the Securities and Exchange Act and the Financial Supervisory Commission’s Letter No. 0910003455 dated June 13, 2001 (91) Taiwan Finance Certificate (1).</td></tr>
<tr><td>Reason for necessity of private placement</td><td colspan="5">In order to enrich working capital, improve financial structure and increase investment content, the company plans to issue 3,000,000 private placement common stock with a par value of NT$10 per share.</td></tr>
<tr><td>Share payment completion date</td><td colspan="5">March 29, 2024</td></tr>
<tr><td rowspan="2">Information on the placees</td><td>Private placement targets</td><td>Eligibility</td><td>Subscription quantity</td><td>with company relation</td><td>Participating companies Business situation</td></tr>
<tr><td>WANG, WKANG-HSIANG</td><td>Comply with Article 43-6 of the Securities and Exchange Act</td><td>3,000,000 share</td><td>Director of the company</td><td>Chairman of the company</td></tr>
</table>

Attachment 5

Longhua Electronics Co., Ltd.

Comparison table of before and after the amendments to articles of Rules of Procedure of the Board of Directors

Amend provisions	Current provisions	Illustrate
8-4 If half of all directors are not present at the meeting time, the chairman may announce that the meeting will be postponed on that day, and the number of postponements is limited to two times. If the number of directors is still insufficient after two postponements, the chairman shall reconvene according to the procedures stipulated in Paragraph 2 of Article 3. The above-mentioned "all directors" shall be counted according to those who are actually in office.	8-4 If half of all directors are not present at the meeting time, the chairman may announce the postponement of the meeting, and the number of postponements is limited to two times. If the number of directors is still insufficient after two postponements, the chairman shall reconvene according to the procedures stipulated in Paragraph 2 of Article 3. The above-mentioned "all directors" shall be counted according to those who are actually in office.	Amend according to law
11-4 If the board meeting is in progress and the chairman is unable to preside over the meeting for some reason or fails to adjourn the meeting in accordance with the provisions of Paragraph 2, the provisions of Paragraph 2 of Article 7 shall apply to the selection and appointment of his agent.	None	Amend according to law
17-0 Additional Provisions 17-6 The formulation and amendment of this rules of procedure were approved by the company's board of directors on March 28, 2024.	17-0 Additional Provisions (above ignore)	Modify to meet actual needs

Attachment 6

Longhua Electronics Co., Ltd.

Comparison table of before and after the amendments to articles of

Operational Procedures for Loaning of Company Funds

Amend provisions	Current provisions	Illustrate
3-0 The limit for total amount of capital loan and individual objects. The total loan amount of company funds shall not exceed 40% of the company's net worth.	3-0 The limit for total amount of capital loan and individual objects.	Revised according to the letter from the stock exchange, the limit standard for the total amount of funds loaned to business for transactions to been added.
3-1 If the company's capital loan situation falls into 2-1, the individual loan amount (referring to the cumulative balance) shall not exceed the total amount of business transactions in the twelve months before the capital loan (the so-called business transactions refer to the which is higher of purchase or sales goods amount between the two parties), the total amount of the loan shall not exceed 10% of the company's net worth.	3-1 If the company's capital loan situation falls into 2-1, the individual loan amount (referring to the cumulative balance) shall not exceed the business of the twelve months before the capital loan. The total amount of transactions (the so-called business transactions refer to the purchase or sales amount between the two parties, whichever is higher).	Revised according to the letter from the stock exchange, the limit standard for the total amount of funds loaned to business for transactions to been added.
11-0 Others It was revised by the board of directors passed on March 14, 2024, and was revised by the shareholders' meeting resolution passed on June 25, 2024.	11-0 Others (above ignore)	Revise to meet actual needs

Attachment 7

Longhua Electronics Co., Ltd.
Candidate list of directors (including independent directors)

