

SERCOMM

TWSE:5388

Sercomm Corporation

2025 Annual Shareholders' Meeting

Meeting Agenda
(Translation)

Disclaimer

This document is a translation of the agenda for the annual shareholder meeting (the “Agenda”) of Sercomm Corporation (the “Company”). This translation is provided for reference purposes only and should not be relied upon for any other purpose. The Company disclaims any and all liability arising from or related to this translation. In the event of any discrepancy or inconsistency, the Chinese version of the Agenda shall prevail.

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Sercomm Corporation

Agenda for the 2025 Annual Shareholders' Meeting

Time : 9:00 a.m., Thursday, May 29, 2025

Venue : No.81, Youyi Rd., Zhunan Township, Miaoli County, Taiwan

Format : In-person shareholders' meeting

Agenda :

- I. Announcement of the Meeting (Report on the attendance of shares)
- II. Chairman's Speech
- III. Meeting Agenda
 1. Report Items
 - (I) Business Report for the Year of 2024
 - (II) Audit Committee's Review Report
 - (III) Report on the Distribution of Remuneration to Employees and Directors for 2024
 - (IV) Report on the Distribution Status of Cash Dividends from 2024 Earnings
 - (V) Report on the Unexecuted Matters of Privately Placed Common Stocks or Privately Placed Domestic/Overseas Convertible Corporate Bonds Approved by the Shareholders' Meeting in 2024
 - (VI) Report on the Issuance and Conversion Status of Convertible Corporate Bonds
 - (VII) Report on the Execution of the Company's Share Buyback
 2. Election Items : Election of Eight Directors, Including Four Independent Directors
 3. Recognition and Discussion Items
 - (I) Acceptance of the 2024 Business Report and Financial Statements
 - (II) Acceptance of the Proposal for the Distribution of 2024 Earnings
 - (III) Approval of the Amendment to the Articles of Incorporation
 - (IV) Approval of the Private Placement of Common Shares or Domestic/Overseas Convertible Corporate Bonds
 - (V) Approval of the Issuance of Employee Restricted Stock Awards
 - (VI) Approval of the Release of Non-Compete Restrictions on Newly Elected Directors and Their Representatives
 4. Extempore Motions
 5. Adjournment

1. Report Items

(I) Business Report for the Year of 2024

Sercomm Corporation Business Report

Looking back at 2024, it can be said that it was a year full of opportunities and challenges for the networking industry. Even as we welcome the burgeoning opportunities presented by the new 5G telecommunication applications, we are simultaneously facing multiple challenges, including geopolitical uncertainties, supply chain restructuring in the post-pandemic era, and customer inventory adjustments. With our strong research and development capabilities, Sercomm have continued to actively develop new products, progress our globalization efforts, and expand our market presence. Despite the uncertainties in the external environment, we remain committed to the research and development of new technological innovations, successfully increasing our market share in the telecommunications sector and maintaining our position as an industry leader.

In terms of operating performance, Sercomm achieved a total consolidated revenue of NT\$56.79 billion in year 2024. Thanks to the optimization of our product portfolio, the gross margin rate reached 17.7%. The operating profit reached NT\$2.93 billion, representing a year-on-year decrease of 5.8%. The net profit attributable to the parent company after tax was NT\$2.27 billion. Based on the weighted average shares, which was approximately 294 million shares, consolidated post-tax earnings per share amounted to NT\$7.74.

Sercomm has continued its globalization efforts in response to geopolitical and market changes. To this end, we have enhanced our operational resilience through global supply chain management, flexibly integrating resources from our five major production bases in Taiwan, Philippines, India, Mexico, and China, ensuring capacity flexibility and stable component supply to meet customer demand. With the upgrade of global networking infrastructure driving the demand for broadband equipment, Sercomm have leveraged our technological advantages to focus on product innovation and market positioning. In addition to our existing key markets in North America, Europe, and the Asia-Pacific region, we are actively expanding into emerging markets such as Southeast Asia, Latin America, and the Middle East. At the same time, we are enhancing our direct sales business in telecommunications and deepening partnerships with customers to further strengthen our market leadership.

