Stock Code：2424

LUNG HWA
ELECTRONICS

Lung Hwa Electronics Co., Ltd.

2025 Annual General Meeting of Shareholders

Meeting Handbook

June 24, 2025

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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Lung Hwa Electronics Co., Ltd.
2025 Annual Shareholders’ Meeting Agenda

Convening method: Physical shareholders meeting

Meeting Time : 9:00 a.m. June 24, 2025 (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 Matter
   (1) The Company’s 2024 Operating Status Report.
   (2) The Audit Committee Review Report for the 2024 final accounts.
   (3) Implementation situation of private placement of common shares report.
   (4) Report on 2024 Accumulated Losses Reaching One-Half of Paid-in Capital.
   (5) Report on the establishment of the Company’s management measures, namely, [Guidelines on Codes of Ethical Conduct], [Ethical Corporate Management Best Practice Principles], and [Procedures for Ethical Management and Guidelines for Conduct].
4. Adoption Matter
   (1) Adoption of the 2024 Business Report and Financial Statements.
   (2) Adoption of the Proposal for 2024 Deficit Compensation.
5. Discussion Matter
   (1) Proposal for a cash offering by private placement.
   (2) Amendment to some articles of the Company’s "Procedures for Acquisition and Disposal of Assets".
   (3) Amendment to some articles of the Company’s "Articles of Association".
   (4) Amendment to some articles of the Company’s "Rules of Procedure for Shareholders’ Meeting".
6. Extraordinary Motion
7. Meeting Adjournment

III. Reporting Matter

First case
Reason: The Company's 2024 Operating Status Report. Please inspect.
Explanation:

1. Please refer to Attachment 1 on pages 12-17 of this Handbook for the Company's 2024 Business Report.
2. Please inspect.

Second case
Reason: The Audit Committee Review Report for the 2024 final accounts. Please inspect.
Explanation:

1. Please refer to Attachment 2 on page 19 of this Handbook for the Audit Committee Review Report.
2. Please inspect.

Third case
Reason: Implementation situation of private placement of common shares report.
Explanation:

1. Implementation situation of private placement of common shares report, please refer to Attachment 4 on pages 36-38 of this Handbook.
2. Please inspect.

Fourth case
Reason: Report on 2024 Accumulated Losses Reaching One-Half of Paid-in Capital. Please inspect.
Explanation:

1. According to Article 211 of the Company Act, 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 2024 financial statements audited by CPAs was NT$521,740,663, which has exceeded half of the paid-in capital of NT$579,850,000. It was submitted to the 2025 Annual General Meeting of Shareholders in accordance with the law.
3. Please inspect.

Fifth case
Reason: Report on the addition of the Company's [Guidelines on Codes of Ethical Conduct], [Ethical Corporate Management Best Practice Principles], and [Procedures for Ethical Management and Guidelines for Conduct]. Please inspect.
Explanation:

1. The above measures have been formulated in order to implement corporate governance, comply with the Ethical Corporate Management Best Practice Principles, and actively prevent unethical conduct.
2. For the addition of the [Guidelines on Codes of Ethical Conduct], [Ethical Corporate Management Best Practice Principles], and [Procedures for Ethical Management and Guidelines for Conduct], please refer to Attachment 5 on pages 39-41, Attachment 6 on pages 42-48, and Attachment 7 on pages 49-54 of this Handbook.
3. Please inspect.

IV. Adoption Matter

First case　　　　Proposed by the Board of Directors

Reason: Adoption of the 2024 Business Report and Financial Statements, please adopt it.

Explanation:

1. The Company's 2024 business report and financial statements have been prepared and passed by the resolution of the Board of Directors on March 11, 2025. The financial statements have been audited by CPAs Yang, Hui-Tzu and Lin, Po-Chuan of PWC United Accounting Firm.
2. The Company's 2024 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 12-17 and Attachment 3 on pages 20-35 of this Handbook for the Company's 2024 business report, financial statements and CPAs' audit report.
4. Please adopt.

Resolution:

Second case　　　　Proposed by the Board of Directors

Reason: Adoption of the Proposal for 2024 Deficit Compensation, please adopt it.

Explanation:

1. The Company's losses to be made up at the beginning of 2024 were NT$334,636,891, the after-tax loss in 2024 was NT$187,103,772, and the losses to be made up at the end of 2024 were NT$521,740,663. It is proposed to deficit compensation by paid-in capital NT$210,249,188 according to Article 239 of the Company Act. After compensation, the Company's deficit yet to be compensated at the end of the period was NT$311,491,475. Please refer to page 5 of this Handbook for the Deficit Compensation table.
2. Please adopt.

Resolution:

Lung Hwa Electronics Co., Ltd.

2024 Deficit Compensation Table

Unit: NT$

Item	Amount
Deficit yet to be compensated at the end of at the beginning of the period	(334,636,891)
Net loss after tax in 2024	(187,103,772)
Losses to be made up in 2024	(521,740,663)
Add: Capital reserve - share premium to make up losses	101,940,000
Capital reserve - make up of losses for difference between the price and book value of equity interest in subsidiaries disposed of	52,758,504
Capital reserve - recognition of changes in ownership interests in subsidiaries	55,550,684
Deficit yet to be compensated at the end of the period	(311,491,475)

Chairman: WANG, WKANG-HSIANG

Manager: WANG, SHARON

Accounting Supervisor: CHEN, MENG-TSE

V. Discussion Matter

First case　　　　　　　　　　　　　　　　　　　　Proposed by the Board of Directors

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

Explanation:

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 (2023) No. 1120383220 of September 12, 2023, and Public Companies Should Pay Attention to Private Placement of Securities".

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
WANG, SHARON	Director and general manager of the Company (legal representative of Zhonghua)
ALLEN Y. WANG	Director of the Company (legal representative of Zhonghua)
Wang Yawei	1-degree relationship with the chairman of the Company
Lin Kunming	Director of the Company (legal representative of Zhonghua)
Wang Xu Xue’e	Shareholders of the Company
Xinqing Investment and Development Co., Ltd.	Some of the directors and supervisors are the same as the Company
ROWDA TECH COMPANY	Some of the directors and supervisors are the same as the Company
Sanya Investment Co., Ltd.	Some of the directors and supervisors are the same as the Company
Shanyuan Construction Co., Ltd.	Some of the directors are the same as the Company
Zhonghua Investment Co., Ltd.	Director of the Company
Sanli Investment Co., Ltd.	Some of the directors and supervisors 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	Shareholding ratio%	Relationship with the Company
1	Wang Yafeng	74,000	0.98	2-degree relationship with the chairman of the Company
2	Wang Yacheng	260,000	3.42	2-degree relationship with the chairman of the Company
3	WANG, WKANG-HSIANG	1,915,000	25.20	Chairman of the Company
4	Wang Xu Xue’e	742,000	9.76	Shareholders of the Company
5	ALLEN Y. WANG	766,000	10.08	Director of the Company
6	Wang Lichi	266,000	3.50	3-degree relationship with the chairman of the Company
7	WANG, SHARON	593,000	7.80	Director of the Company
8	Wang Yawei	572,000	7.53	Shareholders of the Company
9	Wang Liming	175,000	2.30	3-degree relationship with the chairman of the Company
10	Wang Liqun	182,000	2.39	3-degree relationship with the chairman of the Company
11	Wang Liju	182,000	2.39	3-degree relationship with the chairman of the Company
12	Zhonghua Investment Co., Ltd.	1,123,000	14.78	Director of the Company
13	Sanya Investment Co., Ltd.	750,000	9.87	Shareholders 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	Shareholders 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	31.38	None
2	WANG, WKANG-HSIANG	7,069,187	15.06	Chairman of the Company
3	Sanya Investment Co., Ltd.	6,451,206	13.74	Shareholders of the Company
4	Chen Wu Jingmei	4,172,749	8.89	Shareholders of the Company
5	Wang Xu Xue’e	2,695,841	5.74	Shareholders of the Company
6	Chen Qisheng	1,878,998	4.00	Shareholders of the Company
7	Chen Wenjuan	1,877,851	4.00	Shareholders of the Company
8	Chen Wenjin	1,877,674	4.00	Shareholders of the Company
9	Chen Hsiuling	1,877,652	4.00	None
10	Chen Hsiufen	1,877,063	4.00	None

Zhonghua Investment Co., Ltd.				
No.	Shareholder name	Number of shares	Shareholding ratio%	Relationship with the Company
1	ALLEN Y. WANG	163,000	16	Director of the Company
2	WANG, SHARON	222,000	22	Director of the Company
3	Wang Yawei	192,000	19	Shareholders of the Company
4	Wang Lichi	100,000	10	3-degree relationship with the chairman of the Company
5	Wang Xu Xue’e	63,000	6	Shareholders of the Company
6	Wang Liqun	65,000	7	3-degree relationship with the chairman of the Company
7	Wang Liming	65,000	7	3-degree relationship with the chairman of the Company
8	Wang Liju	30,000	3	3-degree relationship with the chairman of the Company
9	Sanya Investment Co., Ltd.	100,000	10	Shareholders of the Company

Sanli Investment Co., Ltd.				
No.	Shareholder name	Number of shares	Shareholding ratio%	Relationship with the Company
1	ALLEN Y. WANG	225,000	0.47	Director of the Company
2	WANG, SHARON	975,000	2.10	Director of the Company
3	Wang Yawei	6,300,000	13.55	Shareholders of the Company
4	Wang Lichi	2,250,000	4.84	3-degree relationship with the chairman of the Company
5	Wang Liqun	2,250,000	4.84	3-degree relationship with the chairman of the Company
6	Wang Liming	2,250,000	4.84	3-degree relationship with the chairman of the Company
7	Wang Liju	2,250,000	4.84	3-degree relationship with the chairman of the Company
8	Xinqing Investment and Development Co., Ltd.	30,000,000	64.52	Shareholders of the Company

Huazhu Engineering Co., Ltd.				
No.	Shareholder name	Number of shares	Shareholding ratio%	Relationship with the Company
1	Shanyuan Construction Co., Ltd.	7,680,000	100.00	None

(5) 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, the maximum equity dilution rate for the original shareholders will be 25.87%. 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.

Resolution:

Second case Proposed by the Board of Directors

Reason: Amendment to some articles of the Company's "Procedures for Acquisition and Disposal of Assets". Please proceed to discuss.

Explanation:

1. It is proposed to amend some articles of the Company's "Procedures for Acquisition and Disposal of Assets" in order to implement the Regulations Governing the Acquisition and Disposal of Assets by Public Companies and to meet the needs of practical operation.
2. Comparison table of before and after the amendments to articles, please refer to Attachment 8 on pages 55-57 of this Handbook.

Resolution:

Third case Proposed by the Board of Directors

Reason: Amendment to some articles of the Company's "Articles of Association". Please proceed to discuss.

Explanation:

1. It is proposed to amend some articles of the Company's "Articles of Association" in order to implement Article 14, Paragraph 6 of the Securities and Exchange Act and to meet the needs of practical operation
2. Comparison table of before and after the amendments to articles, please refer to Attachment 9 on pages 58-60 of this Handbook.

Resolution:

Fourth case Proposed by the Board of Directors

Reason: Amendment to some articles of the Company's "Rules of Procedure for Shareholders' Meeting". Please proceed to discuss.

Explanation:

1. It is proposed to amend some articles of the Company's "Articles of Association" in compliance with the Regulations Governing Content and Compliance Requirements for Shareholders' Meeting Agenda Handbooks of Public Companies and in line with the Articles of Association.
2. Comparison table of before and after the amendments to articles, please refer to Attachment 10 on pages 61-70 of this Handbook.

Resolution:

VI. Extraordinary Motion

VII. Meeting Adjournment

2024 Business Report

Dear Mr. and Mrs. Shareholders: Hello everyone!

Looking back to 2024, in the face of the challenges posed by the changing global economic and industrial environment, the Company continued to adhere to the principle of prudent management, focusing its resources on the core businesses with long-term competitiveness, while strengthening its financial strength and operational flexibility in order to cope with the future market dynamics and changes in the industry.

With respect to operations, Lung Hwa is the only Taiwanese company that provides global maritime satellite broadband network, global satellite operation data center service, and B5G/6G satellite application integration solutions at the same time. Lung Hwa has established a technical partnership with Hughes Group, the world's leading satellite broadband equipment manufacturer. In addition to improving service quality and market competitiveness, it has expanded into the satellite application services and the integration of maritime Internet of Things system. As of now, Lung Hwa has established 6 satellite ground receiving stations around the world, including Taiwan, the United States, Australia, Japan, Italy and India, respectively. Its global satellite broadband coverage network spans the Pacific, Atlantic, Indian Ocean, Europe and other major economic waters. As more than 70% of the world's area is covered by oceans and seas, commercial activities such as shipping, offshore fishing, offshore engineering and energy platforms have a high demand for stable communications. Lung Hwa has integrated high and low orbit satellite resources, combined with terminal equipment specially designed for ships and offshore operating environments, to provide highly reliable and low-latency communication solutions covering application scenarios such as offshore fishing vessels, freighters, merchant ships, transportation vessels and offshore work platforms. In the future, the Company will be engaged in the development of marine-related hardware, compression imaging and value-added services in an active manner. It also aims to expand into the markets of drones, unmanned ships and intelligent ship management in order to increase the cohesiveness of users and the service scale. This year, the Company also established a wholly-owned subsidiary San Tien Intelligence Co., Ltd., and entered into an AI cooperation contract with Da Ku Pan Co., Ltd. (Subsidiary of iSANetwork AI in Taiwan) to strengthen data management and data integration services. With the increasing demand for the Internet of Things for maritime communications and intelligent ship management, Lung Hwa is poised for future growth.