Candidate Category	Name	Educational qualifications	Experience	Current position	Number of shares held
Director	WANG, WKANG-HSIANG	Honorary Doctorate from National Taiwan Ocean University	Advisor to the Presidential Office of the ROC	Chairman of Longhua Electronics Co., Ltd.	7,851,466
Director	Zhonghua Investment Co., Ltd Representative: Lin Kunming	Department of Electrical Engineering, National Taiwan University	Chairman of Desheng Technology Company	Chairman of Desheng Technology Co., Ltd.	1,680,000
Director	Zhonghua Investment Co., Ltd Representative: Li Yanzhang	Master of Finance, Tamkang University	Zhongxin United Accounting Firm	Vice Chairman of Shanyuan Construction Co., Ltd.	
Director	Zhonghua Investment Co., Ltd Representative: ALLEN Y. WANG	Master of Urban Planning, Southern California, USA	Director of Taipei Construction Development Association	Chairman of Sanyuan Construction Co., Ltd.	
Director	Zhonghua Investment Co., Ltd Representative: WANG, SHARON	National Taiwan University-Fudan EMBA Master	Nomura Securities	General Manager of Longhua Electronics Co., Ltd.	
Independent director	Dong Qingquan	Institute of Management Sciences, National Chiao Tung University	General Manager of Chengqi Technology (Co., Ltd.)	Director of Desheng Technology Co., Ltd.	0
Independent director	Lu Xinghua	Master of Engineering, National Taiwan Normal University	President of Jingtian Group	Chairman of Jingtian TV Station	0
Independent director	Li Shuping	Phd in Agriculture, Department of Food Science, National Pingtung University of Science and Technology	Government Affairs Advisor, Executive Yuan	Chairman of Pingting Industrial Co., Ltd.	0
Independent director	Wei Yunting	Department of Finance, Tamkang University	Manager of Zhongye Co., Ltd.	General Manager of Suntech Information Enterprise Co., Ltd.	0

Attachment 8

Longhua Electronics Co., Ltd.

Contents of Participation in Competitive Business among new directors At the 2024 Annual General Meeting of Shareholders

Job title	Candidate name	Concurrently hold positions in other companies
Director	WANG, WKANG-HSIANG	Position as Chairman: -Datong Co., Ltd. -Sanyuan Construction Co., Ltd. -Sanyuan Investment Co., Ltd. -Sanyuan Venture Capital Co., Ltd. -Sanyu Biotechnology Co., Ltd. -Eontronics International Co., Ltd. -Taipei Industrial Co., Ltd. -Datong Intelligent Co., Ltd. -Shangxin Energy Co., Ltd. -Yaoyang Energy Co., Ltd. -Ting New Energy Co., Ltd. -Zhixin Energy Co., Ltd. -Tong New Energy Co., Ltd. -Tongguang Energy Co., Ltd. -Chuangshi Neng Co., Ltd. -Dai Tang Energy Co., Ltd. Position as Directors: -Shangzhi Asset Development Co., Ltd. -Zhisheng Real Estate Co., Ltd. -Fuhua Electronics Co., Ltd. -Fuhua Intelligent Co., Ltd. -Sanyuan Construction Co., Ltd. -Midea International Biotechnology Co., Ltd. -Sammeng Construction Co., Ltd. -Jiuyuan Industrial Co., Ltd. -Longlin Construction Co., Ltd. -Huazhu Engineering Co., Ltd. -Guoguang Media Co., Ltd. -Desheng Technology Co., Ltd. -Chief Venture Capital Co., Ltd. -Chief Financial Management Consulting Co., Ltd. -Beijing Capital Investment Co., Ltd. -Qiyi Technology (Co., Ltd.) -Chengtai Electronics (Wujiang) Co., Ltd. -Qingdao Liansheng Industrial Co., Ltd.

Director	Zhonghua Investment Co., Ltd Representative: Lin Kunming	Position as Chairman: -Desheng Technology Co., Ltd. -Chief Venture Capital Co., Ltd. -Beijing Capital Investment Co., Ltd. -Chief Financial Management Consulting Co., Ltd. -Qiyi Technology Co., Ltd. -Luptec Technology (Beijing) Co., Ltd. Position as Directors: -Baode Technology Co., Ltd. -Yongyang Technology Co., Ltd. -China Petrochemical Industry Development Co., Ltd. -Deli Film and Television Co., Ltd. -Huiyu Investment Co., Ltd. -Yuanfeng Venture Capital Co., Ltd. -Sanyuan Venture Capital Co., Ltd. -Taiwei Life Technology Co., Ltd. As an independent director: -Independent Director of Getac Investment Holdings Co., Ltd.
Director	Zhonghua Investment Co., Ltd Representative: Li Yanzhang	Vice Chairman of Shanyuan Construction Co., Ltd. Position as Directors: -Sanyuan Construction Co., Ltd. -Xinxing Industrial Co., Ltd. - Kangju Technology Co., Ltd. -Guoguang Motor Passenger Transport Co., Ltd. -Sanyuan Construction Co., Ltd. -Zhisheng Real Estate Co., Ltd. -Taipei Industrial Co., Ltd. -Datong Healthcare Co., Ltd.
Director	Zhonghua Investment Co., Ltd Representative: ALLEN Y. WANG	Position as Chairman: -ROWDA TECH COMPANY -Conju Technology Investment Co., Ltd. -Jingdian Investment Co., Ltd. -Xinxing Industrial Co., Ltd. -Guoguang Media Co., Ltd. -Sanyuan Construction Co., Ltd.