In addition to focusing on our core business, with the increasing global emphasis on ESG issues, Sercomm actively promotes sustainable operations. The Company is concentrating on three major aspects: environment, society, and governance, and is committed to low-carbon transformation while fulfilling our corporate responsibilities. In the fields of environmental protection, workplace conditions, business ethics, and sustainable procurement, we have shown continuous improvement, even being recognized with the EcoVadis Gold Medal. Additionally, due to our outstanding workplace environment, we have obtained "Great Place To Work" certification. At the same time, the Company's efforts in governance have been reflected in our ranking in the Corporate Governance Evaluation, placing us in the top 6%-to-20% bracket. For each of the seven years since 2017, Sercomm has published an annual

sustainability report and successfully passed third-party certification, demonstrating our commitment to and achievements in sustainable development.

Looking ahead to 2025, the global networking communication industry is poised to enter a new era of vigorous development. As such, Sercomm will leverage our innovative R&D capabilities to reinforce our collaboration with global telecommunications customers and provide comprehensive communication technology solutions. New products include: 10G PON high-speed optical fiber access equipment, DOCSIS Cable 4.0 products, WiFi 7 devices, 5G FWA fixed wireless access equipments, video-streaming devices, enterprise networking equipment, and smart Internet-of-Things products. These new offerings are expected to contribute to revenue growth and, we anticipate, overall operational growth. Seizing market opportunities and adhering to sustainable management principles, Sercomm strives to create sustainable corporate value, continuously boosting the long-term interests of our stakeholders, including shareholders, customers, and employees alike.

To Sercomm’s 2025 Annual Shareholders’ Meeting

Chairman	James Wang
President	Ben Lin
Accounting Officer	Max Cheng

(II) Audit Committee's Review Report

Sercomm Corporation The Audit Committee's Review Report

The Board of Directors prepared the individual and consolidated financial statements of the Company for the year 2024. These statements were audited by PricewaterhouseCoopers Taiwan ("PwC") through the accountants Ya-Fang Wen and Yu-Fang Yen. They also audited the Balance Sheets, Statements of Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows. The Business Report and Proposal for the Distribution of 2024 Earnings had been audited by the Audit Committee and no discrepancies were found. A report has been prepared in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report to the shareholders' meeting of Sercomm Corporation.

Audit Committee of Sercomm Corporation
Chair: Chin-Tay Shih
February 27, 2025

(III) Report on the Distribution of Remuneration to Employees and Directors for 2024

Description:

1. In accordance with Article 29 of the Company's Articles of Incorporation, if the Company records profit for the year, 12% to 18% of such profit shall be allocated as employee remuneration. The recipients may include employees of the Company's controlling or subordinate companies who meet certain criteria, with the specific eligibility requirements and distribution method authorized to be determined by the Board of Directors. The maximum allocation for directors' remuneration is capped at 2.5%.
2. The Company's earnings for fiscal year 2024 (i.e., profit before tax and before the deduction of employee and director remuneration) amounted to NT\$3,321,175,986. In accordance with the Company Act and the Articles of Incorporation, the Company proposes to allocate NT\$509,800,000 as employee remuneration, representing approximately 15.35% of the aforementioned profit. The distribution shall be made in cash and limited to full-time employees who are officially on the payroll of the Company and its subsidiaries at the time of distribution. In addition, the Company proposes to allocate NT\$35,200,000 as directors' remuneration, representing approximately 1.06%, to be distributed in cash.

(IV) Report on the Distribution Status of Cash Dividends from 2024 Earnings

Description:

1. In accordance with Article 29 of the Company's Articles of Incorporation, if all or part of the dividends and bonuses are to be distributed in the form of cash, the Board of Directors is authorized to resolve such distribution with the attendance of at least two-thirds of the directors and the approval of a majority of the attending directors, and the resolution shall be reported to the shareholders' meeting.
2. Based on the total outstanding shares of 298,549,542 as of February 27, 2025, the Company plans to distribute a cash dividend of NT\$1,373,327,894 for the earnings of fiscal year 2024, representing a cash dividend of NT\$4.6 per share. The distribution will be calculated proportionally according to each shareholder's shareholding, rounded down to the nearest whole dollar. Any fractional amount less than one dollar will be forfeited unconditionally and included in the Company's other income.
3. The ex-dividend date for the cash dividend distribution is set for April 4, 2025, and the cash dividend payment date is scheduled for April 30, 2025.

(V) Report on the Unexecuted Matters of Privately Placed Common Stocks or Privately Placed Domestic/Overseas Convertible Corporate Bonds Approved by the Shareholders' Meeting in 2024

Description:

1. Pursuant to Article 43-6, Paragraph 7 of the Securities and Exchange Act, privately placed securities shall be executed within one year from the date of the shareholders' meeting resolution.
2. On May 31, 2024, the Company's Annual Shareholders' Meeting approved a proposal authorizing the Board of Directors to conduct a private placement of common shares or domestic/overseas convertible corporate bonds within a limit of 20 million common shares. As of May 30, 2025, one year will have elapsed since the resolution, and since no subscribers have been confirmed, the Company proposes not to proceed with the aforementioned private placement of securities.