Videosoft is the leader in low bandwidth live video streaming. By combining high-efficiency compression with advanced transmission protocols, it is able to stably deliver high-definition real-time imaging at ultra-low bandwidths even in unstable environments. This is a significant breakthrough from the previous limitation of "no live streaming without sufficient bandwidth". Videosoft's imaging technology not only offers high compression and low latency, but also provides industrial-grade stability and a user-friendly interface that support simultaneous transmission of video, audio, and data, making "real-time live broadcasting possible anywhere, anytime". The wide applications range from aviation, drones, energy industry to military, police, maritime communications, surveillance, etc., and can also be extended to integrate with satellite communications solutions for land, sea, and air. Currently, Videosoft's products have already been adopted by a number of international satellite service providers and are commonly used in military, police and drone surveillance missions in Europe and the U.S. Videosoft also continues to receive a number of high-margin orders from the aerospace, drone and energy industries, which is conducive to boosting business performance. A rise in demand due to global geopolitics and information security has led to an increase in the demand for high-definition real-time streaming. The compression technology of Videosoft will continue to be an important driving force in the market in the future, with promising growth potential.

Looking ahead, the Company will continue to enhance its operational efficiency, capture market opportunities, stride forward in a steady manner, and strive to create a stable and sustainable return on value for all shareholders.

I. 2024 Business Report

(I) 2024 Business Status

Unit: Thousands of New Taiwan Dollars

Item	2024	2023	Change %
Operating income	140,071	106,671	31.31
Operating profit (loss)	(191,820)	(188,820)	1.59
Profit or loss before tax	(185,226)	(198,942)	(6.89)
Earnings per share after tax	(3.35)	(3.95)	(15.19)

(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	2024	2023	Increase (Decrease) amount	Increase (Decrease) ratio
Interest income	2,108	1,903	205	10.77
Interest expense	11,786	13,249	(1,463)	(11.04)

2. Profitability analysis

Item	2024	2023
Return on assets (%)	-27.88%	-30.93%
Return on equity (%)	-61.59%	-67.87%
Operating profit (loss) to paid-in capital (%)	-33.50%	-35.44%
Net income (loss) before tax to paid-in capital (%)	-32.15%	-37.34%
Net profit (loss) rate (%)	-132.24%	-186.50%
Earnings (Loss) per share after tax (NT$) (Note)	-3.35	-3.95

(Note) The 2024 loss per share has not yet been approved by the Shareholders’ meeting.

Chairman: WANG, WKANG-HSIANG　　Manager: WANG, SHARON　　Accounting Supervisor: CHEN, MENG-TSE

(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.

(10) iNSPIRE series of products

iNSPIRE series of products can integrate large cabinets on vessels into small desktop units, combined with high and low-earth orbit antenna conversion. x

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. 2025 Operation Plan

(I) Business policy

According to statistics, the total output value of Taiwan’s satellite industry reached NT$246.7 billion in 2023, and will amount to NT$300 billion in 2025, with ground equipment accounting for over 90% of the total output value, and satellite manufacturing and services accounting for about 3% each, indicating that there is still considerable growth potential in these areas. Currently, Lung Hwa’s satellite business adopts a combination of high- and low-orbit satellites. The Company cooperates with leading international satellite manufacturers, namely, Hughes and iridium, to provide maritime broadband communication services, operating on a long-term contract basis and charging a monthly fee.

Lung Hwa expects to obtain a satellite operation license in 2025, making it the only private enterprise in Taiwan, other than Chunghwa Telecom, capable of building its own satellite system and providing satellite operation. Moreover, Lung Hwa expects to establish a main station through cooperation with a low orbit satellite company and actively obtain a low orbit satellite operation license, which will give the Company greater flexibility and mobility. Lung Hwa also cooperates with its subsidiaries to develop AI technology and enhance its software and hardware solutions for fleet management to provide more comprehensive LHSat services and create more additional revenues for satellite communications.

(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) Continue to develop new products, expand new markets and new customers, and strengthen market development capabilities.
(3) Establish sub-subsidiary in the United States, and actively strive for military, police, defense and commercial OEM orders in the Americas.
(4) Improve R&D and operational capabilities, explore partnership and cross-industry cooperation opportunities, 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) Deploy B5G/6G development in advance, master emerging technologies such as 6G, satellite communications, AI, and the Internet of Things, and actively invest in the development of new satellite communications products to expand the significant business opportunities arising from the future communications market.

(II) Strive to become the global leader in delivering high-quality, low-latency, real-time imaging over all types of wireless network.

(III) Strengthen the functions of Taiwan's operating headquarters and fully promote international business deployment with Taiwan as the core and the world as the hinterland.

(IV) Adhere to the concept of "widening alliances, mutual benefit and common prosperity", actively participate in the satellite communications ecosystem, and invest in the development of innovative applications and services with potential.

(V) Focus on the needs of SMEs for automated data sorting and collection through the exclusive license of enterprise-owned AI agent technology to develop diversified revenue models.

IV. Impact of External Competitive Environment, Regulatory Environment and Overall Operating Environment

The competitive landscape of the maritime satellite communications industry is undergoing a rapid change. With the rapid deployment of low orbit satellite service providers such as Starlink Maritime and OneWeb on global routes, the market is evolving towards high speed, low latency and low cost, which has brought significant pressure on the medium and high orbit satellite service providers. In response to this trend, Lung Hwa has actively adjusted its product strategy and optimized its equipment compatibility and service model to enhance its competitiveness in the international market.

Geopolitics has also increased uncertainty in the overall shipping market. Tensions in areas such as the Red Sea and the Black Sea have affected the stability of major shipping routes, further emphasizing the importance of highly reliable maritime communication services. In response to the needs of offshore fishing and international maritime customers, Lung Hwa continues to expand multiple satellite frequency bands and redundant backup solutions to strengthen service availability and risk response capabilities.

In addition, the increasingly widespread use of AI and IoT applications in fleet operations and energy monitoring has placed higher demands on the stability and scalability of satellite communications. Lung Hwa is integrating the resources of its parent company to deepen local technical support, enhance application integration capabilities, and expand the added value of services.

In the face of an internationalized and diversified market environment, the Company adheres to the principle of steady and pragmatic operation, responds flexibly to regulatory and technological changes, and continues to expand into regional markets with development potential to generate stable revenue and profitability, and create long-term value for shareholders, customers, employees, and society.

Best wishes to all shareholders

Good health, safety and happiness

Chairman WANG, WKANG-HSIANG

General Manager WANG, SHARON

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 2024, 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,

Lung Hwa Electronics Co., Ltd. 2025 Annual Shareholders' Meeting

Lung Hwa Electronics Co., Ltd.

Convener of Audit Committee : Tung ChingChuan

March 11, 2025

Attachment 3

Lung Hwa Electronics Co., Ltd.

Statement of Affiliated Enterprise Consolidated Financial Statement

Companies to be included in the preparation of the consolidated financial statements of affiliates under the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" and companies to be included in the consolidated financial statements of the parent company and its subsidiary under IFRS 10 of the Company for 2024 (from 1 January 2024 to the year ended 31 December 2024) are identical; relevant information to be disclosed in the consolidated financial statements of affiliates is disclosed in the above consolidated financial statements of the parent company and its subsidiary; therefore, no consolidated financial statements of affiliates is otherwise prepared.

The statement is hereby provided.

Lung Hwa Electronics Co., Ltd.

Representative: WANG, WKANG-HSIANG

March 11, 2025

Audit Report by CPAs

(2025) Audit Report Financial Examination 24004519

To Lung Hwa Electronics Co., Ltd.:

Audit Opinion

The consolidated balance sheets of Lung Hwa Electronics Co., Ltd. and its subsidiary (hereinafter referred to as the "Lung Hwa Group") as of December 31, 2024 and 2023, the consolidated statements of comprehensive income, consolidated statements of changes in equity, consolidated statements of cash flows for the years ended December 31, 2024 and 2023 (January 1 to December 31), and the accompanying notes to the consolidated financial statements (including the summary of significant accounting policies), have been audited by us, the CPAs.

In our opinion, the aforementioned consolidated financial statements are prepared, in all material respects, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and present fairly the consolidated financial position of the Lung Hwa Group as of December 31, 2024 and 2023, as well as its consolidated financial performance and cash flows for the years then ended.

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 Lung Hwa 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 obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those that, in the CPAs' professional judgment, were of most significance in the audit of the Lung Hwa Group's consolidated financial statements for the year 2024. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon, the CPAs do not provide separate opinions on these matters.

The key audit matters for the consolidated financial statements of Lung Hwa Group for the year 2024, are as follows:

Impairment Assessment of Property, Plant and Equipment and Right-of-use Assets

Description of Matters

For details on the accounting policies related to impairment of property, plant and equipment (PP&E), right-of-use assets, and non-financial assets, please refer to Notes 4(12), (13), and (15) of the consolidated financial statements; for uncertainties in accounting estimates and assumptions regarding impairment of PP&E and right-of-use assets, please refer to Note 5(2); for descriptions of the accounting items for PP&E and right-of-use assets, please refer to Note 6(6) and 6(7).

Lung Hwa Group estimates the recoverable amount of its property, plant and equipment (PP&E) and right-of-use assets based on their value in use (VIU), which serves as the foundation for impairment assessments. The assessment of value in use (VIU) inherently involves management judgment. Any changes in estimates due to evolving economic conditions or shifts in corporate strategies may lead to future impairments. Therefore, the CPAs have classified the impairment assessment of property, plant and equipment (PP&E) and right-of-use assets as one of the most critical audit matters.

Corresponding Audit Procedures

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

1. Evaluate the key assumptions used by management in estimating future cash flows, including comparisons with historical results and industry information to assess the reasonableness of projected changes in revenue, gross profit and expenses.

2. Obtain the impairment assessment report issued by the experts commissioned by Lung Hwa Group, review and evaluate the reasonableness of the valuation method and its industry and environment, the estimation process of future cash flows, the discount rate and the assumption of the cost of funds per cash generating unit, and compare the cash flow in the future years listed in the evaluation model with the operating plan proposed by the management, and evaluate the reasonableness of the impairment amount.

Existence of Sales Revenue

Description of Matters

For the accounting policy on revenue recognition, please refer to Note 4(22) to the consolidated financial statements; for the explanation of the accounting items of operating revenue, please refer to Note 6(16) of the consolidated financial report.

Lung Hwa Group continues to expand its new maritime broadband business, where satellite hardware and software and traffic revenue account for a significant portion of total revenue. Therefore, the CPAs consider the existence of sales revenue as one of the most important matters in the audit.

Corresponding Audit Procedures

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

Lung Hwa Electronics Co., Ltd. Has prepared the parent company only financial statements for 2024 and 2023, 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

The management is responsible for preparing consolidated financial statements that fairly represent the financial position in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for maintaining necessary internal controls related to the preparation of consolidated financial statements to ensure that the statements are free from material misstatements resulting from fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing related matters, and adopting the going concern basis of accounting, unless management intends to liquidate the Group or cease operations, or unless there is no practical alternative but to liquidate or cease operations.

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

CPA's Responsibilities for the Audit of 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 may result from fraud or error. A misstatement is considered material if the individual amount or aggregate amount is reasonably expected to influence the economic decisions made by users of the 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. The CPAs' conclusions are based on the audit evidence obtained as at the date of the audit 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 and appropriate verification evidence on the consolidated financial information of the Group to express an opinion on the consolidated financial statements. The CPAs are responsible for the guidance, supervision and implementation of merger audit cases, and for forming the consolidated audit opinions.

The matters communicated by the CPAs to the governance units include the planned scope and timing of the audit, as well as significant audit findings (including significant internal control deficiencies identified during the audit process).

The CPAs have also provided the governing units with a declaration from the independence compliance personnel of the CPAs' affiliated firm, confirming adherence to the independence requirements under the Code of Ethics for Professional Accountants. Furthermore, all relationships and other matters that could reasonably be considered to affect the CPAs' independence have been communicated to the governing units (including relevant safeguards implemented).

Based on these communications with the governing units, the CPAs have determined the key audit matters for the audit of Lung Hwa Group's consolidated financial statements for the fiscal year 2024. The CPAs disclose these matters in the audit report unless laws or regulations prohibit the public disclosure of specific matters, or, in extremely rare circumstances, the CPAs determine not to communicate particular matters in the audit report when it can be reasonably expected that the potential negative consequences of such communication would outweigh the public interest benefits.