		Position as Directors: -Sanyuan Construction Co., Ltd. -Sammeng Construction Co., Ltd. -Jiuyuan Industrial Co., Ltd. -Longlin Construction Co., Ltd. -Yuanli Engineering Co., Ltd. -Huazhu Engineering Co., Ltd. -Sanyuan Investment Co., Ltd. -Sanli Investment Co., Ltd. -Guoguang Motor Passenger Transport Co., Ltd. -Sanyuan Venture Capital Co., Ltd. -Shulin Xiutai Plaza Co., Ltd. -Shengxing Power Information Technology Co., Ltd. -Tongneng International Co., Ltd. -Qingdao Liansheng Industrial Co., Ltd.
Director	Zhonghua Investment Co., Ltd Representative: WANG, SHARON	Position as Chairman: -Guoguang Motor Passenger Transport Co., Ltd. -Guoguang Investment Management Consulting Co., Ltd. -GuoKwong Trading Co., Ltd. -Taiwan Smart Card Co., Ltd. -UVideo Technology Co., Ltd. -Jiuyuan Industrial Co., Ltd. -Diwei Modern Art Co., Ltd. -Chengtai Electronics (Wujiang) Co., Ltd. -Shengxing Power Information Technology Co., Ltd. Position as Directors: -Longlin Construction Co., Ltd. -Sanya Investment Co., Ltd. -Zhonghua Investment Co., Ltd. -Xinqing Investment and Development Co., Ltd. -ROWDA TECH COMPANY -Jingdian Investment Co., Ltd. -Xinxing Industrial Co., Ltd. -Longhua Electronics Co., Ltd. - Xiutai Humanities Co., Ltd. -Sanyu Biotechnology Co., Ltd. -Qingdao Liansheng Industrial Co., Ltd. -Shengyun Automobile Manufacturing Co.,

		Ltd. -Sanyuan Construction Co., Ltd. -Baode Technology Co., Ltd. -Sanyuan Construction Co., Ltd. -Guoguang Wilo Holiday Travel Service Co., Ltd. - Emma Vehicle Materials Co., Ltd. General manager position: -Longhua Electronics Co., Ltd. -Sanyu Biotechnology Co., Ltd. -Chengtai Electronics (Wujiang) Co., Ltd. -Qingdao Liansheng Industrial Co., Ltd. As an independent director: Alda Technology Co., Ltd. Jialong Technology Engineering Co., Ltd.
Independent director	Dong Qingquan	Director of Desheng Technology Co., Ltd. Independent Director of Panorama Software Co., Ltd. Senior Advisor of Chief Venture Capital Co., Ltd.
Independent director	Lu Xinghua	Position as Chairman: -Jingtian TV -Huazhou Biotechnology Co., Ltd. Position as Directors: -Taiwan First Biotech Co., Ltd. -Jianhushan Leisure Group As an independent director: -Fumao Oils and Fats Co., Ltd.
Independent director	Li Shuping	Position as Chairman: -Pingting Industrial Co., Ltd. Position as Vice Chairman: -Sanyu Biotechnology Co., Ltd.
Independent director	Wei Yunting	Head of Defeng Finance and Taxation Accounting Firm General Manager of Suntech Information Enterprise Co., Ltd.

Appendix I

Longhua Electronics Co., Ltd.

Articles of Association

Chapter I General Provisions

Article 1: The company is organized in accordance with the provisions of the Co., Ltd. chatper of Company Law and named as Longhua Electronics Co., Ltd.

Article 2: The business of the company is as follows:

1. CC01080 Electronic component manufacturing.
2. F118010 Wholesale of information software.
3. I301010 Information software service industry.
4. F401010 International trade.
5. CC01110 Computer and its peripheral equipment manufacturing industry.
6. CC01120 Manufacturing and reproduction of data storage media.
7. CC01030 Electrical and audio-visual electronic product manufacturing.
8. CC01060 Wired communication machinery and equipment manufacturing.
9. CC01070 Manufacturing of wireless communication machinery and equipment.
10. I301030 Electronic information supply service industry.
11. H701010 Residential and building development leasing and sales.
12. H701020 Lease and sale of industrial plant development.
13. I401010 General advertising services.
14. F399040 Retail without storefronts.
15. ZZ99999 In addition to the licensed business, it may operate business that is not prohibited or restricted by law.
16. F401021 Telecommunications regulated radio frequency equipment import industry.
17. E701010 Telecommunications engineering.
18. E701030 Telecommunications control radio frequency equipment installation engineering industry.
19. F113070 Wholesale of telecommunication equipment.
20. F213060 Retailing of telecommunications equipment.
21. CC01990 Manufacturing of other electrical and electronic machinery and equipment.
22. E601010 Electrical appliance packaging industry.
23. E601020 Electrical installation.
24. E603010 Cable installation engineering industry.
25. E605010 Computer equipment installation industry.
26. E701020 Satellite TV KU channel, C channel equipment installation business.
27. EZ05010 Instrument and instrument installation engineering industry.
28. F113050 Wholesale of computers and office machinery and equipment.
29. F119010 Wholesale of electronic materials.
30. F213030 Retailing of computers and office machinery and equipment.
31. F218010 Information software retail industry.
32. I103060 Management consultancy.
33. I199990 Other consultancy services.
34. I301020 Data processing services.