(VI) Report on the Issuance and Conversion Status of Convertible Corporate Bonds

Description:

The status of the issuance and conversion of unsecured convertible Corporate bonds is as follows:

Issue Session	7th Domestic Convertible Corporate Bond
Purpose of Issue	To supplement working capital and repay the principal of the 1st unsecured ordinary corporate bonds due in 2019
Issue Date	December 6, 2023
Maturity Date	December 6, 2028
Denomination and Number of Bonds Issued	NT\$100,000 per bond, 30,000 bonds issued
Total Issuance Amount and Issue Price	Total issuance amount of NT\$3,000,000,000, issued at 103% of face value
Interest Rate	0% per annum
Conversion Details	As of March 10, 2025, no conversions have taken place.
Unredeemed Amount	NT\$3,000,000,000

(VII) Report on the Execution of the Company's Share Buyback

Description:

The status of the buyback and transfer of company shares is as follows:

Buyback Session	11th Session
Purpose of Buyback	To transfer shares to employees
Buyback Period	October 3, 2022, to December 2, 2022
Buyback Price Range	NT\$55.16 to NT\$90.00
Anticipated Type and Number of Shares for Buyback	Ordinary shares, 5,000,000 shares
Actual Type and Number of Shares Bought Back	Ordinary shares, 5,000,000 shares
Amount Spent on Shares Bought Back	NT\$398,396,775
Percentage of Planned Shares Bought Back	100%
Number of Shares Cancelled and Transferred	3,500,000 shares
Total Number of Shares Held by the Company	1,500,000 shares
Percentage of Issued Shares Held by the Company	0.50%

2. Election Items

(I) Election of Eight Directors, Including Four Independent Directors (proposed by the Board of Directors)

Description:

1. The tenure of the Company's 12th Board of Directors will expire on June 7, 2025. A full re-election of eight directors (including four independent directors) is scheduled for this Annual Shareholders' Meeting. The new directors will serve a three-year term, from May 29, 2025, to May 28, 2028. The current directors shall serve until the conclusion of this Annual Shareholders' Meeting.
2. Pursuant to Article 192-1 of the Company Act and the Company's Articles of Incorporation, director elections (including independent directors) shall adopt a candidate nomination system. Shareholders shall elect directors from the list of nominated candidates.
3. For the list of director (including independent director) candidates, their major education and work experience, and the rationale for nominating an independent director who has served three consecutive terms, please refer to Attachment 1.

Election Results:

3. Recognition and Discussion Items

(I) Acceptance of the 2024 Business Report and Financial Statements (proposed by the Board of Directors)

Description:

1. The consolidated and individual financial statements of the company for the year of 2024, including the balance sheet, comprehensive income statement, statement of changes in equity, and cash flow statement, have been audited by PwC, with accountants Wen-Ya Fang and Yu-Fang Yen.
2. The aforementioned financial statements and the business report for the year of 2024 have been approved by the Board of Directors and audited by the Audit Committee.
3. Please refer to Attachment 2 and page 4 for the financial statements and business report.

Resolution:

(II) Acceptance of the Proposal for the Distribution of 2024 Earnings (proposed by the Board of Directors)

Description:

1. The company's earning distribution table for the year of 2024, please refer to Attachment 3.

Resolution:

(III) Approval of the Amendment to the Articles of Incorporation (proposed by the Board of Directors)

Description:

1. To comply with regulatory requirements, certain provisions of the Articles of Incorporation are proposed to be amended.
2. Before and After Amendment Comparison Table of the revised provisions is provided in Attachment 4.