PwC Taiwan

Hui Tzu Yang

CPA

Po Chuan Lin

Financial Supervisory Commission

Approved visa number: Jin-Guan-Zheng-Shen-Zhi No. 1130350413

Jin-Guan-Zheng-Shen-Zhi No. 1100350706

March 12, 2025

Lung Hwa Electronics Co., Ltd.
Consolidated Balance Sheet
For the Year Ended December 31, 2024 and 2023

Unit: NT$ thousand

Code	Assets	Notes	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 136,686	23	$ 176,847	26
1136	Financial assets measured at amortized cost - current	6(2) & 8	67,101	11	46,963	7
1170	Net accounts receivable	6(3) & 7	40,163	7	32,027	5
1200	Other receivables		2	-	13	-
1220	Current income tax assets		325	-	108	-
130X	Inventories	6(4) & 8	6,017	1	14,900	2
1410	Prepayments		8,309	1	23,873	4
11XX	**Total current assets**		258,603	43	294,731	44
	Non-current assets					
1600	Property, plant and equipment	6(6) & 8	200,955	34	220,341	33
1755	Right-of-use assets	6(7)	122,047	21	139,429	21
1780	Intangible assets		229	-	290	-
1900	Other non-current assets	6(8), 7 & 8	13,937	2	10,647	2
15XX	**Total non-current assets**		337,168	57	370,707	56
1XXX	**Total assets**		$ 595,771	100	$ 665,438	100
	Current liabilities					
2100	Short-term loan	6(9) & 8	$ 42,682	7	$ 39,943	6
2130	Contract liabilities - current	6(16)	5,145	1	7,331	1
2150	Notes payable		-	-	1,320	-
2170	Accounts payable		2,955	-	5,626	1
2200	Other payables	6(10)	16,339	3	22,528	4
2280	Lease liabilities - current	6(7) & 7	76,245	13	60,325	9
2320	Long-term liabilities due within one year or within one business cycle	6(11) & 8	69,722	12	80,114	12
2399	Other current liabilities - other	6(18)	1,042	-	12,907	2
21XX	**Total current liabilities**		214,130	36	230,094	35
	Non-current liabilities					
2527	Contract liabilities - non-current	6(16)	3,002	1	6,212	1
2540	Long-term loan	6(11) & 8	8,388	1	46,703	7
2550	Liabilities - non-current		1,826	-	1,826	-
2570	Deferred income tax liability		279	-	146	-
2580	Lease liabilities - non-current	6(7) & 7	58,293	10	88,614	13
2670	Other non-current liabilities - other		190	-	-	-
25XX	**Total non-current liabilities**		71,978	12	143,501	21
2XXX	**Total liabilities**		286,108	48	373,595	56
	Share capital	6(13)				
3110	Common stock		576,050	97	532,750	80
	Capital reserve	6(14)				
3200	Capital reserve		210,250	35	405,386	61
	Retained earnings	6(15)				
3310	Legal reserve		25,322	4	25,322	4
3350	Cumulative losses to be offset		(521,741)	(87)	(684,472)	(103)
	Other equity					
3400	Other equity		659	-	234	-
31XX	**Total equity attributable to owners of the parent company**		290,540	49	279,220	42
36XX	**Non-controlling equity**		19,123	3	12,623	2
3XXX	**Total equity**		309,663	52	291,843	44
	Significant subsequent events	11				
3X2X	**Total liabilities and equity**		$ 595,771	100	$ 665,438	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　　Manager: WANG, SHARON　　Chief Accounting Officer: CHEN, MENG-TSE

Lung Hwa Electronics Co., Ltd. and Its Subsidiary
Consolidated Comprehensive Income Statement
January 1 to December 31, 2024 and 2023

Unit: NT$ thousand
(Except that the loss per share is expressed in NT$)

	Item	Notes	2024 Amount	2024 %	2023 Amount	2023 %
4000	Operating income	6(16) & 7	$ 140,071	100	$ 106,671	100
5000	Operating cost	6(4)(21)	(174,021)	(124)	(168,306)	(158)
5900	Gross operating loss		(33,950)	(24)	(61,635)	(58)
	Operating expenses	6(21)				
6100	Selling expenses		(65,053)	(46)	(43,370)	(41)
6200	Administrative expenses		(43,483)	(31)	(53,643)	(50)
6300	Research and development expenses		(45,595)	(33)	(30,172)	(28)
6450	Expected credit impairment loss	12(2)	(3,739)	(3)	-	-
6000	Total operating expenses		(157,870)	(113)	(127,185)	(119)
6900	Operating loss		(191,820)	(137)	(188,820)	(177)
	Non-operating income and expenses					
7100	Interest income	6(17)	2,108	2	1,903	2
7010	Other income	6(18)	21,490	15	797	1
7020	Other gains and losses	6(19)	(5,218)	(4)	427	-
7050	Financial costs	6(20) & 7	(11,786)	(8)	(13,249)	(12)
7000	Total non-operating income and expenses		6,594	5	(10,122)	(9)
7900	**Net loss before tax**		(185,226)	(132)	(198,942)	(186)
7950	Income tax expense	6(22)	-	-	-	-
8200	**Net loss for the period**		($ 185,226)	(132)	($ 198,942)	(186)
	Other comprehensive profit or loss (net)					
	Items that may subsequently be reclassified to profit or loss					
8361	Exchange differences on translation of foreign financial statements		$ 949	-	$ 664	-
8399	Income tax related to items that may be reclassified	6(22)	(133)	-	(146)	-
8300	**Other comprehensive profit or loss (net)**		$ 816	-	$ 518	-
8500	**Total comprehensive profit or loss for the period**		($ 184,410)	(132)	($ 198,424)	(186)
	Net loss attributable to:					
8610	Owners of parent		($ 187,104)	(133)	($ 194,560)	(182)
8620	Non-controlling equity		$ 1,878	1	($ 4,382)	(4)
	Total comprehensive loss attributable to:					
8710	Owners of parent		($ 186,567)	(134)	($ 194,133)	(182)
8720	Non-controlling equity		$ 2,157	2	($ 4,291)	(4)
	Loss per share	6(23)				
9750	Basic loss per share		($ 3.35)		($ 3.95)	

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

Chairman: WANG, WKANG-HSIANG　　Manager: WANG, SHARON　　Chief Accounting Officer: CHEN, MENG TSE

Lung Hwa Electronics Co., Ltd. and Its Subsidiary
Consolidated Equity Changes Statement
January 1 to December 31, 2024 and 2023

Unit: NT$ thousand

	Notes	Equity attributable to owners of the parent company									
			Capital reserve			Retained earnings					
	Notes	Common stock	Capital reserve - Issuance premium	Capital reserve - Difference between the actual acquisition or disposal price of subsidiary shares and their carrying amount	Capital reserve - Changes in ownership and equity of subsidiaries recognized	Legal reserve	Cumulative losses to be offset	Exchange differences on translation of foreign financial statements	Total	Non-controlling equity	Total equity
2023											
Balance at January 1, 2023		$ 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 profit or loss for the period		-	-	-	-	-	-	427	427	91	518
Total comprehensive profit or loss for the period		-	-	-	-	-	(194,560)	427	(194,133)	(4,291)	(198,424)
Cash capital increase	6(13)	47,500	85,300	-	-	-	-	-	132,800	-	132,800
Changes in equity regarding the ownership of subsidiaries	6(24)	-	-	-	46,976	-	-	-	46,976	16,112	63,088
Balance at December 31, 2023		$ 532,750	$ 349,835	$ -	$ 55,551	$ 25,322	($ 684,472)	$ 234	$ 279,220	$ 12,623	$ 291,843
2024											
Balance at January 1, 2024		$ 532,750	$ 349,835	$ -	$ 55,551	$ 25,322	($ 684,472)	$ 234	$ 279,220	$ 12,623	$ 291,843
Net loss for the period		-	-	-	-	-	(187,104)	-	(187,104)	1,878	(185,226)
Other comprehensive profit or loss for the period		-	-	-	-	-	-	537	537	279	816
Total comprehensive profit or loss for the period		-	-	-	-	-	(187,104)	537	(186,567)	2,157	(184,410)
2023 offsetting losses:											
Capital reserve offsetting accumulated losses	6(15)	-	(349,835)	-	-	-	349,835	-	-	-	-
Difference between the actual acquisition or disposal price of subsidiary shares and their carrying amount	6(24)	-	-	52,759	-	-	-	(112)	52,647	4,343	56,990
Cash capital increase	6(13)	43,300	101,940	-	-	-	-	-	145,240	-	145,240
Balance at December 31, 2024		$ 576,050	$ 101,940	$ 52,759	$ 55,551	$ 25,322	($ 521,741)	$ 659	$ 290,540	$ 19,123	$ 309,663

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

Chairman: WANG, WKANG-HSIANG Manager: WANG, SHARON Chief Accounting Officer: CHEN, MENG TSE

Lung Hwa Electronics Co., Ltd. and Its Subsidiary
Consolidated Cash Flow Statement
January 1 to December 31, 2024 and 2023

Unit: NT$ thousand

	Notes	January 1 to December 31, 2024	January 1 to December 31, 2023
Cash flows from operating activities			
Net loss before tax for the period		($ 185,226)	($ 198,942)
Adjustment items			
Income, expense and loss items			
Depreciation expenses	6(6)(7)(21)	89,549	94,145
Amortization expense	6(21)	61	15
Expected credit impairment loss	12(2)	3,739	-
Interest expense	6(20)	11,786	13,249
Interest income	6(17)	(2,108)	(1,903)
Gain recognized on re-measurement to sell off assets disposal groups constituting discontinued operation	6(19)	(511)	-
Changes in assets/liabilities related to operating activities			
Net change in assets related to operating activities			
Accounts receivable		(11,862)	(14,838)
Accounts receivable- related parties		(13)	-
Other receivables		11	275
Inventories		7,283	(28,543)
Prepayments		15,564	(13,133)
Net change in liabilities related to operating activities			
Contract liabilities		(5,396)	11,750
Notes payable		(1,320)	281
Accounts payable		(2,671)	2,209
Other payables		4,121	13,208
Other current liabilities - other		(11,865)	11,953
Cash outflow from operations		(88,858)	(110,274)
Interest charged		2,108	1,903
Interest paid		(11,786)	(13,249)
Income tax paid		(228)	(94)
Income tax refunded		12	2
Net cash outflow from operating activities		(98,752)	(121,712)
Cash flow from investing activities			
Acquisition of property, plant and equipment	6(26)	(2,258)	(4,014)
Acquire intangible assets		-	(305)
Proceeds from disposal of property, plant and equipment		1,630	-
Increase in financial assets measured at amortized cost		(20,138)	(16,147)
(Increase) Decrease in other non-current assets		(3,290)	1,527
Net cash inflows (outflows) from investing activities		(24,056)	(18,939)
Cash flow from financing activities			
Increase in short-term loan (decrease)	6(27)	2,739	463
Borrowing amount of long-term loans in the current period	6(27)	50,000	122,000
Long-term loan repayment in the current period	6(27)	(98,707)	(88,907)
Repayment of lease principal	6(27)	(74,341)	(74,666)
Cash capital increase	6(13)	145,240	132,800
Increase in refundable deposits		190	-
Disposal of subsidiary shares (without loss of control)	6(24)	56,990	-
Increase in non-controlling interests	6(24)	-	63,088
Net cash inflow from financing activities		82,111	154,778
Effect of exchange rate changes on cash and cash equivalents		536	427
Increase in cash and cash equivalents for the current period		(40,161)	14,554
Beginning balance of cash and cash equivalents		176,847	162,293
Ending balance of cash and cash equivalents		$ 136,686	$ 176,847

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

Chairman: WANG, WKANG-HSIANG　　Manager: WANG, SHARON　　Chief Accounting Officer: CHEN, MENG TSE

Audit Report by CPAs

(2025) Audit Report Financial Examination 24004303

To Lung Hwa Electronics Co., Ltd.:

Audit Opinion

The parent company only balance sheets of Lung Hwa Electronics Co., Ltd.(hereinafter referred to as the "the Company") as of December 31, 2024 and 2023, the parent company only statements of comprehensive income, parent company only statements of changes in equity, parent company only statements of cash flows for the years ended December 31, 2024 and 2023 (January 1 to December 31), and the accompanying notes to the parent company only financial statements (including the summary of significant accounting policies), have been audited by us, the CPAs.

In our opinion, the aforementioned parent company only financial statements are prepared, in all material respects, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and present fairly the parent company only financial position of the Lung Hwa Electronics Co., Ltd. as of December 31, 2024 and 2023, as well as its parent company only financial performance and cash flows for the years then

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 Parent Company Only Financial Statements section of our report. The CPAs are independent of Videosoft Global Co., Ltd. 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 obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those that, in the CPAs' professional judgment, were of most significance in the audit of the Lung Hwa Electronics Co., Ltd.'s parent company financial statements for the year 2024. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and the CPAs do not provide separate opinions on these matters.

The key audit matters for the parent company financial statements of Lung Hwa Electronics Co., Ltd. for the year 2024, are as follows:

Impairment Assessment of Property, Plant and Equipment and Right-of-use Assets

Description of Matters

For details on the accounting policies related to impairment of property, plant and equipment (PP&E), right-of-use assets, and non-financial assets, please refer to Notes 4(13), (14), and (16) of the parent company only financial statements; for uncertainties in accounting estimates and assumptions regarding impairment of PP&E and right-of-use assets, please refer to Note 5(2); for descriptions of the accounting items for PP&E and right-of-use assets, please refer to Note 6(7) and 6(8).

Lung Hwa Electronics Co., Ltd. estimates the recoverable amount of its property, plant and equipment (PP&E) and right-of-use assets based on their value in use (VIU), which serves as the foundation for impairment assessments. The assessment of value in use (VIU) inherently involves management judgment. Any changes in estimates due to evolving economic conditions or shifts in corporate strategies may lead to future impairments. Therefore, the CPAs have classified the impairment assessment of property, plant and equipment (PP&E) and right-of-use assets as one of the most critical audit matters.

Corresponding Audit Procedures

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

1. Evaluate the key assumptions used by management in estimating future cash flows, including comparisons with historical results and industry information to assess the reasonableness of projected changes in revenue, gross profit and expenses.
2. Obtain the impairment assessment report issued by the experts commissioned by Lung Hwa Electronics Co., Ltd., review and evaluate the reasonableness of the valuation method and its industry and environment, the estimation process of future cash flows, the discount rate and the assumption of the cost of funds per cash generating unit, and compare the cash flow in the future years listed in the evaluation model with the operating plan proposed by the management, and evaluate the reasonableness of the impairment amount.

Existence of Sales Revenue

Description of Matters

For the accounting policy on revenue recognition, please refer to Note 4(23) to the parent company only financial statements; for the explanation of the accounting items of operating revenue, please refer to Note 6(17) of the parent company only financial report.

Lung Hwa Electronics Co., Ltd. continues to expand its new maritime broadband business, where satellite hardware and software and traffic revenue account for a significant portion of total revenue. Therefore, the CPAs consider the existence of sales revenue as one of the most important matters in the audit.

Corresponding Audit Procedures

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

The management is responsible for preparing parent company only financial statements that fairly represent the financial position in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for maintaining necessary internal controls related to the preparation of parent company only financial statements to ensure that the statements are free from material misstatements resulting from fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing related matters, and adopting the going concern basis of accounting, unless management intends to liquidate the Company or cease operations, or unless there is no practical alternative but to liquidate or cease operations.

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

CPA's Responsibilities for the Audit of Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements may result from fraud or error. A misstatement is considered material if the individual amount or aggregate amount is reasonably expected to influence the economic decisions made by users of the 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 the 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 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 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 as at the date of the audit report. However, future events or conditions may cause the Company and its subsidiary to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate verification evidence on the parent company only financial information of the Company to express an opinion on the parent company only financial statements. The CPAs are responsible for the guidance, supervision and implementation of merger audit cases, and for forming the parent company only audit opinions.