35. IE01010 Telecom business phone number agency business.
36. G902011 Class II Telecommunications Business
37. E801010 Interior decoration industry
38. F111090 Wholesale of building materials
39. F211010 Retailing of building materials
40. G903010 Telecommunications business

Article 2-1: When the company become a limited liability shareholder of another company through the resolution of the board of directors, its total investment may not have the restriction of 40% of the paid-in share capital in Article 13 of the Company Law.

Article 2-2: The company may endorse and guarantee externally due to business or investment relations.

Article 3: The company is in Taipei City. When necessary, it may establish branches, factories, or offices at domestic or abroad according to the resolution of the board of directors.

Article 4: The company's announcement method shall handle in accordance with the provisions of Article 28 of the Company Law.

Chapter II Share

Article 5: The total capital of the company is NT$1,500,000,000, divided into 150,000,000 shares, each with a face value of NT$10, and the board of directors is authorized to issue them in installments.

Article 6: The company's stock certificates shall be issued after being signed or stamped by the director representing the company, numbered and legally signed. The company may, in accordance with the provisions of the law, print stock certificates for the total number of shares issued at the time of issuance of new shares, and may also be exempt from printing physical stock certificates, and the same applies to the issuance of other securities.

Article 7: (Deleted)

Article 8: Unless stipulated by laws and securities regulations, the company's shareholders handle stock affairs such as stock transfer, set rights, pledge, lost statement, inheritance, and gift, in accordance with the "Standards for Handling Share Affairs of Publicly Issued Companies".

Article 9: Within 60 days before the annual meeting of shareholders, within 30 days before the extraordinary meeting of shareholders, or within 5 days before the company decides to distribute dividends, bonuses or other benefits, the stock account transfer shall be suspended.

Chapter III Shareholders' meeting

Article 10: The company's shareholders meeting is divided into two types: annual shareholders meeting and extraordinary shareholders meeting. The annual shareholders meeting is convened once a year by the board of directors within six months after the end of each fiscal year, and the extraordinary shareholders meeting is convened in accordance with the law when necessary.

An annual shareholders meeting shall be called 30 days before the meeting, and an extraordinary shareholders meeting shall be called 15 days before the meeting, and the date, place and reason for the meeting shall be notified to all shareholders. However, for shareholders with less than 1,000 shares, it may be done by way of announcement.

Article 10-1: When the company convenes a annual shareholders meeting, shareholders holding more than 1% (inclusive) of the shares may submit to the company written proposals for the annual shareholder meeting, but only one proposal. It is not included in the proposal if more than one proposal. Related operations are handled in accordance with the company law and relevant regulations.

Article 11: When a shareholder is unable to attend the shareholders' meeting for any reason, he or she shall issue a power of attorney issued by the company specifying the scope of authorization and affix the company's seal to entrust a proxy to attend the meeting. It shall be handled by "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies".

Article 12: The shareholders' meeting is convened by the board of directors, with the chairman as the chairman. When the chairman is absent or unable to exercise his powers for some reason, the vice chairman shall act as his proxy. If the vice chairman is also absent, the chairman shall designate a director to act as his proxy. If no appointment is made, the directors shall recommend one of them to be the chairman. If the meeting is convened by another convener other than the board of directors, the chairman shall be the convener. When there are more than two persons with the right to convene, one of them shall be elected from each other.

Article 13: Unless otherwise stipulated by the Company Law or relevant laws and regulations, the resolution of the shareholders' meeting shall be attended by shareholders representing more than half of the total number of issued shares in person or by proxy and shall be carried out with the consent of more than half of the voting rights of the present shareholders. When voting, if there is no objection after consultation by the chairman, it is deemed to be passed, and its effect is the same as voting by ballot.

Article 14: Minutes of the resolutions of the shareholders' meeting shall be prepared, signed or sealed by the chairman of the shareholders' meeting, and the minutes shall be distributed to all shareholders within 20 days after the meeting. The method of making and distributing minutes of the proceedings in the preceding paragraph shall be handled in accordance with the provisions of laws and regulations.