Resolution:

(IV) Approval of the Private Placement of Common Stocks or Domestic/Overseas Convertible Corporate Bonds (proposed by the Board of Directors)

Description:

1. To ensure the future operation of Sercomm, the private placement of common shares or domestic and foreign convertible corporate bonds will be held under 27 million shares. When converting corporate bonds, the number of common shares that can be converted should be under 27 million shares, calculated based on the conversion price at the time of private placement. It is proposed to submit to the shareholders meeting to authorize the Board of Directors to choose one or a combination of methods in accordance with the Company's Articles of Incorporation and relevant laws and regulations at an appropriate time, depending on market conditions and Company operation. Please refer to Attachment 5 for the method and terms of private placement of securities.
2. The marketable securities for this private placement include total number of shares, duration, price, amount, coupon rate, terms and conditions, conversion price, buyer selection, record date, future plan, use of funds and expected return, as well as all other associated matters in regard to the issuance plan. It is proposed to the shareholders' meeting to authorize the Board of Directors to decide on these matters and make adjustments in accordance with the conditions of the market. It is also proposed to the shareholders' meeting to authorize the Board of Directors to have sole discretion if the issuance plan is required to be amended in accordance with relevant laws and regulations or instructions or modifications requested by competent authorities, or in response to operational assessments or other business environment factors.
3. It is proposed to authorize the Chairman or his designate to represent the Company in handling all matters related to the private placement of common stocks or domestic or overseas convertible corporate bonds, and to sign related contracts and documents.

Resolution:

(V) Approval of the Issuance of Employee Restricted Stock Awards

(proposed by the Board of Directors)

Description:

1. To attract and retain key talent essential to the Company, it is proposed to issue 5,000,000 shares of Employee Restricted Stock Awards (RSAs) in accordance with Article 267 of the Company Act and the relevant regulations of the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers." Each share has a par value of NT\$10, with a total issuance amount of NT\$50,000,000. The issuance price per share is set at NT\$80.
2. For details regarding the issuance terms, employee eligibility criteria and allocation, the necessity of issuing RSAs, and restrictions on unvested shares, please refer to Attachment 6 - Employee Restricted Stock Awards Issuance Rules for the Year 2025.
3. Potential expense recognition, impact on EPS dilution, and effects on shareholder equity: As of February 27, 2025, the Company's total outstanding shares amount to 300,049,542 shares, with the proposed RSAs accounting for 1.67% of the total. Based on a preliminary stock price of NT\$125 per share, the RSAs may be issued in one or multiple tranches within two years from the date of receipt of the effective registration notice from the Financial Supervisory Commission (FSC). Assuming all shares fully vest, the estimated maximum expense recognition from 2025 to 2027 is approximately NT\$225 million over three years. This corresponds to an estimated impact on EPS dilution of NT\$0.74 per share, with a limited overall dilution effect and no significant impact on shareholder equity.

Resolution:

(VI) Approval of the Release of Non-Compete Restrictions on Newly Elected Directors and Their Representatives

(proposed by the Board of Directors)

Description:

1. Pursuant to Article 209 of the Company Act, a director who engages in business activities falling within the Company's business scope, either for their own benefit or on behalf of others, must disclose the key details of such activities to the shareholders' meeting and obtain its approval.
2. As certain newly elected directors and their representatives may hold investments in or managerial positions at other companies operating within the same or a similar business scope as the Company, this matter is submitted for shareholder approval in accordance with legal requirements.
3. It is proposed that the Annual Shareholders' Meeting approve the waiver of non-compete restrictions for the newly elected directors and their representatives. Details on the waiver of non-Compete restrictions for newly elected directors and their representatives, please refer to Attachment 7.

Resolution:

4. Extempore Motions:

5. Adjournment

List of Director (Including Independent Director) Candidates

Title	Name	Key Education & Experience	Current Primary Position (Note 1)	Shares Held (Note 2)
Director	Chao Yue Investment Co., Ltd. Representative: Mr. James Wang	- Harvard Business School, MBA - Carnegie Mellon University, ME - Chairman, Sercomm Corp.	- Chairman and CEO, Sercomm Corp.(*) - Independent Director, Formosa International Hotels Corporation(*)	3,000,000
Director	Pacific Venture Partners Co. Ltd. Representative: Mr. Paul Wang	- Carnegie Mellon University, PhD in Physics - Chairman, Sercomm Corp.	- Director, Sercomm Corp.(*) - Director, Prosperity Dielectrics Co., Ltd.(*) - Director, Taiwan Cement Co., Ltd.(*)	3,671,926
Director	Zhuo Jian Investment Co., Ltd. Representative: Mr. Ben Lin	- National Tsing Hua University, MS in PME - President, Sercomm Corp.	- Director and President, Sercomm Corp.(*)	4,197,094
Director	Yun Zhou Investment Co., Ltd. Representative: Ms. Nicola Palmer	- University of Pennsylvania – The Wharton School, MBA - Chief Product Officer, Chief Engineering Officer and Head of Wireless Networks, Verizon	- Director, nVent Electric plc(*) - Director, NextNav, Inc.(*) - Director, Zayo Group Holdings, Inc. - Director, Astound Broadband, LLC - Director, Boldyn Networks	3,090,000
Independent Director	Ms. Rose Tsou (Note3)	- Northwestern University, Kellogg School of Management, MBA - Boston University, MS in Mass Communication - Head of International, Verizon Media	- Independent Director, Sercomm Corp.(*) - Independent Director, Delta Electronics, Inc.(*) - Independent Director, Giant Manufacturing Co., Ltd. (*)	0
Independent Director	Mr. Paul Yang	- Harvard Business School, MBA - Massachusetts Institute of Technology, MS in ME - Vice President, KGI Financial Holding Co., Ltd.	- Independent Director, Sercomm Corp.(*) - Chairman, KGI Bank Co., Ltd. - Director, President and CEO, KGI Financial Holding Co., Ltd.(*) - Director, KGI Life Insurance Co., Ltd.	0
Independent Director	Mr. Hilo Chen	- National Chiao Tung University, MS in Transportation Engineering and Management - CEO and President, Systex Corporation - Member, Compensation Committee, Sercomm Corp.	- Independent Director, TTFB Company Limited(*) - Independent Director, Cenra Inc. (*) - Chairman, OneAD Inc.	0
Independent Director	Mr. Feng Zhu	- Harvard Business School, PhD in Science, Technology and Management	- Professor, Business Administration, Harvard University - President, FZConsulting Inc.	0

Notes:

- (*) Indicates that the company is a publicly listed entity, either domestically or internationally.
- The number of shares held is based on the record date for share transfer suspension as of March 31, 2025.
- Reasons for the continued nomination of an independent director who has served three consecutive terms:**
Ms. **Rose Tsou** has served as an independent director of the Company, leveraging her extensive experience in corporate management, digital transformation, and international market expansion. With deep insights into technology industry trends, she has provided forward-looking recommendations that have helped the Company maintain its competitive edge in a highly dynamic market. Ms. Rose Tsou has been actively engaged in corporate governance, consistently focusing on risk management and business strategy. Her high level of independence and professionalism ensures fairness and strategic foresight in board decision-making, laying a solid foundation for the Company's sustainable development. Given her expertise and strong alignment with the Company's business growth, she continues to contribute significant value and enhance international competitiveness. Therefore, the Board has resolved to renominate her as an independent director.

2024 Financial Statements

INDEPENDENT AUDITORS' REPORT

PWCR24000515

To the Board of Directors and Shareholders of Sercomm Corporation

Opinion

We have audited the accompanying consolidated balance sheets of Sercomm Corporation and subsidiaries (the "Group") as at December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountants in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for 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, we do not provide a separate opinion on these matters.

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

Timing of revenue recognition from hub sales

Description

For the accounting policies of revenue recognition, please refer to Note 4(34); and for the details of revenue, please refer to Note 6(21).

The Group is mainly engaged in sales of global network communication software and equipment activities, and its sales types are mainly divided into shipped directly from factories and goods picked up from hubs. For pick-ups from hub, the Group recognises sales revenue when their customers pick up the goods (satisfies the performance obligation) from hubs. The Group recognises sales revenue based on movements of inventories contained in the statements or other information provided by the hub custodians. As the hubs are located around the world with numerous custodians, the frequency and contents of statements provided by custodians vary, and the process of revenue recognition involves numerous manual procedures, these factors may potentially result in inaccurate timing of sales revenue recognition and discrepancy between physical inventory quantities in the hubs and quantities as reflected in the accounting records. As the transaction amounts from hubs prior to and after the balance sheet date are significant to the financial statements, we consider the timing of revenue recognition from hub sales as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Assessed and tested the appropriateness of internal controls over hub sales revenue, including understanding and testing the statements between the Group and hub custodians periodically.

2. Obtained the stock details of each hub at the balance sheet date and agreed to respective supporting documents provided by hub custodians.
3. Confirmed inventory quantities held at hubs and agreed to accounting records to validate the revenue recognition in proper period.

Valuation of inventory

Description

For the accounting policies of inventory, please refer to Note 4(14); and for the accounting estimates of valuation of inventory and assumption uncertainty, please refer to Note 5. For details on loss on inventory valuation, please refer to Note 6(7). As of December 31, 2024, the cost of inventory and loss on inventory valuation are \$12,634,743 thousand and \$1,038,531 thousand, respectively.