The matters communicated by the CPAs to the governance units include the planned scope and timing of the audit, as well as significant audit findings (including significant internal control deficiencies identified during the audit process).

The CPAs have also provided the governing units with a declaration from the independence compliance personnel of the CPAs' affiliated firm, confirming adherence to the independence requirements under the Code of Ethics for Professional Accountants. Furthermore, all relationships and other matters that could reasonably be considered to affect the CPAs' independence have been communicated to the governing units (including relevant safeguards implemented).

Based on these communications with the governing units, the CPAs have determined the key audit matters for the audit of Lung Hwa Electronics Co., Ltd.'s parent company only financial statements for the fiscal year 2024. The CPAs disclose these matters in the audit report unless laws or regulations prohibit the public disclosure of specific matters, or, in extremely rare circumstances, the CPAs determine not to communicate particular matters in the audit report when it can be reasonably expected that the potential negative consequences of such communication would outweigh the public interest benefits.

PwC Taiwan

Hui Tzu Yang

CPA

Po Chuan Lin

Financial Supervisory Commission

Approved visa number: Jin-Guan-Zheng-Shen-Zhi No. 1130350413

Jin-Guan-Zheng-Shen-Zhi No. 1100350706

March 12, 2025

Lung Hwa Electronics Co., Ltd.
Parent Company Only Balance Sheet
For the Year Ended December 31, 2024 and 2023

Unit: NT$ thousand

	Assets	Notes	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 108,613	20	$ 136,555	21
1136	Financial assets measured at amortized cost - current	6(2) & 8	63,793	12	46,958	8
1170	Net accounts receivable	6(3)	7,300	1	6,957	1
1180	Accounts receivable - net amount from related parties	7	13	-	579	-
1200	Other receivables	7	512	-	1,484	-
1220	Current income tax assets		303	-	99	-
130X	Inventories	6(4) & 8	1,308	-	10,917	2
1410	Prepayments	7	7,521	1	27,343	4
11XX	**Total current assets**		189,363	34	230,892	36
	Non-current assets					
1550	Investments accounted for under the equity method	6(6)	32,398	6	38,890	6
1600	Property, plant and equipment	6(7) & 8	200,955	36	220,341	34
1755	Right-of-use assets	6(8) & 7	122,047	22	139,429	22
1990	Other non-current assets - other	6(9), 7 & 8	13,920	2	10,631	2
15XX	**Total non-current assets**		369,320	66	409,291	64
1XXX	**Total assets**		$ 558,683	100	$ 640,183	100
	Current liabilities					
2100	Short-term loan	6(10) & 8	$ 32,682	6	$ 39,943	6
2130	Contract liabilities - current	6(17)	5,145	1	7,331	1
2150	Notes payable		-	-	1,320	-
2170	Accounts payable		599	-	1,723	-
2180	Accounts payable - related parties	7	147	-	-	-
2200	Other payables	6(11)	10,537	2	14,320	2
2280	Lease liabilities - current	6(8) & 7	76,245	14	60,325	10
2320	Long-term liabilities due within one year or within one business cycle	6(12) & 8	69,722	12	80,114	13
2399	Other current liabilities - other	6(19)	1,247	-	12,412	2
21XX	**Total current liabilities**		196,324	35	217,488	34
	Non-current liabilities					
2527	Contract liabilities - non-current	6(17)	3,002	1	6,212	1
2540	Long-term loan	6(12) & 8	8,388	2	46,703	7
2550	Liabilities - non-current		1,826	-	1,826	-
2580	Lease liabilities - non-current	6(8) & 7	58,293	10	88,614	14
2600	Other non-current liabilities	7	310	-	120	-
25XX	**Total non-current liabilities**		71,819	13	143,475	22
2XXX	**Total liabilities**		268,143	48	360,963	56
	Equity					
	Share capital	6(14)				
3110	Common stock		576,050	103	532,750	83
	Capital reserve	6(15)				
3200	Capital reserve		210,250	37	405,386	64
	Retained earnings	6(16)				
3310	Legal reserve		25,322	5	25,322	4
3350	Cumulative losses to be offset		(521,741)	(93)	(684,472)	(107)
	Other equity					
3400	Other equity		659	-	234	-
3XXX	**Total equity**		290,540	52	279,220	44
	Significant subsequent events	11				
3X2X	**Total liabilities and equity**		$ 558,683	100	$ 640,183	100

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

Chairman: WANG, WKANG-HSIANG Manager: WANG, SHARON Chief Accounting Officer: CHEN, MENG TSE

Lung Hwa Electronics Co., Ltd.
Parent Company Only Comprehensive Income Statement
January 1 to December 31, 2024 and 2023

Unit: NT$ thousand
(Except that the loss per share is expressed in NT$)

	Item	Notes	2024 Amount	2024 %	2023 Amount	2023 %
4000	Operating income	6(17) & 7	$ 44,463	100	$ 34,748	100
5000	Operating cost	6(4)(22) & 7	(166,567)	(375)	(157,114)	(452)
5900	Gross operating loss		(122,104)	(275)	(122,366)	(352)
	Operating expenses	6(22)				
6100	Selling expenses		(17,152)	(39)	(18,165)	(52)
6200	Administrative expenses		(25,722)	(58)	(26,430)	(76)
6300	Research and development expenses		(36,709)	(82)	(6,500)	(19)
6450	Expected credit impairment gains	12(2)	78	-	-	-
6000	Total operating expenses		(79,505)	(179)	(51,095)	(147)
6900	Operating loss		(201,609)	(454)	(173,461)	(499)
	Non-operating income and expenses					
7100	Interest income	6(18)	1,946	4	1,765	5
7010	Other income	6(19) & 7	31,914	72	4,770	14
7020	Other gains and losses	6(20)	(4,981)	(11)	911	2
7050	Financial costs	6(21) & 7	(11,688)	(26)	(13,154)	(38)
7070	Profit and loss share of subsidiaries, associates and joint ventures recognized using the equity method	6(6)	(2,686)	(6)	(15,391)	(44)
7000	Total non-operating income and expenses		14,505	33	(21,099)	(61)
7900	**Net loss before tax**		(187,104)	(421)	(194,560)	(560)
7950	Income tax expense	6(23)	-	-	-	-
8200	**Net loss for the period**		($ 187,104)	(421)	($ 194,560)	(560)
	Other comprehensive profit or loss (net)					
	Items that may subsequently be reclassified to profit or loss					
8361	Exchange differences on translation of foreign financial statements	6(6)	$ 537	1	$ 427	1
8360	Total amount of items that may subsequently be reclassified to profit or loss		537	1	427	1
8300	**Other comprehensive profit or loss (net)**		$ 537	1	$ 427	1
8500	**Total comprehensive profit or loss for the period**		($ 186,567)	(420)	($ 194,133)	(559)
	Loss per share	6(24)				
9750	Basic loss per share		($ 3.35)		($ 3.95)	

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

Chairman: WANG, WKANG-HSIANG Manager: WANG, SHARON Chief Accounting Officer: CHEN, MENG TSE

Lung Hwa Electronics Co., Ltd.
Parent Company Only Statement of Changes in Equity
January 1 to December 31, 2024 and 2023

Unit: NT$ thousand

	Notes	Common stock	Capital reserve - Issuance premium	Capital reserve - Difference between the actual acquisition or disposal price of subsidiary shares and their carrying amount	Capital reserve - Changes in ownership and equity of subsidiaries recognized	Legal reserve	Cumulative losses to be offset	Exchange differences on translation of foreign financial statements	Total equity
			Capital reserve			Retained earnings			
2023									
Balance at January 1, 2023		$ 485,250	$ 264,535	$ -	$ 8,575	$ 25,322	($ 489,912)	($ 193)	$ 293,577
Net loss for the period		-	-	-	-	-	(194,560)	-	(194,560)
Other comprehensive profit or loss for the period	6(6)	-	-	-	-	-	-	427	427
Total comprehensive profit or loss for the period		-	-	-	-	-	(194,560)	427	(194,133)
Cash capital increase	6(14)	47,500	85,300	-	-	-	-	-	132,800
Changes in equity regarding the ownership of subsidiaries	6(6)	-	-	-	46,976	-	-	-	46,976
Balance at December 31, 2023		$ 532,750	$ 349,835	$ -	$ 55,551	$ 25,322	($ 684,472)	$ 234	$ 279,220
2024									
Balance at January 1, 2024		$ 532,750	$ 349,835	$ -	$ 55,551	$ 25,322	($ 684,472)	$ 234	$ 279,220
Net loss for the period		-	-	-	-	-	(187,104)	-	(187,104)
Other comprehensive profit or loss for the period	6(6)	-	-	-	-	-	-	537	537
Total comprehensive profit or loss for the period		-	-	-	-	-	(187,104)	537	(186,567)
2023 offsetting losses:									
Capital reserve offsetting accumulated losses	6(16)	-	(349,835)	-	-	-	349,835	-	-
Difference between the actual acquisition or disposal price of subsidiary shares and their carrying amount	6(6)	-	-	52,759	-	-	-	(112)	52,647
Cash capital increase	6(14)	43,300	101,940	-	-	-	-	-	145,240
Balance at December 31, 2024		$ 576,050	$ 101,940	$ 52,759	$ 55,551	$ 25,322	($ 521,741)	$ 659	$ 290,540

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

Chairman: WANG, WKANG-HSIANG Manager: WANG, SHARON Chief Accounting Officer: CHEN, MENG TSE

Lung Hwa Electronics Co., Ltd.
Parent Company Only Cash Flow Statement
January 1 to December 31, 2024 and 2023

Unit: NT$ thousand

	Notes	January 1 to December 31, 2024	January 1 to December 31, 2023
Cash flows from operating activities			
Net loss before tax for the period		($ 187,104)	($ 194,560)
Adjustment items			
Income, expense and loss items			
Depreciation expenses	6(7)(8)(22)	89,549	94,145
Expected credit impairment gains	12(2)(2)	(78)	-
Interest income	6(18)	(1,946)	(1,765)
Interest expense	6(21)	11,688	13,154
Gain on disposal of property, plant and equipment	6(20)	(511)	-
Loss share of subsidiaries, associates and joint ventures recognized using the equity method	6(6)	2,686	15,390
Changes in assets/liabilities related to operating activities			
Net change in assets related to operating activities			
Accounts receivable		(265)	5,516
Accounts receivable- related parties		566	(579)
Other receivables		972	(1,424)
Inventories		8,009	(27,310)
Prepayments		19,822	(17,319)
Net change in liabilities related to operating activities			
Contract liabilities - current		(5,396)	11,750
Notes payable		(1,320)	281
Accounts payable		(1,124)	(448)
Accounts payable - related parties		147	-
Other payables		6,115	12,499
Other current liabilities - other		(11,165)	11,738
Cash outflow from operations		(69,355)	(78,932)
Interest charged		1,946	1,765
Interest paid		(11,688)	(13,154)
Income tax paid		(216)	(94)
Income tax refunded		12	2
Net cash outflow from operating activities		(79,301)	(90,413)
Cash flow from investing activities			
Acquisition of financial assets measured at amortized cost	6(2)	(16,835)	(16,142)
Acquisition of property, plant and equipment	6(26)	(2,258)	(4,014)
Proceeds from disposal of property, plant and equipment		1,630	-
(Increase)/decrease in deposit collateral		(3,289)	1,528
Net cash inflows (outflows) from investing activities		(20,752)	(18,628)
Cash flow from financing activities			
(Decrease) Increase in short-term loan	6(27)	(7,261)	463
Borrowing amount of long-term loans in the current period	6(27)	50,000	122,000
Long-term loan repayment in the current period	6(27)	(98,707)	(88,907)
Repayment of lease principal	6(27)	(74,341)	(74,666)
Increase in refundable deposits		190	-
Cash capital increase	6(14)	145,240	132,800
Disposal of subsidiary shares (without loss of control)	6(6)	56,990	-
Net cash inflow from financing activities		72,111	91,690
Decrease in cash and cash equivalents for the period		(27,942)	(17,351)
Beginning balance of cash and cash equivalents		136,555	153,906
Ending balance of cash and cash equivalents		$ 108,613	$ 136,555

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

Chairman: WANG, WKANG-HSIANG　　Manager: WANG, SHARON　　Chief Accounting Officer: CHEN, MENG TSE

Attachment 4

Summary of Execution Status of Private Placement Cash Capital Increase and Issuance of Common Shares from 2021 to 2024

Year	Shareholders meeting approved date	Private placement quota (shares)	Used quota (shares)	Unused quota (shares)	Remark
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
2024	2024.06.25	15,000,000	1,710,000	13,290,000	Unused quota will not be renewed

Execution of the First Private Placement Cash Capital Increase and Issuance of Common Shares in 2024

<table>
<tr><td>Item</td><td colspan="5">Date of Shareholders' meeting resolution: June 25, 2024
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">On June 25, 2024, 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 four 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 24, 2024. Based on the calculation standard of the private placement reference price resolved by the Company's AGM on June 25, 2024, 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. 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.
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.
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$63.80 after capital reduction and anti-ex-rights. As a reference price, the private placement price is planned to be NT$52.00 (not less than 80% of the reference price). The estimated amount raised is NT$59,800,000.</td></tr>
<tr><td>Method of selection of qualified persons</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, 2002 (2002) 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 1,150,000 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 27, 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>Business situation of the participating companies</td></tr>
<tr><td>WANG, WKANG-HSIANG</td><td>Comply with Article 43-6 of the Securities and Exchange Act</td><td>1,150,000 shares</td><td>Director of the Company</td><td>Chairman of the Company</td></tr>
</table>

Execution of the Second Private Placement Cash Capital Increase and Issuance of Common Shares in 2024

<table>
<tr><td>Item</td><td colspan="5">Date of Shareholders’ meeting resolution: June 25, 2024
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">On June 25, 2024, 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 four 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 24, 2024. Based on the calculation standard of the private placement reference price resolved by the Company’s AGM on June 25, 2024, 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. 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.
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.
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$72.49 after capital reduction and anti-ex-rights. As a reference price, the private placement price is planned to be NT$58.00 (not less than 80% of the reference price). The estimated amount raised is NT$10,440,000.</td></tr>
<tr><td>Method of selection of qualified persons</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, 2002 (2002) 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 180,000 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">December 31, 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>Business situation of the participating companies</td></tr>
<tr><td>WANG, WKANG-HSIANG</td><td>Comply with Article 43-6 of the Securities and Exchange Act</td><td>180,000 shares</td><td>Director of the Company</td><td>Chairman of the Company</td></tr>
</table>

Execution of the Third Private Placement Cash Capital Increase and Issuance of Common Shares in 2024

<table>
<tr><td>Item</td><td colspan="5">Date of Shareholders' meeting resolution: June 25, 2024
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">On June 25, 2024, 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 four 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 24, 2025. Based on the calculation standard of the private placement reference price resolved by the Company's AGM on June 25, 2024, 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. 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.
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.
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$58.55 after capital reduction and anti-ex-rights. As a reference price, the private placement price is planned to be NT$47.00 (not less than 80% of the reference price). The estimated amount raised is NT$17,860,000.</td></tr>
<tr><td>Method of selection of qualified persons</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, 2002 (2002) 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 380,000 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">March 31, 2025</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>Business situation of the participating companies</td></tr>
<tr><td>WANG, WKANG-HSIANG</td><td>Comply with Article 43-6 of the Securities and Exchange Act</td><td>380,000 shares</td><td>Director of the Company</td><td>Chairman of the Company</td></tr>
</table>

Lung Hwa Electronics Co., Ltd.
Guidelines on Codes of Ethical Conduct

Article 1: Purpose of and Basis for Adoption

These Guidelines are adopted in accordance with the "Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies" and regulations for the purpose of encouraging directors and managerial officers of the Company (including general managers or their equivalents, assistant general managers or their equivalents, deputy assistant general managers or their equivalents, chief financial and chief accounting officers, and other persons authorized to manage affairs and sign documents on behalf of the Company) to act in line with ethical standards, and to help interested parties of the Company better understand the ethical standards of the Company.