Chapter IV Director and Manager

Article 15: The company has seven to eleven directors, all of whom are elected in accordance with the procedures of the candidate nomination system stipulated in Article 192-1 of the Company Law.

Among the number of directors referred to in the preceding paragraph, there shall be at least three independent directors, and shall not be less than one-fifth of the number of directors. Shareholders shall elect directors from the list of candidates for directors.

The total number of registered shares of the company held by all directors of the company must meet the standards stipulated in the "Rules for the Shareholding Ratio of Directors of

Public Companies and Implementation Rules for auditing" promulgated by the competent authority.

Article 15-1: The remuneration of the directors of the company shall be evaluated by the remuneration committee for their participation in the company's operations and contribution value, and the board of directors shall be authorized to negotiate based on the evaluation of the remuneration committee and in consideration of domestic and foreign industry standards. The company's independent directors remuneration may be different from that of general directors.

Article 15-2: In accordance with the provisions of Article 14-4 of the Securities and Exchange Act, the company has set audit committee, and the audit committee is responsible for performing the duties and powers of supervisors stipulated in the Company Act, the Securities and Exchange Act, and other laws and regulations.

Article 16: When the vacancy of directors reaches one-third or all independent directors are dismissed, the board of directors shall hold an extraordinary meeting of shareholders within 60 days for a by-election, and the term of office shall be limited to the time limit of the replacement.

Article 17: When the term of directors and supervisors expires and there is no time for re-election, the performance of their duties shall be extended until the re-election of directors and supervisors takes office.

Article 18: Directors organize the board of directors, and more than two-thirds of the directors present, and more than half of the directors present agree to elect one person as the chairman and one person as the vice-chairman. Unless otherwise stipulated by the Company Law, resolutions of the board of directors must be attended by more than half of the directors and must be carried out with the consent of more than half of the directors present. Other directors attend the board of directors by proxy, but only one person is entrusted by one person.

The board of directors may conduct meetings via videoconference, and directors who participate in the meeting via videoconference shall be deemed to have attended the meeting in person. Minutes of board meetings shall be handled in accordance with Article 183 of the Company Law. The production and distribution of the proceedings mentioned in the preceding paragraph may be done electronically.

Article 18-1: In addition to written notice, the convening of the board of directors can be done by "e-mail (E-mail)" or "Fax", but the reason for the meeting must still be stated according to regulations.

Article 19: (Deleted)

Article 20: The duties and powers of the board of directors are as follows:

1. Appointment and dismissal of important personnel and managers.
2. Determination and revision of business policies.
3. Preparation of budget and final accounts.
4. Drafting of profit distribution or loss recovery.
5. Reinvestment and approval of other companies' loans and asset pledges.
6. Endorsements, guarantees, and acceptances of affiliated companies that exceed the total amount set by the board of directors must be reported to the board of directors.
7. External borrowings and related credits exceeding the total amount stipulated by the

board of directors must be reported to the board of directors.

8. Approval for the purchase of fixed assets exceeding NT$20 million.
9. The establishment, adjustment, and cancellation of important organizations of the company and the drafting of important rules of the company's articles of association.
10. Other functions and powers conferred by laws and regulations and the shareholders' meeting.

Article 21: (Deleted).

Article 22: The company have one general manager and several deputy general managers, whose appointment and dismissal shall be handled in accordance with the provisions of the Company Law.

Article 23: The company may hire consultants and managers through a resolution of the board of directors in accordance with Article 18 of the Articles of Association.

Chapter V Accounting and profit distribution

Article 24: At the end of the company's business year, the board of directors shall compile the following tables and submit them to the annual shareholders meeting for approval in accordance with legal procedures:

(1) Business report
(2) Financial statements
(3) Proposal on profit distribution statement or loss off-set

Article 25: If the company have annual profits, 2% should be allocated as employee remuneration and no more than 2% should be allocated as director and supervisor remuneration. However, if the company has accumulated losses, the amount should be reserved in advance.

The remuneration of employees referred to in the preceding paragraph may be paid in stock or in cash, and the recipients of the payment may include subordinate employees who meet the conditions set by the board of directors. The remuneration of directors and supervisors referred to in the preceding paragraph shall only be paid in cash.

The first two items shall be implemented by a resolution of the board of directors and reported to the shareholders' meeting.

Article 25-1: To improve the company's financial structure and protect the rights and interests of investors, the company adopts a balanced dividend policy and comprehensively considers the company's future operating needs, profitability, and capital structure to determine the company's proposed dividend distribution. Dividends are distributed in two ways: stock dividends (including capital increase from surplus and capital reserve) and cash dividends.