Due to rapid technological innovations and intense competition in the telecom market, there is a higher risk of inventory losses due to market value decline or obsolescence. The Group recognises inventories at the lower of cost and net realisable value, and the net realisable value is estimated based on historical experience, such as inventories aged over a certain period of time or individually identified as obsolete.

Since the industry which the Group is engaged in rapidly changes, and the estimate of net realizable value for obsolete inventory is subject to management's judgment, we consider valuation of inventory as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Assessed the reasonableness of accounting policies and procedures in relation to inventory valuation, including the classification of aged, damaged and obsolete inventory.
2. Reviewed the Group's annual counting plan and conducted their physical counts on inventories to evaluate the control effectiveness on inventory classification.
3. Validated the inventory classification and the amount of net realisable value, recalculated the loss of inventory and further evaluated the rationality.

Other matter – Parent company only financial reports

We have audited and expressed an unmodified opinion on the parent company only financial statements of Sercomm Corporation as at and for the years ended December 31, 2024 and 2023.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

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

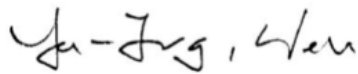
As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

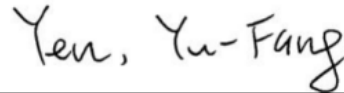
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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



Wen, Ya-Fang



Yen, Yu-Fang

For and on behalf of PricewaterhouseCoopers, Taiwan

February 27, 2025

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

SERCOMM CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2024		December 31, 2023		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 8,305,815	20	\$ 8,830,912	19
1110	Financial assets at fair value through profit or loss, current	6(2)	13,384	-	1,190,590	2
1136	Financial assets at amortised cost, current	8	27,392	-	60,855	-
1139	Financial assets for hedging, current	6(4)	20,425	-	998	-
1150	Notes receivable, net	6(5)	60,863	-	78,138	-
1170	Accounts receivable, net	6(5)	11,634,655	28	11,502,602	24
1200	Other receivables	6(6)	959,900	2	445,590	1
1220	Current income tax assets		39,472	-	1,681	-
130X	Inventories	6(7)	11,596,212	28	17,533,297	37
1410	Prepayments		704,725	2	588,137	1
1470	Other current assets		39,432	-	26,986	-
11XX	Current Assets		<u>33,402,275</u>	<u>80</u>	<u>40,259,786</u>	<u>84</u>
Non-current assets						
1510	Financial assets at fair value through profit or loss, non-current	6(2)	-	-	4,616	-
1517	Financial assets at fair value through other comprehensive income, non-current	6(3)	324,339	1	24,720	-
1535	Financial assets at amortised cost, non-current	8 and 9	119,423	-	117,822	-
1550	Investments accounted for using equity method	6(8)	13,721	-	7,305	-
1600	Property, plant and equipment	6(9) and 8	5,866,741	14	5,367,828	11
1755	Right-of-use assets	6(10)	667,044	2	377,769	1
1780	Intangible assets	6(11)	311,972	1	378,471	1
1840	Deferred income tax assets	6(27)	889,785	2	897,142	2
1915	Prepayments for business facilities	6(29)	205,332	-	149,093	-
1920	Guarantee deposits paid	8 and 9	175,740	-	163,010	1
1990	Other non-current assets, others		15,444	-	16,967	-
15XX	Non-current assets		<u>8,589,541</u>	<u>20</u>	<u>7,504,743</u>	<u>16</u>
1XXX	Total assets		<u>\$ 41,991,816</u>	<u>100</u>	<u>\$ 47,764,529</u>	<u>100</u>

(Continued)