Article 2: Scope of Application

These Guidelines are applicable to the Company's directors, independent directors, and managerial officers regulated by the securities authorities.

Article 3: Content of the Code

Taking its individual circumstances and needs into consideration, the Company shall adopt a code of ethical conduct that addresses at least the following eight matters:

1. Prevention of conflicts of interest:

   Conflicts of interest occur when personal interest intervenes or is likely to intervene in the overall interest of the Company, as for example when a director or managerial officer of the Company is unable to perform their duties in an objective and efficient manner, or when a person in such a position takes advantage of their position in the Company to obtain improper benefits for either themselves or their spouse or relatives within the second degree of kinship. The Company shall pay special attention to loans of funds, provisions of guarantees, and major asset transactions or the purchase (or sale) of goods involving the affiliated enterprise at which a director or managerial officer works. The Company shall establish a policy aimed at preventing conflicts of interest, and shall offer appropriate means for directors and managerial officers to voluntarily explain whether there is any potential conflict between them and the Company.

2. Minimizing incentives to pursue personal gain:

   The Company shall prevent its directors or managerial officers from engaging in any of the following activities:

   (1) Seeking an opportunity to pursue personal gain by using Company property or information or taking advantage of their positions;

   (2) Obtaining personal gain by using Company property or information or taking advantage of their positions;

   (3) Competing with the Company. When the Company has an opportunity for profit, it is the responsibility of the directors and managerial officers to maximize the reasonable and proper benefits that can by obtained by the Company.

3. Confidentiality:

   The directors and managerial officers of the Company shall be bound by the obligation to maintain the confidentiality of any information regarding the Company itself or its suppliers and customers, except when authorized or required by law to disclose such information. Confidential information includes any undisclosed information that, if exploited by a competitor or disclosed, could result in damage to the Company or the suppliers and customers.

4. Fair trade:

   Directors and managerial officers shall treat all suppliers and customers, competitors, and employees fairly, and may not obtain improper benefits through manipulation, nondisclosure, or misuse of the information learned by virtue of their positions, or through misrepresentation of important matters, or through other unfair trading practices.

5. Safeguarding and proper use of Company assets:

   All directors and managerial officers have the responsibility to safeguard Company assets and to ensure that they can be effectively and lawfully used for official business purposes; any theft, negligence in care, or waste of the assets will all directly impact the Company’s profitability.

6. Legal compliance:

   The Company shall strengthen its compliance with the Securities and Exchange Act and other applicable laws, regulations, and bylaws.

7. Encouraging reporting on illegal or unethical activities:

   The Company shall raise awareness of ethics internally and encourage employees to report to an audit committee member, managerial officer, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct. To encourage employees to report illegal conduct, the Company shall establish a concrete whistle-blowing system, allow anonymous reporting, and make employees aware that the Company will use its best efforts to ensure the safety of whistleblowers and protect them from reprisals.

8. Disciplinary measures:

When a director or managerial officer violates the code of ethical conduct, the Company shall handle the matter in accordance with the disciplinary measures prescribed in the code, and shall without delay disclose on the Market Observation Post System (MOPS) the date of the violation by the violator, reasons for the violation, the provisions of the code violated, and the disciplinary actions taken. It is advisable that the Company establish a relevant complaint system to provide the violator with remedies.

Article 4: Procedures for Exemption

The code of ethical conduct adopted by the Company must require that any exemption for directors or managerial officers from compliance with the code be adopted by a resolution of the Board of Directors, and that information on the date on which the Board of Directors adopted the resolution for exemption, objections or reservations of independent directors, and the period of, reasons for, and principles behind the application of the exemption be disclosed without delay on the MOPS, in order that the shareholders may evaluate the appropriateness of the board resolution to forestall any arbitrary or dubious exemption from the code, and to safeguard the interests of the Company by ensuring appropriate mechanisms for controlling any circumstance under which such an exemption occurs.

Article 5: Method of Disclosure

The Company shall disclose the code of ethical conduct it has adopted, and any amendments to it, on the Company website, in its annual reports and prospectuses and on the MOPS.

Article 6: Enforcement

Any matters not covered in these Guidelines shall be handled in accordance with relevant laws and regulations.

These Guidelines shall be implemented upon approval by the Audit Committee and then by the Board of Directors, and shall be submitted to the Shareholders’ meeting. The same shall apply to any amendments thereof.

These Guidelines were formulated upon approval by the Audit Committee and the Board of Directors on December 24, 2024.

Lung Hwa Electronics Co., Ltd.
Ethical Corporate Management Best Practice Principles

Article 1: Purpose of Adoption and Scope of Application

The Company engages in business activities based on the principles of fairness, honesty, trustworthiness, and transparency. In order to implement the ethical management policy and actively prevent unethical conduct, the Company has formulated these Principles in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies”, which specifically regulate the matters that should be noted by the Company’s personnel in the execution of business.

These Principles are applicable to the business groups and organizations of the Company, which comprise its subsidiaries, any foundation to which the Company’s direct or indirect contribution of funds exceeds 50% of the total funds received, and other institutions or juridical persons which are substantially controlled by the Company ("business group").

Article 2: Prohibition of Unethical Conduct

When engaging in commercial activities, directors, managers, employees, and mandataries of the Company or persons having substantial control over the Company ("substantial controllers") shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty ("unethical conduct") for purposes of acquiring or maintaining benefits.

Parties referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and their directors, supervisors, managers, employees or substantial controllers or other stakeholders.

Article 3: Types of Benefits

"Benefits" in these Principles means any valuable things, including money, endowments, commissions, positions, services, preferential treatment or rebates of any type or in any name. Benefits received or given occasionally in accordance with accepted social customs and that do not adversely affect specific rights and obligations shall be excluded.

Article 4: Legal Compliance

The Company shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE/GTSM listing rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.

Article 5: Policy

The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and obtain approval from the Board of Directors, and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.

Article 6: Prevention Programs

The Company shall in its own ethical management policy clearly and thoroughly prescribe the specific ethical management practices and the programs to forestall unethical conduct ("prevention programs"), including operational procedures, guidelines, and training.

When establishing the prevention programs, the Company shall comply with relevant laws and regulations of the territory where the Company and its business group are operating.

In the course of developing the prevention programs, the Company is advised to negotiate with staff, labor unions members, important trading counterparties, or other stakeholders.

Article 7: Scope of Prevention Programs

When formulating prevention programs, the Company shall analyze business activities within their business scope which are at a higher risk of being involved in unethical conduct, and shall strengthen relevant preventive measures.

The prevention programs formulated by the Company shall at least include preventive measures against the following:

1. Offering and acceptance of bribes.
2. Illegal political donations.
3. Improper charitable donations or sponsorship.
4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits.
5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights.
6. Engaging in unfair competitive practices.
7. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.

Article 8: Commitment and Implementation

The Company and its business group shall clearly specify in their rules and external documents the ethical corporate management policies and the commitment by the Board of Directors and management on rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities.

Article 9: Ethical Commercial Activities

The Company shall engage in commercial activities in a fair and transparent manner based on the principle of ethical management.

Prior to any commercial transactions, the Company shall take into consideration the legality of their agents, suppliers, clients, or other trading counterparties and whether any of them are involved in unethical conduct, and shall avoid any dealings with persons so involved.

When entering into contracts with their agents, suppliers, clients, or other trading counterparties, the Company shall include in such contracts terms requiring compliance with ethical corporate management policy and that in the event the trading counterparties are involved in unethical conduct, the Company may at any time terminate or rescind the contracts.

Article 10: Prohibition of Offering and Acceptance of Bribes

When conducting business, the Company and its directors, managers, employees, mandataries, and substantial controllers, may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form, including rebates, commissions, facilitation fees, or offer, promise to offer, request, or accept any improper benefits in whatever form through other means to or from clients, agents, contractors, suppliers, public servants, or other stakeholders.

Article 11: Prohibition of Illegal Political Donations

When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company and its directors, managers, employees, mandataries, and substantial controllers, shall comply with the Political Donations Act and its own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.

Article 12: Prohibition of Improper Charitable Donations or Sponsorship

When making or offering donations and sponsorship, the Company and its directors, managers, employees, mandataries, and substantial controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.

Article 13: Prohibition of Unreasonable Presents or Hospitality, or Other Improper Benefits

The Company and its directors, managers, employees, mandataries, and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.

Article 14: Prohibition of Infringement of Intellectual Property Rights

The Company and its directors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations, the Company's internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.

Article 15: Prohibition of Engaging in Unfair Competitive Practices

The Company shall engage in business activities in accordance with applicable competition laws and regulations, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.

Article 16: Prevention of Products or Services from Damaging Stakeholders

In the course of research and development, procurement, manufacture, provision, or sale of products and services, the Company and its directors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, their products and services. They shall also adopt and publish a policy on the protection of the rights and interests of consumers or other stakeholders, and carry out the policy in their operations, with a view to preventing their products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. Where there are sufficient facts to determine that the Company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the Company shall, in principle, recall those products or suspend the services immediately.

Article 17: Organization and Responsibility

The directors, managers, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the Company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.

To achieve sound ethical corporate management, the Company shall establish a dedicated unit that is under the Board of Directors, which shall be responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. The dedicated unit shall be in charge of the following matters, and shall report to the Board of Directors on a regular basis:

1. Assisting in incorporating ethics and moral values into the Company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.
2. Adopting programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the Company's operations and business.
3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.
4. Promoting and coordinating awareness and educational activities with respect to ethics policy.
5. Developing a whistle-blowing system and ensuring its operating effectiveness.
6. Assisting the Board of Directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.

Article 18: Legal Compliance when Conducting Business

The Company and its directors, managers, employees, mandataries, and substantial controllers shall comply with laws and regulations and the prevention programs when conducting business.

Article 19: Recusal due to Conflicts of Interest

The Company shall adopt policies for preventing conflicts of interest to identify, monitor, and manage risks possibly resulting from unethical conduct, and shall also offer appropriate means for directors, managers, and other stakeholders attending or present at board meetings to voluntarily explain whether their interests would potentially conflict with those of the Company.

When a proposal at a given Board of Directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, managers, and other stakeholders attending or present at board meetings of the Company, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the Company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.

The Company’s directors, managers, employees, mandataries, and substantial controllers shall not take advantage of their positions or influence in the Company to obtain improper benefits for themselves, their spouses, parents, children or any other person.

Article 20: Accounting and Internal Control

The Company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results.

The internal audit unit of the Company shall periodically review compliance with the preceding system and prepare an audit report to be submitted to the Board of Directors, may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.

Article 21: Operational Procedures and Guidelines

The Company shall establish operational procedures and guidelines in accordance with Article 6 hereof to guide directors, managers, employees, and substantial controllers on how to conduct business. The procedures and guidelines should at least contain the following matters:

1. Standards for determining whether improper benefits have been offered or accepted.
2. Procedures for offering legitimate political donations.
3. Procedures and the standard rates for offering charitable donations or sponsorship.
4. Rules for avoiding work-related conflicts of interests and how they should be reported and handled.
5. Rules for keeping confidential trade secrets and sensitive business information obtained in the ordinary course of business.
6. Regulations and procedures for dealing with suppliers, clients and business transaction counterparties suspected of unethical conduct.

7. Handling procedures for violations of these Principles.
8. Disciplinary measures on offenders.

Article 22: Education and Training and Appraisal

The chairperson, general manager, or senior management of the Company shall communicate the importance of corporate ethics to its directors, employees, and mandataries on a regular basis.

The Company shall periodically organize training and awareness programs for directors, managers, employees, mandataries, and substantial controllers and invite the companies' commercial transaction counterparties so they understand the Company's resolve to implement ethical corporate management, the related policies, prevention programs and the consequences of committing unethical conduct.

The Company shall apply the policies of ethical corporate management when creating its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.