Article 25-2: If there is net profit after tax in the company's annual final accounts, after making up losses in accordance with the law, except that 10% is first allocated as a legal surplus reserve, and after the special surplus reserve is set aside or reversed in accordance with laws and regulations, and then incorporate the "adjusted amount of undistributed earnings for the current year" into the accumulated undistributed earnings, and after the board of directors reserves a part according to operational needs, the board of directors will draft a surplus distribution proposal and submit it to the shareholders' meeting for a resolution on the distribution of shareholder dividends.

Chapter VI Additional Provisions

Article 26: The company's organizational regulations and working rules shall be separately formulated by the board of directors.

Article 27: Matters not specified in this Articles of Association shall be handled in accordance with the Company Law and other laws and regulations.

Article 28: This constitution was established on December 19, 1972
The first revision was on August 10, 1974
The second revision was on December 28, 1975
The third revision was on April 20, 1976
The fourth revision was on August 5, 1976
The fifth revision was on September 12, 1978
The sixth revision was on August 20, 1980
The seventh revision was on February 10, 1982
The eighth revision was made on December 15, 1983
The ninth revision was on December 2, 1985
The tenth revision was made on March 9, 1987
The eleventh revision was made on October 15, 1988
The twelfth revision was made on June 19, 1989
The thirteenth revision was made on July 12, 1989
The fourteenth revision was made on December 23, 1989
The fifteenth revision was on June 20, 1990
The sixteenth revision was made on April 9, 1991
The seventeenth revision was made on May 16, 1991
The eighteenth revision was on June 18, 1993
The nineteenth revision was made on May 31, 1994
The twentieth revision was on June 26, 1996
The twenty-first revision was made on June 16, 1997
The twenty-second revision was on June 21, 1999
The twenty-third revision was made on May 9, 2000
The twenty-fourth revision was made on May 31, 2002
The twenty-fifth revision was made on June 23, 2003
The twenty-sixth revision was made on June 25, 2004
The twenty-seventh revision was made on June 29, 2005
The twenty-eighth revision was made on June 26, 2006
The twenty-ninth revision was made on June 19, 2009
The thirty revision was made on June 14, 2010
The thirty-first revision was made on June 21, 2011
The thirty-second revision was made on April 30, 2013
The thirty-third revision was made on April 29, 2014
The thirty-fourth revision was made on June 17, 2016

The thirty-fifth revision was made on June 21, 2017
The thirty-sixth revision was made on June 7, 2018
The thirty-seventh revision was made on June 3, 2019
The thirty-eighth revision was made on June 2, 2020
The thirty-ninth revision was made on July 29, 2021
The fortieth revision was on June 29, 2023

Longhua Electronics Co., Ltd.

Chairman: WANG, WKANG-HSIANG

Appendix 2

Longhua Electronics Co., Ltd.
Rules of Procedure for Shareholders' Meeting

Article 1: The company's shareholders' meetings, except as otherwise provided by law, shall be as provided in these Rules.

Article 2: The company shall specify in its shareholders meeting notice the time during which attendance registrations for shareholders, the place to register for attendance, and other matters that should be paid attention.

The time for acceptance of shareholder attendance in the preceding paragraph shall be handled at least 30 minutes before the start of the meeting; the attendance office shall be clearly marked, and adequate and qualified personnel shall be assigned to handle it.

Shareholders themselves or proxies entrusted by shareholders (hereinafter referred to as "shareholders") shall present their attendance certificates, attendance cards, or other attendance certificates to attend the shareholders' meeting; the solicitor of the power of attorney solicitation shall bring his identity documents for verification.

Shareholders (or proxies) of the company submit the attendance card to sign in on behalf of the company. The number of shares attended is calculated based on the signature book or the handed-in attendance card.

The company shall give the handbook, annual report, attendance certificate, speech slips, voting papers, and other meeting materials to the shareholders attending the shareholders' meeting; those who elect directors and supervisors shall attach ballot papers.

Article 3: Attendance and voting at the shareholders' meeting shall be calculated based on shares.

Article 3-1: The location of the shareholders' meeting shall be the location of the company or a place that is convenient for shareholders to attend and suitable for holding the shareholders' meeting. The starting time of the meeting shall not be earlier than 9:00 am or later than 3:00 pm.

Article 4: If the shareholders' meeting is convened by the board of directors, the chairman shall be the chairman. If the chairman is on leave or unable to exercise his powers for some reason, the chairman shall designate a director to act as an agent. Push one person to represent it.

The chairman of the preceding paragraph shall be represented by a director who has served for more than six months and who understands the company's financial and business conditions. The same applies if the chairman is the representative of the corporate director.

If the shareholders' meeting is convened by a person with the right to convene other than the board of directors, the person with the right to convene shall act as the chairman.

Article 5: The company may appoint lawyers, accountants or related personnel appointed by the company to attend the shareholders' meeting. Personnel handling the shareholders' meeting shall wear identification badges or armbands.