SERCOMM CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2024		December 31, 2023	
		AMOUNT	%	AMOUNT	%
Current liabilities					
2100 Short-term borrowings	6(12)	\$ 1,016,211	3	\$ 429,925	1
2120 Financial liabilities at fair value through profit or loss, current	6(2)	39,583	-	1,097	-
2126 Financial liabilities for hedging, current	6(4)	-	-	32,490	-
2130 Contract liabilities, current	6(21)	761,015	2	751,271	2
2150 Notes payable		402,250	1	636,314	1
2170 Accounts payable		12,063,488	29	16,372,388	34
2200 Other payables		4,149,235	10	4,843,532	10
2230 Current income tax liabilities		174,780	1	748,161	2
2250 Provisions for liabilities, current	6(16)	980,724	2	684,969	1
2280 Current lease liabilities		78,089	-	65,121	-
2320 Long-term liabilities, current portion	6(13)	1,400,000	3	2,300,000	5
2365 Current refund liabilities	6(21)	127,648	-	369,661	1
2399 Other current liabilities, others	9	928,590	2	1,102,439	2
21XX Current Liabilities		<u>22,121,613</u>	<u>53</u>	<u>28,337,368</u>	<u>59</u>
Non-current liabilities					
2500 Financial liabilities at fair value through profit or loss, non-current	6(2)	18,600	-	17,400	-
2511 Financial liabilities for hedging, non-current	6(4)	-	-	3,757	-
2530 Bonds payable	6(13)	2,798,505	6	5,669,790	12
2570 Deferred income tax liabilities	6(27)	332,471	1	305,179	1
2580 Non-current lease liabilities		331,539	1	142,533	-
2640 Net defined benefit liability, non-current	6(14)	22,092	-	43,452	-
2645 Guarantee deposits received		47,609	-	28,896	-
25XX Non-current liabilities		<u>3,550,816</u>	<u>8</u>	<u>6,211,007</u>	<u>13</u>
2XXX Total Liabilities		<u>25,672,429</u>	<u>61</u>	<u>34,548,375</u>	<u>72</u>
Equity					
Equity attributable to owners of parent					
Share capital					
3110 Common stock	6(17)	3,000,496	7	2,685,781	6
3140 Advance receipts for share capital	6(13)	-	-	105,989	-
Capital surplus	6(18)				
3200 Capital surplus		6,354,493	15	4,608,355	9
Retained earnings	6(19)				
3310 Legal reserve		1,814,255	4	1,572,874	3
3320 Special reserve		689,875	2	653,337	2
3350 Undistributed retained earnings		4,944,900	12	4,410,572	9
Other equity interest	6(20)				
3400 Other equity interest		(356,140)	(1)	(689,879)	(1)
Treasury stocks					
3500 Treasury stocks	6(17)	(119,517)	-	(119,517)	-
31XX Equity attributable to owners of the parent		<u>16,328,362</u>	<u>39</u>	<u>13,227,512</u>	<u>28</u>
36XX Non-controlling interest		(8,975)	-	(11,358)	-
3XXX Total equity		<u>16,319,387</u>	<u>39</u>	<u>13,216,154</u>	<u>28</u>
Significant contingent liabilities and unrecognised contract commitments	9				
Significant subsequent events	11				
3X2X Total liabilities and equity		<u>\$ 41,991,816</u>	<u>100</u>	<u>\$ 47,764,529</u>	<u>100</u>

SERCOMM CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except earnings per share)

Items	Notes	Year ended December 31				
		2024		2023		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(21)	\$ 56,788,762	100	\$ 62,584,493	100
5000	Operating costs	6(7) and 7	(46,712,533)	(82)	(52,322,193)	(84)
5900	Gross profit		10,076,229	18	10,262,300	16
	Operating expenses					
6100	Selling expenses	7	(2,536,119)	(5)	(2,636,545)	(4)
6200	General and administrative expenses	7	(1,304,079)	(2)	(1,346,086)	(2)
6300	Research and development expenses	7	(3,323,109)	(6)	(3,127,890)	(5)
6450	Expected credit impairment gain (loss)	12(2)	20,916	-	(38,265)	-
6000	Total operating expenses		(7,142,391)	(13)	(7,148,786)	(11)
6900	Operating profit		2,933,838	5	3,113,514	5
	Non-operating income and expenses					
7100	Interest income		175,702	-	124,791	-
7010	Other income	6(22)	19,052	-	18,794	-
7020	Other gains and losses	6(23)	(66,779)	(-)	(6,338)	(-)
7050	Finance costs	6(24)	(248,528)	(-)	(262,002)	(-)
7060	Share of profit (loss) of associates and joint ventures accounted for under equity method	6(8)	9,896	-	(726)	-
7000	Total non-operating income and expenses		(110,657)	(-)	(125,481)	(-)
7900	Profit before income tax		2,823,181	5	2,988,033	5
7950	Income tax expense	6(27)	(549,542)	(1)	(599,242)	(1)
8200	Profit for the year		\$ 2,273,639	4	\$ 2,388,791	4
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Gains (losses) on remeasurements of defined benefit plans	6(14)	\$ 16,709	-	(\$ 1,903)	-
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)(20)(29)	5,166	-	14,358	-
8317	Gains (losses) on hedging instrument	6(20)	52,904	(-)	(3,262)	(-)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(20)	(13,924)	(-)	(1,033)	(-)
8310	Components of other comprehensive income that will not be reclassified to profit or loss		60,855	-	10,226	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation of foreign financial statements		283,782	1	(98,349)	(-)
8368	Gains on hedging instruments	6(20)	29,445	-	3,767	(-)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(20)	(5,889)	(-)	(753)	(-)
8360	Components of other comprehensive income that will be reclassified to profit or loss		307,338	1	(95,335)	(-)
8300	Other comprehensive income (loss) (net)		\$ 368,193	1	(\$ 85,109)	(-)
8500	Total comprehensive income for the year		\$ 2,641,832	5	\$ 2,303,682	4
	Profit attributable to					
8610	Owners of the parent		\$ 2,271,006	4	\$ 2,386,305	4
8620	Non-controlling interest		2,633	-	2,486	(-)
	Total		\$ 2,273,639	4	\$ 2,388,791	4
	Comprehensive income attributable to					
8710	Owners of the parent		\$ 2,639,449	5	\$ 2,301,266	4
8720	Non-controlling interest		2,383	-	2,416	(-)
	Total		\$ 2,641,832	5	\$ 2,303,682	4
	Earnings per share	6(28)				
9750	Basic earnings per share		\$ 7.74		\$ 9.17	
9850	Diluted earnings per share		\$ 7.49		\$ 8.80	