Article 23: Whistle-blowing System

The Company shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following:

1. An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow internal and external personnel of the Company to submit reports.
2. Dedicated personnel or unit appointed to handle the whistle-blowing system. Any tip involving a director or senior management shall be reported to the independent directors or members of the Audit Committee. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.
3. Follow-up measures to be adopted depending on the severity of the circumstances after investigations of cases reported are completed. Where necessary, a case shall be reported to the competent authority or referred to the judicial authority.
4. Documentation of case acceptance, investigation processes, investigation results, and relevant documents.
5. Confidentiality of the identity of whistle-blowers and the content of reported cases, and an undertaking regarding anonymous reporting.
6. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.
7. Whistle-blowing incentive measures.

When material misconduct or likelihood of material impairment to the Company comes to their awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and notify the independent directors or members of the Audit Committee in written form.

Article 24: Disciplinary and Appeal System

The Company shall adopt and publish a well-defined disciplinary and appeal system for handling violations of the ethical corporate management rules, and shall make immediate disclosure on the Company's internal website of the title and name of the violator, the date and details of the violation, and the actions taken in response.

Article 25: Information Disclosure

The Company shall collect quantitative data about the promotion of ethical management and continuously analyze and assess the effectiveness of the promotion of ethical management policy. They shall also disclose the measures taken for implementing ethical corporate management, the status of implementation, the foregoing quantitative data, and the effectiveness of promotion on their company websites, annual reports, and prospectuses, and shall disclose their ethical corporate management best practice principles on the Market Observation Post System.

Article 26: Review and Amendments to Ethical Corporate Management Policies and Measures

The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage their directors, managers, and employees to make suggestions, based on which the adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.

Article 27: Enforcement

The Ethical Corporate Management Best Practice Principles of the Company shall be implemented upon approval by the Audit Committee and then by the Board of Directors, and shall be submitted to the Shareholders' meeting. The same shall apply to any amendments thereof.

In an event that the Company has established independent directors, when the Company submits its Ethical Corporate Management Best Practice Principles to the Board of Directors for discussion pursuant to the preceding paragraph, the Board of Directors shall take into full consideration each independent director's opinions. Any objections or reservations of any independent director shall be recorded in the minutes of the Board of Directors meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the Board of Directors meeting.

These Guidelines were formulated upon approval by the Audit Committee and the Board of Directors on December 24, 2024.

Attachment 7

Lung Hwa Electronics Co., Ltd.
Procedures for Ethical Management and Guidelines for Conduct

Article 1: (Purpose of adoption and scope of application)
The Company engages in business activities based on the principles of fairness, honesty, trustworthiness, and transparency. In order to implement the ethical management policy and actively prevent unethical conduct, the Company has formulated these Procedures for Ethical Management and Guidelines for Conduct in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies", which specifically regulate the matters that should be noted by the Company's personnel in the execution of business.
These Procedures and Guidelines are applicable to the business group of the Company, which comprise its subsidiaries, any foundation to which the Company's direct or indirect contribution of funds exceeds 50% of the total funds received, and other institutions or juridical persons which are substantially controlled by the Company.

Article 2: (Applicable subjects)
For the purposes of these Procedures and Guidelines, the term "personnel of the Company" refers to any director, supervisor, managerial officer, employee or person having substantial control, of the Company or its group enterprises and organizations.
Any provision, promise, request, or acceptance of any money, gratuity, gift, commission, position, service, preferential treatment, rebate, facilitating payment, entertainment, dining, or any other benefits in whatever form or name by any personnel of the Company through a third party will be presumed to be an act by the personnel of the Company.

Article 3: (Definition of unethical conduct)
For the purposes of these Procedures and Guidelines, "unethical conduct" means that any personnel of the Company, in the course of their duties, directly or indirectly provides, promises, requests, or accepts improper benefits or commits a breach of ethics, unlawful act, or breach of fiduciary duty for purposes of acquiring or maintaining benefits.
Parties referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and their directors, supervisors, managers, employees, persons having substantial control or other stakeholders. The aforementioned civil servants include representatives of public opinion at all levels, civil servants of the central and local authorities, and others who are required by law to engage in public service.

Article 4: (Types of benefits)
For the purposes of these Procedures and Guidelines, the term "benefits" means any money, gratuity, gift, commission, position, service, preferential treatment, rebate, facilitating payment, entertainment, dining, or any other item of value in whatever form or name.

Article 5: (Responsible unit)
The Company shall designate the Corporate Governance Group as the responsible unit (hereinafter, "responsible unit") to be in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. The Corporate Governance Officer shall submit regular reports (at least once a year) to the Board of Directors.

Article 6: (Prohibition against providing or accepting improper benefits)

Except under one of the following circumstances, when providing, accepting, promising, or requesting, directly or indirectly, money, gratuity, service, preferential treatment, entertainment, dining, and other benefits, the conduct of the given personnel of the Company shall comply with the provisions of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies" and these Procedures and Guidelines, and the relevant procedures shall have been carried out:

1. The conduct shall be in compliance with the laws and regulations of the country where the Company operates.
2. The conduct is undertaken to meet business needs and is in accordance with local courtesy, convention, or custom during domestic (or foreign) visits, reception of guests, promotion of business, and communication and coordination.
3. The conduct has its basis in ordinary social activities that are attended or others are invited to hold in line with accepted social custom, commercial purposes, or developing relationships.
4. Invitations to guests or attendance at commercial activities or factory visits in relation to business needs, when the method of fee payment, number of participants, class of accommodations, and the time period for the event or visit have been specified in advance.
5. Attendance at folk festivals that are open to and invite the attendance of the general public.
6. Rewards, emergency assistance, condolence payments, or honorariums from the management.
7. Property received due to engagement, marriage, maternity, relocation, assumption of a position, promotion or transfer, retirement, resignation, or severance, or the injury, illness, or death of the recipient or the recipient's spouse or lineal relative.
8. Other conduct that complies with the rules of the Company.

Article 7: (Procedures for handling the acceptance of improper benefits)

Except under any of the circumstances set forth in the preceding article, when any personnel of the Company are provided with or are promised, either directly or indirectly, money, gratuity, service, preferential treatment, entertainment, dining, and other benefits by a third party, the matter shall be handled in accordance with the following procedures:

1. If there is no relationship of interest between the party providing or offering the benefit and the official duties of the Company's personnel, the personnel shall report to their immediate supervisor within 3 days from the acceptance of the benefit, and the responsible unit shall be notified if necessary.
2. If a relationship of interest does exist between the party providing or offering the benefit and the official duties of the Company's personnel, the personnel shall return or refuse the benefit, and shall report to his or her immediate supervisor and notify the responsible unit. When the benefit cannot be returned, then within 3 days from the acceptance of the benefit, the personnel shall refer the matter to the responsible unit for handling.

"A relationship of interest between the party providing or offering the benefit and the official duties of the Company's personnel," as referred to in the preceding paragraph, refers to one of the following circumstances:

1. When the two parties have commercial dealings, a relationship of direction and supervision, or subsidies (or rewards) for expenses.
2. When a contracting, trading, or other contractual relationship is being sought, is in progress, or has been established.
3. Other circumstances in which a decision regarding the Company's business, or the execution or non-execution of business, will result in a beneficial or adverse impact.

   The responsible unit of the Company shall make a proposal, based on the nature and value of the property under Paragraph 1, that it be returned, accepted on payment, given to the public, donated to charity, or handled in another appropriate manner. The proposal shall be implemented after being reported and approved.

Article 8: (Prohibition of and handling procedure for facilitating payments)
The Company shall neither provide nor promise any facilitating payment.
If any personnel of the Company provides or promises a facilitating payment under threat or intimidation, they shall submit a report to their immediate supervisor stating the facts and shall notify the responsible unit.
Upon receipt of the report under the preceding paragraph, the responsible unit of the Company shall take immediate action and undertake a review of relevant matters in order to minimize the risk of recurrence. In a case involving alleged illegality, the responsible unit shall also immediately report to the relevant judicial agency.

Article 9: (Procedures for handling political contributions)
Political contributions by the Company shall be made in accordance with the following provisions, reported to the supervisor in charge for approval, and a notification given to the responsible unit. It shall be made only after being reported to and approved by the Board of Directors:
1. It shall be ascertained that the political contribution is in compliance with the laws and regulations governing political contributions in the country in which the recipient is located, including the maximum amount and the form in which a contribution may be made.
2. A written record of the decision-making process shall be kept.
3. Account entries shall be made for all political contributions in accordance with applicable laws and regulations and relevant procedures for accounting treatment.
4. In making political contributions, commercial dealings, applications for permits, or carrying out other matters involving the interests of the Company with the related government agencies shall be avoided.

Article 10: (Procedures for handling charitable donations or sponsorships)
Charitable donations or sponsorships made by the Company shall be handled in accordance with the following regulations and the “Rules of Procedure of the Board of Directors”. It shall be reported to the general manager for approval and submitted to the Board of Directors for approval before processing:
1. It shall be ascertained that the donation or sponsorship is in compliance with the laws and regulations of the country where the Company operates.
2. A written record of the decision-making process shall be kept.
3. A charitable donation shall be given to a valid charitable institution and may not be a disguised form of bribery.
4. The returns received as a result of any sponsorship shall be specific and reasonable, and the subject of the sponsorship may not be a counterparty of the Company’s commercial dealings or a party with which any personnel of the Company has a relationship of interest.
5. After a charitable donation or sponsorship has been given, it shall be ascertained that the destination to which the money flows is consistent with the purpose of the contribution.

Article 11: (Recusal due to conflicts of interest)
The directors of the Company shall exercise a high degree of self-discipline. When directors or the

juristic persons represented thereby have a stake in a proposal at a Board of Directors meeting and, where there is a likelihood that the interests of the Company would be prejudiced, they may express their opinions and answer questions, but shall recuse themselves from any discussion and voting, and may not exercise voting rights as proxy on behalf of other directors. The directors shall practice self-discipline and must not support one another in improper dealings.

If in the course of conducting company business, any personnel of the Company discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both his or her immediate supervisor and the responsible unit, and the immediate supervisor shall provide the personnel with proper instructions.

No personnel of the Company may use Company resources on commercial activities other than those of the Company, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other than those of the Company.

Article 12: (Special unit in charge of confidentiality regime and its responsibilities)

The Company shall set up a special unit concerning trade secrets, which shall be responsible for formulating and implementing procedures for managing, preserving, and maintaining the confidentiality of the Company's trade secrets and it shall also conduct periodical reviews on the results of implementation to ensure the sustained effectiveness of the confidentiality procedures.

Article 13: (Prohibition against any disclosure of trade secrets)

All personnel of the Company shall faithfully follow the operational directions pertaining to the Company's trade secrets and may not disclose to any other party any trade secrets of the Company of which they have learned, nor may they inquire about or collect any trade secrets of the Company unrelated to their individual duties.

Article 14: (Prohibition against insider trading)

All personnel of the Company shall adhere to the provisions of the Securities and Exchange Act, and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging undisclosed information to any other party, in order to prevent other party from using such information to engage in insider trading.

In addition to complying with the regulations as mentioned in the preceding Paragraph, the directors of the Company are prohibited from trading in the Company's shares during the closure periods of 30 days prior to the announcement of the annual financial report and 15 days prior to the announcement of the quarterly financial report.

Article 15: (Non-disclosure agreement)

Any organization or person outside of the Company that is involved in any merger, demerger, acquisition and share transfer, major memorandum of understanding, strategic alliance, other business partnership plan, or the signing of a major contract by the Company shall be required to sign a non-disclosure agreement in which they undertake not to disclose to any other party any trade secret or other material information of the Company acquired as a result, and that they may not use such information without the prior consent of the Company.

Article 16: (External declaration of the ethical management policy)

The Company shall disclose its policy of ethical management in its internal rules, annual reports, on the

Company's websites, and in other promotional materials, and shall make timely announcements of the policy in events held for outside parties such as product launches and investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management.

Article 17: (Ethical management evaluation prior to development of commercial relationships)
Before developing a commercial relationship with another party, such as an agent, supplier, customer, or other counterparty in commercial dealings, the Company shall evaluate the legality and ethical management policy of the party and ascertain whether the party has a record of involvement in unethical conduct, in order to ensure that the party conducts business in a fair and transparent manner and will not request, offer, or take bribes.
When the Company carries out the evaluation under the preceding paragraph, it may adopt appropriate audit procedures for a review of the counterparty with which it will have commercial dealings with respect to the following matters, in order to gain a comprehensive knowledge of its ethical management:
1. The enterprise's nationality, location of business operations, organizational structure, and management policy, and place where it will make payment.
2. Whether the enterprise has adopted an ethical management policy, and the status of its implementation.
3. Whether enterprise's business operations are located in a country with a high risk of corruption.
4. Whether the business operated by the enterprise is in an industry with a high risk of bribery.
5. The long-term business condition and degree of goodwill of the enterprise.
6. Consultation with the enterprise's business partners on their opinion of the enterprise.
7. Whether the enterprise has a record of involvement in unethical conduct such as bribery or illegal political contributions.

Article 18: (Statement of ethical management policy to counterparties in commercial dealings)
Any personnel of the Company, when engaging in commercial activities, shall make a statement to the trading counterparty about the Company's ethical management policy and related rules, and shall clearly refuse to provide, promise, request, or accept, directly or indirectly, any improper benefit in whatever form or name, including rebates, commissions, facilitation fees or the offer or acceptance of improper benefits through other means.

Article 19: (Avoidance of commercial dealings with unethical operators)
All personnel of the Company shall avoid business transactions with an agent, supplier, customer, or other counterparty in commercial interactions that is involved in unethical conduct. When the counterparty or partner in cooperation is found to have engaged in unethical conduct, the personnel shall immediately cease dealing with the counterparty and blacklist it for any further business interaction in order to effectively implement the Company's ethical management policy.