Article 6: The company shall make audio or video recordings of the entire process of the shareholders' meeting and keep them for at least one year. However, according to the shareholders Judicial Article 189 those who file a lawsuit shall save it until the conclusion of the lawsuit.

Article 7: When the meeting time in order, the chairman shall immediately announce the opening of the meeting, and at the same time announce relevant information such as the number of non-voting rights and the number of shares present. However, if shareholders representing more than half of the total number of issued shares are not present, the chairman may announce the postponement of the meeting, if the meeting time has passed and the quorum is not enough, the chairman may announce the postponement. The number of postponements shall be limited to two times, and the total delay time shall not exceed one hour.

If there are still not enough shareholders representing more than one-third of the total issued shares to attend after the second postponement, the chairman will announce that the meeting will be adjourned.

If the amount is still insufficient after two delays and there are shareholders representing more than one-third of the total issued shares present, it may be a false resolution in accordance with Article 175, Paragraph 1 of the Company Law.

Before the end of the current meeting, if the number of shareholder representatives present reaches more than half of the total number of issued shares, the chairman may resubmit the false resolution made to the general meeting for voting in accordance with Article 174 of the Company Law.

Article 8: If the shareholders' meeting is convened by the board of directors, the agenda shall be determined by the board of directors, and the meeting shall be conducted according to the scheduled agenda. If the shareholders' meeting that cannot be changed without a resolution of the shareholders' meeting is convened by a person other than the board of directors who has the right to convene, the provisions of the preceding paragraph shall apply mutatis mutandis.

Before the conclusion of the agenda (including temporary motions) scheduled in the first two items, the chairman shall not adjourn the meeting without a resolution.

Except the proposals listed in the agenda, if a shareholder intends to propose other proposals or amendments or substitutions to the original proposal, it shall be seconded by other shareholders, and the shareholding of the proposer and the representative of the seconder shall reach One-third of total issued shares.

If it is not a proposal, it will not be discussed or voted on. When discussing a bill, the chairman can announce the end of the discussion at an appropriate time and may announce the cessation of the discussion when necessary.

After the meeting is adjourned, shareholders are not allowed to elect another chairman to continue the meeting at the original location or find another place. However, if the chairman violates the rules of procedure and announces the adjournment of the meeting, the meeting may continue with the consent of more than half of the voting rights of the present shareholders to elect a person to serve as the chairman.

Article 9: Before speech, the attending shareholder must fill out to specify the gist of the speech, shareholder account number (or attendance card number) and account name, and the order of speeches shall be determined by the chairman.

Shareholders attending the meeting who only put forward speech slips but did not make a speech shall be deemed as having not made a speech.

If the content of the speech is inconsistent with the record of the speech, the content of the speech shall prevail.

When a shareholder present speaks, other shareholders are not allowed to interfere with the speech unless the chairman and the shareholder who speaks agree, and the chairman should stop the violation.

Article 10: The same proposal shall not be spoken by each shareholder more than twice without the consent of the chairman, and each time shall not exceed five minutes.

If a shareholder's speech violates the provisions of the preceding paragraph or exceeds the scope of the topic, the chairman may stop the shareholder from speaking.

Article 11: When a legal person is entrusted to attend the shareholders' meeting, the legal person can only designate one representative to attend.

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

Article 12: After the speeches of attending shareholders, the chairman may reply in person or by designating relevant person.

Article 13: When the chairman considers that the discussion of the proposal has reached a level that can be voted, he may announce suspension of discussion and put it to the vote.

Article 14: The scrutiny and counting personnel for voting on proposals shall be designated by the chairman, but the scrutiny personnel shall be shareholder.

The counting of votes or election proposals at the shareholders' meeting shall be done in a public place in the shareholders' meeting, and after the counting is completed, the voting results shall be announced on the spot, including the counting weights, and shall be recorded.

The distribution of minutes of the company's shareholders' meetings shall be handled in accordance with the provisions of laws and regulations.

When the shareholders' meeting elects directors, it shall follow the relevant election rules stipulated by the company, and shall announce the election results on the spot, including the list of elected directors and their voting rights, and the list of unsuccessful directors and their voting rights.

Article 15: When a meeting is in progress, the chairman may announce a break based on time considerations.

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

Article 16: Unless otherwise stipulated in the company law and the company's articles of association, the voting on the proposal shall be passed with the consent of more than half of the voting rights of the shareholders present.

The proposal is consulted by the chairman during voting, if there is no objection, it is deemed to be passed, and its effect is the same as voting by ballot.

Article 17: When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting required.

Article 18: The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

Article 19: These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

Article 20: This Rule was amended by the shareholders' meeting on June 19, 2009.