Article 20: (Stipulation of terms of ethical management in contracts)
Before entering into a contract with another party, the Company shall gain a thorough knowledge of the status of the other party's ethical management, and shall make observance of ethical management part of the terms and conditions of the contract, stipulating at the least the following matters:
1. When a party to the contract becomes aware that any personnel has violated the terms and conditions pertaining to prohibition of acceptance of commissions, rebates, or other benefits, the party shall immediately notify the other party of the violator's identity, the manner in which the provision,

promise, request, or acceptance was made, and the monetary amount or other benefit that was provided, promised, requested, or accepted. Otherwise, the other party may, in addition to claiming the liquidated damages stipulated in the contract from the defaulting party and deducting the same from the contract price payable, claim compensation from the defaulting party for the damages suffered as a result.

2. Where a party is discovered to be engaged in unethical conduct in its commercial activities, the other party may terminate or rescind the contract unconditionally at any time.
3. Specific and reasonable payment terms, including the place and method of payment and the requirement for compliance with related tax laws and regulations.

Article 21: (Handling of unethical conduct by personnel of the Company)

When the Company discovers or receives a report that the Company's personnel has engaged in unethical conduct, the Company shall immediately ascertain the relevant facts. If it is proven that there has been a violation of relevant laws and regulations or the Company's ethical management policy and regulations, the Company shall immediately require the perpetrator to cease the relevant behavior and take appropriate action. If necessary, the Company may seek compensation for damages through legal proceedings in order to protect the reputation and rights and interests of the Company.

For any unethical conduct that has occurred, the Company shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent recurrence.

The responsible unit of the Company shall submit to the Board of Directors a report on the unethical conduct, actions taken, and subsequent reviews and corrective measures.

Article 22: (Actions upon event of unethical conduct by others towards the Company)

If any personnel of the Company discovers that another party has engaged in unethical conduct towards the Company, and such unethical conduct involves alleged illegality, the Company shall report the relevant facts to the judicial and prosecutorial authorities; where a public service agency or public official is involved, the Company shall additionally notify the governmental anti-corruption agency.

Article 23: (Establishment of a system for rewards, penalties, and complaints, and related disciplinary measures)

The Company shall link ethical management to employee performance evaluations and human resources policy, and establish clear and effective systems for rewards, penalties, and complaints.

If any personnel of the Company seriously violates ethical conduct, the Company shall dismiss the personnel from his or her position or terminate his or her employment in accordance with applicable laws and regulations or the personnel policy and procedures of the Company .

The Company shall disclose on its intranet information the name and title of the violator, the date and details of the violation, and the actions taken in response.

Article 24: (Enforcement)

These Measures shall be enforced after being approved by the Board of Directors, and the same shall apply when amended.

These Measures were formulated on March 24, 2025, and were implemented after being approved by the Board of Directors.

Comparison Table of Some Articles of the "Procedures for Acquisition and Disposal of Assets"

Before and After Amendments

Amend provisions	Current provisions	Explanation
2-0 Legal basis: Theses Procedures are formulated in compliance with the Article 36-1 of the Securities and Exchange Act and the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”.	2-0 Legal basis: ~~These procedures are formulated based on the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” stipulated by the Securities and Futures Commission of the Ministry of Finance (hereinafter referred to as the “SFC”) under Tai-Cai-Zheng (I) Letter No. 0910006105 dated December 10, 2002 (2002).~~	Amended in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.
4-0 Definition of terms 4-12 The term “within one year” as used in these Procedures refers to one year from the date of acquisition or disposal of the assets. Items duly announced need not be counted toward the transaction amount.	4-0 Definition of terms 4-12 (None)	Amended in accordance with Article 12 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.
5-0 Relevant regulations: 5-1 The procedures for evaluating and determining the terms and conditions of transactions for the acquisition or disposal of the Company’s assets are governed by these Procedures, in addition to the Company’s Fixed Asset Management Measures and Operating Guidelines, and Procurement Measures.	5-0 Relevant regulations: 5-1 The procedures for evaluating and determining the terms and conditions of transactions for the acquisition or disposal of the Company’s assets are governed by these Procedures, in addition to the Company’s Fixed Asset Management Measures and Procurement Measures.	Revised to meet actual needs.
8-0 Acquisition or disposal of property, equipment or right-of-use assets thereof (Previous sections omitted.) 8-3-5 If the Company acquires or disposes of an asset through a court auction, a certificate issued by the court may be used in lieu of an appraisal report or an accountant’s opinion.	8-1 Acquisition or disposal of property, equipment or right-of-use assets thereof (Previous sections omitted.) 8-3-5 (None)	Amended in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.
9-0 Acquisition or disposal of securities 9-1 Operational procedures Acquisition or disposal of securities by the Company shall be handled in accordance with the relevant cycle of the Company’s internal control system. Investments in Mainland China shall be handled in accordance with the regulations announced by the	9-0 Acquisition or disposal of securities 9-1 Operational procedures Acquisition or disposal of securities by the Company ~~shall be handled in accordance with the investment cycle of the Company’s internal control system~~.	Amended in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies. Amended in accordance with Article 13 of the

Amend provisions	Current provisions	Explanation
Department of Investment Review, MOEA. 9-2 (Omitted) 9-3 (Omitted) 9-3-1 (Omitted) 9-3-2 If the Company acquires or disposes of an asset through a court auction, a certificate issued by the court may be used in lieu of an appraisal report or an accountant's opinion.	9-2 (Omitted) 9-3 (Omitted) 9-3-1 (Omitted) 9-3-2 (None)	Regulations Governing the Acquisition and Disposal of Assets by Public Companies.
10-0 Acquisition or disposal of memberships or intangible assets or right-to-use assets thereof 10-1 Operational procedures (1) (Omitted) (2) In the event that the transaction amount does not meet the criteria for announcement and declaration, the transaction amount may be reported to the Board of Directors for subsequent approval, and the rest shall be approved by a resolution of the Board of Directors in advance. In the event of any of the circumstances stipulated in Article 185 of the Company Act, a resolution of the Shareholders' meeting shall be passed first. (3) In the event that the Company acquires or disposes of assets that shall be approved by the Board of Directors in accordance with the prescribed procedures or other legal requirements, if a director expresses dissenting views and there is a record or written statement of such dissenting views, the Company shall send the dissenting views of the director to each supervisor. If the Company has established independent directors, the Company shall take into full consideration the opinions of the independent directors and include in the minutes of the meeting the opinions and reasons for their objections or reservations when the acquisition or disposal of assets is submitted to the Board of Directors for discussion in accordance with the regulations.	10-0 Acquisition or disposal of memberships or intangible assets or right-to-use assets thereof 10-1 Operational procedures (Omitted)	Amended in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.

Amend provisions	Current provisions	Explanation
(4) Major asset transactions of the Company shall be approved by at least one-half of all Audit Committee members and submitted to the Board of Directors for resolution. If the approval of at least one-half of all Audit Committee members is not obtained, the transaction shall be approved by at least two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors' meeting. All members of the Audit Committee and all directors are counted on the basis of actual term of office.		
15-0 The 10% of total assets requirement in these Procedures is based on the amount of total assets in the most recent parent company only or separate financial statements required by the Regulations Governing the Preparation of Financial Reports by Securities Issuers.	(None)	Amended in accordance with Article 35 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.
16-0 (Omitted)	15-0 (Omitted)	Adjustment to the order of articles.
17-0 (Previous sections omitted) It was revised by the Board of Directors on March 11, 2025, and was revised by resolution of the Shareholders' meeting on June 24, 2025.	16-0 (Omitted)	Addition of date of amendment.

Comparison Table of Some Articles of the "Articles of Association"

Before and After Amendments

Amend provisions	Current provisions	Explanation
Article 10: (Previous sections omitted) The Company's Shareholders' meeting may be held by video conference or other means as announced by the central competent authority. Shareholders participating in a Shareholders' meeting by means of video conferencing shall be deemed to be attending the meeting in person. A video Shareholders' meeting shall be conducted by the Board of Directors with the attendance of at least two-thirds of the directors and the approval of a majority of the directors present. When the Company convenes a Shareholders' meeting, written or electronic means is one of the channels for exercising the right to vote, and the method of exercising the right shall be specified in the notice convening the Shareholders' meeting. Shareholders exercising their voting rights in writing or by electronic means are deemed to be present in person. Matters related to the exercise of such rights shall be handled in accordance with relevant laws and regulations.	Article 10: (Previous sections omitted)	Amended in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies
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 to entrust a proxy to attend the meeting. In addition to the provisions of Article 177 of the Company Act and Article 251-1 of the Securities and Exchange Act, the attendance by proxy shall be handled by "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies".	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".	Amended in accordance with the regulations of Article 177 of the Company Act.
Article 13: Unless otherwise stipulated by the Company Act 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.	Article 13: Unless otherwise stipulated by the Company Act 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~~	Amended in accordance with the Corporate Governance Best Practice Principles.

Amend provisions	Current provisions	Explanation
	~~deemed to be passed, and its effect is the same as voting by ballot.~~	
Article 15: (Previous sections omitted) 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-third of the number of directors. Shareholders shall elect directors from the list of candidates for independent 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 and Supervisors of Public Companies and Implementation Rules for Auditing" promulgated by the competent authority.	Article 15: (Previous sections omitted) 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.	Amended in accordance with the Corporate Governance Best Practice Principles.
Article 17: When the term of directors 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 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.	Amended in accordance with the Company Act.
Article 18: (Previous sections omitted) Minutes of board meetings shall be handled in accordance with Article 207 of the Company Act. The production and distribution of the proceedings mentioned in the preceding paragraph may be done electronically.	Article 18: (Previous sections omitted) Minutes of board meetings shall be handled in accordance with Article 183 of the Company Act. The production and distribution of the proceedings mentioned in the preceding paragraph may be done electronically.	Amended in accordance with the Company Act.
Atricle 18-1: In addition to written notice, the convening of the Board of Directors can be done by “Electronic” or “Fax” means.	Atricle 18-1: In addition to written notice, the convening of the Board of Directors can be done by "~~e-mail~~" or "Fax"~~, but the reason for the meeting must still be stated according to regulations~~.	Amended in accordance with the Company Act.
Article 24-1: The Company’s earnings distribution or loss compensation may be made after the end of each quarter. Any earnings distribution or loss compensation for the first three quarters made by the Company shall be submitted to the Audit Committee for examination and approval by the Board of Directors, together with the business report and financial statements, prior to the end of the following quarter. If the distribution of earnings is to be made in cash, it shall be resolved by the Board of Directors and reported to the Shareholders’ meeting in accordance with the provisions of	Article 24-1: None	Amended in accordance with the regulations of Article 228-1 of the Company Act.

Amend provisions	Current provisions	Explanation
Article 228-1 and Article 240, Paragraph 5 of the Company Act, and is not required to be submitted to the Shareholders' meeting for ratification.		
Article 25: If the Company have annual profits, 2% should be allocated as employee remuneration, of which 0.5% shall be allocated as remuneration to entry-level employees, and no more than 2% should be allocated as director 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 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: 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.	Amended in accordance with Article 14, Paragraph 6 of the Securities and Exchange Act in relation to remuneration to entry-level employees.
Article 28: Additional Provisions (Previous sections omitted) The fortieth revision was on June 29, 2023 The forty-first revision was on June 24, 2025	Article 28: Additional Provisions (Previous sections omitted) The fortieth revision was on June 29, 2023	Addition of date of amendment.

Comparison Table of Some Articles of the "Rules of Procedure for Shareholders' Meeting"

Before and After Amendments

Amend provisions	Current provisions	Explanation
Article 1: The Company's rules of procedure for Shareholders' meeting, except as otherwise provided by law or Articles of Association, shall be as provided in these Rules.	Article 1: The Company's Shareholders' meetings, except as otherwise provided by law, shall be as provided in these Rules.	Amended according to actual operational needs.
Article 2: The Company's Shareholders' meetings, except as otherwise provided by law, shall be convened by the Board of Directors. Unless otherwise provided in the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall convene a video Shareholders' meeting as specified in the Articles of Association and resolved by the Board of Directors, and a video Shareholders' meeting shall be conducted by the Board of Directors with the attendance of at least two-thirds of the directors and the approval of a majority of the directors present. Changes in the manner of the Company's Shareholders' meeting shall be resolved by the Board of Directors and shall be held no later than the mailing of the notice of the Shareholders' meeting. 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. The video conference of the Shareholders' meeting shall be accepted at the platform of the video conference of the Shareholders' meeting 30 minutes prior to the commencement of the meeting, and the shareholders who have completed the registration shall be deemed to be attending the Shareholders' meeting in	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.	Amended according to actual operational needs.

person. 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. The Company shall maintain an attendance book for shareholders attending the meeting to sign in or shareholders (or proxies) shall submit the attendance card to sign in on behalf of the Company. 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 shall attach ballot papers. When the government or a legal person is a shareholder, it may be represented at the Shareholders' meeting by not more than one person. When a legal person is entrusted to attend the Shareholders' meeting, it can only designate one representative to attend. If a Shareholders' meeting is convened by video conference, shareholders who wish to attend the meeting by video conference shall register with the Company two days prior to the date of the Shareholders' meeting. Where a Shareholders' meeting is convened by video conference, the Company shall upload the meeting handbook, annual report and other relevant information to the Shareholders' meeting video conferencing platform at least thirty minutes prior to the commencement of the meeting and continue to disclose the same until the end of the meeting.	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. The number of shares present is calculated by adding the number of shares reported in the attendance book or by submitting the attendance card and the number of shares reported in the video conference platform to the number of shares exercising the voting right by written or electronic means. Unless otherwise provided by relevant laws and regulations, each shareholder of the Company has one vote per	Article 3: Attendance and voting at the Shareholders' meeting shall be calculated based on shares.	Amended according to actual operational needs.

share. When the Company convenes a Shareholders' meeting, voting rights may be exercised in writing or electronically, and the method of exercising the right shall be specified in the notice convening the Shareholders' meeting. Shareholders exercising their voting rights in writing or by electronic means are deemed to be present in person at the Shareholders' meeting. However, the Company shall refrain from proposing extraordinary motions and amendments to the original motions as the extraordinary motions and amendments to the original motions are regarded as abstentions at the Shareholders' meeting. If a person exercises his/her right to vote by written or electronic means as described in the preceding paragraph, his/her intention shall be delivered to the Company two days prior to the date of the Shareholders' meeting. In the event of a duplication of intentions, the first to be delivered shall prevail. However, the declaration of revocation of the previous intentions shall not be subject to this limitation. If a shareholder, after exercising his/her voting rights in writing or by electronic means, wishes to attend the Shareholders' meeting in person or by video, he/she shall revoke his/her intention to exercise his/her voting rights in the same manner as he/she exercised his/her voting rights two days prior to the date of the Shareholders' meeting. In the event of a late revocation, the voting rights exercised in writing or by electronic means shall prevail. If a shareholder exercises his/her right to vote by written or electronic means and appoints a proxy to attend the Shareholders' meeting by a proxy form, the voting right exercised by the proxy in attendance shall prevail. If a shareholder wishes to attend a Shareholders' meeting by video after the proxy form has been delivered to the Company, he/she shall notify the Company in writing two days prior to the Shareholders' meeting that he/she wishes to revoke his/her proxy; In the event of a late revocation, the voting right exercised by the proxy in attendance shall prevail.		

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. The meeting shall be held at such place and time with due consideration to the opinions of the independent directors. A video Shareholders' meeting convened by the Company shall not be subject to the limitation on the place as mentioned in the preceding paragraph.	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.	Amended according to actual operational needs.
Article 3-2: The Company shall convene a videoconference of the Shareholders' meeting by specifying the following matters in the notice convening the Shareholders' meeting: 1. Shareholders' participation in the video conference and the method of exercising their rights. 2. The handling of any obstruction to the video conference platform or video participation due to natural disasters, events or other force majeure circumstances shall include at least the following matters: (1) The time when a meeting must be postponed or adjourned due to a persistent failure to eliminate the previous obstruction, and the date of the meeting if it must be postponed or adjourned. (2) Shareholders who have not registered to participate in the original Shareholders' meeting by video are not allowed to participate in the postponed or adjourned meeting. (3) If it is not possible to adjourn a Shareholders' meeting when convening a video-assisted Shareholders' meeting, and the total number of shares present reaches the quorum for the Shareholders' meeting after deducting the number of shares present for the Shareholders' meeting by video conferencing, the Shareholders' meeting shall be continued. Shareholders who participate in the Shareholders' meeting by	Article 3-2: (None)	Amended according to actual operational needs.

video conferencing shall be counted in the total number of shares of the shareholders present and shall be deemed to have abstained from voting on all the motions of the Shareholders' meeting. (4) In the event that the results of all motions have been declared and no extraordinary motions have been made, the manner in which such motions are handled shall be disclosed. 3. When convening a video Shareholders' meeting, appropriate alternatives shall be set out for shareholders who have difficulties in participating in Shareholders' meetings by means of video conferencing.		
Article 3-3: If a Shareholders' meeting is convened by videoconference, the chairman of the meeting shall, at the time of calling the meeting to order, separately announce that, except for the circumstances that do not require the postponement or adjournment of the meeting as stipulated in Article 44-20, Paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the meeting shall be postponed or adjourned within five days in the event any obstruction to the video conference platform or video participation due to natural disasters, events or other force majeure circumstances that lasts for more than thirty minutes prior to the chairman of the meeting declaring the meeting to be adjourned. The provisions of Article 182 of the Company Act shall not apply. In the event of an adjournment or postponement of the meeting as described in the preceding paragraph, shareholders who have not registered to participate in the original Shareholders' meeting by video are not allowed to participate in the postponed or adjourned meeting. When a Shareholders' meeting is postponed or adjourned in accordance with the provisions of Paragraph 2, there is no need to re-discuss and resolve a motion for which the polling and counting of votes have been completed and the results of the polling or the list of directors to be elected have been announced.	Article 3-3: (None)	Amended according to actual operational needs.

Article 6: (Previous sections omitted) In the event that a Shareholders' meeting is convened by video conference, the Company shall keep records of the shareholders' registration, enrollment, attendance, questions, voting, and the results of the Company's vote counting, and shall continuously record and videotape the entire video conference. The Company shall keep the information and audio and video recordings in the preceding paragraph in a safe place during the continuance of the Company's business and provide the audio and video recordings to the person who is entrusted with the video conferencing services for retention.	Article 6: (Previous sections omitted)	Amended according to actual operational needs.
Article 7: (Previous sections omitted) 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. In the event that the meeting is convened by way of a videoconference, the Company shall also announce that the meeting will be adjourned on the Shareholders' meeting video conferencing platform. (Following sections omitted)	Article 7: (Previous sections omitted) 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. (Following sections omitted)	Amended according to actual operational needs.
Article 8: If the Shareholders' meeting is convened by the Board of Directors, the agenda shall be determined by the Board of Directors. Relevant motions (including extraordinary motions and amendments to the original motions) shall be voted on a case-by-case basis, 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	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	Amended according to actual operational needs.

by other shareholders. If it is determined that a vote shall shall be taken, discussion may be adjourned and the matter may be put to a vote. An adequate time for voting shall be scheduled. (Following sections omitted)	by other shareholders, ~~and the shareholding of the proposer and the representative of the seconder shall reach 1% of total issued shares~~. (Following sections omitted)	
Article 8-1 For the convening of a regular Shareholders' meeting, the Company shall, 30 days prior to the date of the annual Shareholders' meeting or 15 days prior to the date of the extraordinary Shareholders' meeting, prepare and transmit to the Market Observation Post System an electronic file containing the notice of the Shareholders' meeting, the proxy form, and the reasons for and explanatory information of the motion for recognition, discussion, and election or termination of directors, and other information. The Company shall also, 21 days prior to the date of the annual Shareholders' meeting or 15 days prior to the date of the extraordinary Shareholders' meeting, prepare and transmit to the Market Observation Post System an electronic file containing Shareholders' meeting handbook and supplementary information. If the Company's paid-in capital reaches NT$10 billion or more as of the end of the most recent fiscal year, or if the combined percentage of foreign-invested and mainland-invested shares listed in the shareholders' register at the most recent fiscal year's annual Shareholders' meeting reaches 30% or more, the Company shall complete the transmission of the previous electronic file 30 days prior to the date of the annual Shareholders' meeting. 15 days prior to the date of the Shareholders' meeting, the Company shall make available to the shareholders, upon request, the Shareholders' meeting handbook and supplementary information, which shall be displayed at the Company and at the professional share agent appointed by the Company. The Shareholders' meeting handbook and supplementary information of the preceding paragraph shall be made available to the shareholders on the date of the Shareholders' meeting in the following manner: 1. When a physical Shareholders' meeting is held, it shall be	Article 8-1 (None)	Amended according to actual operational needs. Amended according to actual operational needs.

distributed at the site of the Shareholders' meeting. 2. When a video-assisted Shareholders' meeting is held, it shall be distributed at the site of the Shareholders' meeting and uploaded to the video conferencing platform in an electronic form. 3. When a video Shareholders' meeting is held, it shall be uploaded to the video conferencing platform in an electronic form. Notices and announcements shall state the reasons for convening a meeting, and notices may be given by electronic means with the consent of the counterparty. Election or dismissal of directors, change of Articles of Association, capital reduction, application for cessation of public offering, director's participation in a competitive business, capitalization of earnings, capitalization of capital reserve, dissolution of the Company, merger, demerger, or the regulations of the Company Act, Securities and Exchange Act and the Regulations Governing the Issuance of Securities shall be listed in the reasons for the convening of the meeting and its main contents shall be described. These matters shall not be proposed as an extraordinary motion. In addition, the Board of Directors shall not include a motion if it falls under any of the circumstances set forth in each Subparagraph of Paragraph 4 under Article 172-1 of the Company Act.		
Article 9: (Previous sections omitted) 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. After the speeches of attending shareholders, the chairman may reply in person or by designating relevant person. If a Shareholders' meeting is convened by video conference, shareholders participating by video conference may ask questions by text on the video conference platform of the Shareholders' meeting from the time the chairman calls the meeting to order to the time when the meeting is	Article 9: (Previous sections omitted)	Amended according to actual operational needs.

adjourned. The number of times a question may be asked for each motion shall not be more than twice, and each time the question shall be limited to 200 words. The provisions from Paragraph 1 to Paragraph 6 shall not be applicable. If a question in the preceding paragraph does not contravene the regulations or does not exceed the scope of the motion, it is appropriate to disclose such question on the video conferencing platform of the Shareholders' meeting for public information.		
Article 10: When a vote is taken, the chairman or his/her designee shall announce the total number of voting rights of the shareholders present in each case, and the shareholders shall cast their votes on a case-by-case basis. The results of the shareholders' approval, disapproval, and abstention shall be entered into the Market Observation Post System on the same day of the Shareholders' meeting. When the Company convenes a video Shareholders' meeting, the shareholders who participate in the meeting by means of video conferencing shall cast their votes on the various motions and election motions through the video conferencing platform after the chairman calls the meeting to order, and shall complete the voting before the chairman announces the end of the voting. Those who are overdue shall be deemed to have abstained from voting. If a Shareholders' meeting is convened by video conference, after the chairman announces the close of the polls, the votes shall be counted in one go and the results of the vote and election shall be announced. When the Company convenes a video-assisted Shareholders' meeting, shareholders who have registered to attend the Shareholders' meeting by video in accordance with Article 3 and wish to attend the physical Shareholders' meeting in person shall revoke their registrations two days prior to the date of the Shareholders' meeting in the same manner as their registrations, and those who have revoked their registrations after the deadline may attend the Shareholders' meeting by video only. Shareholders who exercise their voting rights in writing or by electronic	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.~~	Amended according to actual operational needs. Amended according to actual operational needs.

means without revoking their intentions and who participate in the Shareholders' meeting by video conferencing may not exercise their voting rights on the original motion, or propose amendments to the original motion, or exercise their voting rights on amendments to the original motion, except for extraordinary motions.		
Article 12: Where a Shareholders' meeting is convened by video conference, the Company shall disclose the voting results of each motion and the election results on the video conference platform of the Shareholders' meeting in accordance with the regulations immediately after the close of the poll, and shall continue to do so for at least fifteen minutes after the chairman has declared the adjournment of the meeting.	Article 12: ~~After the speeches of attending~~ shareholders~~, the chairman may reply in person or by designating relevant person.~~	Amended according to actual operational needs.
Article 13: The chairman and the recording officer shall be present at the same place within the country where the Company's video Shareholders' meeting is held, and the chairman shall announce the address of such place at the time of the meeting.	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.~~	Amended according to actual operational needs.
Article 14: (Previous sections omitted) Election ballots for the preceding election shall be sealed and signed by the scrutineers and kept in a safe place 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 14: (Previous sections omitted)	Amended according to actual operational needs.
Article 14-1: Minutes of the resolutions of the Shareholders' meeting shall be prepared, signed or sealed by the chairman, and the minutes shall be distributed to all shareholders within 20 days after the meeting. The production and distribution of the minutes of the proceedings may be done electronically. The minutes of the meeting shall record the year, month, day, place, name of the chairman, method of resolution, main points of the proceedings, and the results of the voting (including statistical weightings). In the case of the election of directors, the weightings of votes received by each candidate shall be disclosed. The minutes shall be kept permanently for the duration of the Company's existence. If a	Article 14-1: (None)	Amended according to actual operational needs.

Shareholders' meeting is convened by videoconference, the minutes of the meeting shall, in addition to the items that should be recorded in accordance with the preceding paragraph, record the starting time and ending time of the Shareholders' meeting, the manner in which the meeting is convened, the name of the chairperson and the recording officer, as well as the manner in which and the circumstances under which the participation in the videoconferencing platform or by means of video conferencing is obstructed as a result of a natural disaster, an event, or any other force majeure circumstances.		
Article 15: (Previous sections omitted) The Shareholders' meeting may resolve to adjourn or postpone the meeting within five days in accordance with the provisions of Article 182 of the Company Act.	Article 15: (Previous sections omitted)	Amended according to actual operational needs.
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.	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.~~	Amended according to actual operational needs.
Article 20: (Previous sections omitted) This Rule was amended by the Shareholders' meeting on July 29, 2021. This Rule was amended by the Shareholders' meeting on June 24, 2025.	Article 20: (Previous sections omitted) This Rule was amended by the Shareholders' meeting on July 29, 2021.	Addition of date of amendment.

Appendix 1

Lung Hwa Electronics Co., Ltd.
Articles of Association (Before Amendments)

Chapter I General Provisions

Article 1: The Company is organized in accordance with the provisions of the Co., Ltd. chatper of Company Act and named as Lung Hwa 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 Act.

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 Act.

Chapter II Share

Article 5: The total capital of the Company is NT$1.5 billion, divided into 150 million 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 Act 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 Act.

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 Act, 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 Act. 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 Act.

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 IV 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 V 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 Act 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

Lung Hwa Electronics Co., Ltd.

Chairman: WANG, WKANG-HSIANG

Appendix 2

Lung Hwa Electronics Co., Ltd.
Rules of Procedure for Shareholders' Meeting
(Before Amendments)

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 Act.

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 Act.

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 1% 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.

Lung Hwa 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 57,985,000 shares.
   The minimum total number of shares that all directors should hold is 4,638,800 shares.
   The shareholding of all directors of the Company has complied with the laws.
2. As of April 26, 2025, which the transfer of accounts closed day of 2025 annual shareholders meeting, the shares held by all directors are as follows:

Job title	Name	Number of shares
Chairman	WANG, WKANG-HSIANG	9,561,466
Director	Zhonghua Investment Co., Ltd Representative: Lin Kunming	1,680,000
Director	Zhonghua Investment Co., Ltd Representative: (Temporarily vacant)	1,680,000
Director	Zhonghua Investment Co., Ltd Representative: ALLEN Y. WANG	1,680,000
Director	Zhonghua Investment Co., Ltd Representative: WANG, SHARON	1,680,000
Independent director	Dong Qingquan	0
Independent director	Lu Xinghua	0
Independent director	Li Shuping	0
Independent director	Wei Yunting	0
Total number of shares held by all directors (Not include Independent directors)		11,241,466