This Rule was amended by the shareholders' meeting on June 21, 2012.

This Rule was amended by the shareholders' meeting on April 30, 2013.

This Rule was amended by the shareholders' meeting on July 29, 2021.

Longhua Electronics Co., Ltd.
Rules for Director Elections

Article 1: In order to select directors fairly, impartially and openly, the Company formulates these Measures in accordance with the provisions of Articles 21 and 41 of the "Code of Practice for the Governance of Listed Overseas Companies".

Article 2: The selection and appointment of directors of the company shall be handled in accordance with these regulations, unless otherwise provided by laws or articles of association.

Article 3: The selection of directors of the company shall take into account the overall configuration of the board of directors. Board members should generally possess the necessary knowledge, skills and qualities to perform their duties.

Article 4: The company shall set up independent directors in accordance with the provisions of the articles of association. The election of directors shall be carried out in accordance with the candidate nomination system procedures stipulated in Articles 192-1 and 216-1 of the Company Law.

Article 5: The election of directors of this company adopts a single-registration cumulative voting system. Each share has the same voting rights as the number of directors or supervisors to be elected. One person can be elected centrally, or several people can be elected separately.

Article 6: The board of directors shall prepare the same number of electoral votes as the number of directors to be elected, fill in the weights, and distribute them. The names of shareholders and electors who attend the shareholders' meeting can be replaced by the attendance certificate number printed on the election ticket. Independent directors and non-independent directors should be elected together, and the number of elected directors should be calculated separately. Shareholders should elect independent directors from the list of candidates.

Article 7: The company's directors are elected by the shareholders' meeting based on the list of candidates. The voting rights of independent directors and non-independent directors are calculated separately in accordance with the quotas stipulated in the company's articles of association. The results of voting and electoral vote counting are exercised, and the electoral votes obtained represent the voting rights. Those with the larger number will be elected as directors in turn. If two or more people have the same number of rights and exceed the prescribed quota, the decision will be made by drawing lots among those with the same number of rights. For those who are not present, the chairman will draw lots on their behalf.

Article 8: Before the election begins, the chairman shall designate a number of scrutineers and counters who are shareholders to perform various relevant duties. Ballot boxes are prepared by the board of directors and open for inspection by the scrutineers in public before voting.

Article 9: (Deleted)

Article 10: An electoral vote shall be invalid if it falls under any of the following circumstances:

1. Those who do not use the ballot papers stipulated in these regulations.
2. Putting a blank ballot into the ballot box.
3. The handwriting is illegible or has been altered.
4. The filled-in list of electees and director candidates are inconsistent after verification.
5. In addition to filling in the number of allocated voting rights, other words are included.

Article 11: The counting of votes for shareholders' meeting election proposals shall be conducted publicly at the shareholders' meeting. After the voting is completed, the votes will be counted on the spot. The results of the voting shall be announced on the spot by the chairman or his designated person, the list of elected directors and their voting rights.

Article 12: The elected directors shall be notified by the company's board of directors in a separate letter and fill out the "Consent Letter for Appointment", and then register and take office in accordance with the law.

Article 13: These Rules shall come into effect after being approved by the shareholders' meeting, and the same shall apply when amended.

This Rules were amended at the AGM on June 19, 2009.

This Rules were amended at the AGM on June 21, 2012.

This Rules were amended at the AGM on April 29, 2014.

This Rules were amended at the AGM on June 2, 2020.

This Rules were amended at the AGM on July 29, 2021.

Appendix 4

Longhua Electronics Co., Ltd.

List of shareholdings of all directors

1. The percentage and number of shares of the company's current directors are as follows:
   The total number of issued shares of the company is 56,275,000 shares.
   The minimum total number of shares that all directors should hold is 4,502,000 shares.
   The shareholding of all directors of the company has complied with the laws.

2. As of April 27, 2024, which the transfer of accounts closed day of 2024 annual shareholders meeting, the shares held by all directors are as follows:

Job Title	Name	Number of shares
Chairman	Xinqing Investment Development Co., Ltd. Representative: WANG, WKANG-HSIANG	9,571,540
Director	Xinqing Investment Development Co., Ltd. Representative:Lin Kunming	
Director	Sanya Investment Co., Ltd. Representative: ALLEN Y. WANG	4,809,340
Director	ROWDA TECH COMPANY Representative: WANG, SHARON	1,943,550
Director	Shanyuan Construction Co., Ltd. Representative: Li Yanzhang	1,324,413
Independent director	Dong Qingquan	0
Independent director	Wu Hengyi	0
Independent director	Lu Xinghua	0
Independent director	Li Shuping	0
Total number of shares held by all directors (Not include Independent director)		17,648,843