SERCOMM CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 2,823,181	\$ 2,988,033
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(25)	821,929	722,250
Amortization expense	6(25)	155,570	199,997
Expected credit impairment (gain) loss	12(2)	(20,916)	38,265
Impairment loss on performance guarantee	6(23)	14,750	-
Net loss on financial assets and liabilities at fair value through profit or loss	6(2)(23)	163,655	11,216
Interest income		(175,702)	(124,791)
Interest expense	6(24)	248,527	262,002
Dividend income	6(22)	(376)	(5,427)
Compensation cost of share-based payments	6(15)	217,809	209,404
Share of (profit) loss of associates accounted for using equity method	6(8)	(9,896)	726
Loss (gain) on disposal of property, plant and equipment	6(23)	4,629	(359)
(Gains) losses arising from lease modifications	6(23)	(166)	121
Losses on disposals of investment	6(23)	199	-
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets and liabilities at fair value through profit or loss-current		(100,382)	(82,641)
Notes receivable		17,275	(39,337)
Accounts receivable		(406,093)	(861,571)
Other receivables		(521,990)	304,841
Inventories		5,937,085	(689,534)
Prepayments		(120,780)	27,959
Other current assets		(41,989)	54,915
Changes in operating liabilities			
Contract liabilities		9,744	69,665
Notes payable		(234,064)	(211,083)
Accounts payable		(4,308,900)	(1,557,105)
Other payables		(641,140)	700,554
Provisions for liabilities		294,483	182,431
Current refund liabilities		(242,013)	43,701
Other current liabilities		20,256	(27,829)
Net defined benefit liabilities - non-current		(4,650)	(5,330)
Cash inflow generated from operations		3,900,035	2,211,073
Interest received		180,702	112,505
Interest paid		(200,448)	(220,995)
Payments of income tax		(1,151,132)	(522,764)
Net cash flows from operating activities		<u>2,729,157</u>	<u>1,579,819</u>

(Continued)

SERCOMM CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2024	2023
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of property, plant and equipment	6(29)	(\$ 1,233,877)	(\$ 1,010,473)
Proceeds from disposal of property, plant and equipment		23,154	46,623
Acquisition of intangible assets	6(29)	(85,811)	(109,963)
Acquisition of financial assets at fair value through profit or loss		(2,800,000)	(1,750,000)
Proceeds from disposal of financial assets at fair value through profit or loss		3,950,000	600,000
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(3)	-	154,026
(Increase) decrease in guarantee deposit paid		(27,480)	1,583
Decrease in current financial assets at amortised cost		32,971	104,437
Dividends received	6(8)(22)	3,760	5,427
Net cash flows used in investing activities		(137,283)	(1,958,340)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from short-term debts	6(30)	22,684,123	8,629,871
Payments of short-term debts	6(30)	(22,097,837)	(9,833,296)
Proceeds from long-term debts	6(30)	-	1,278,376
Payments of long-term debts	6(30)	-	(1,965,496)
Proceeds from issuance of bonds	6(30)	-	3,090,000
Proceeds from transfer of treasury shares	6(17)	-	85,481
Exercise of employee share options	6(17)	18,304	78,848
Issuance of employee restricted stock	6(15)	204,240	155,760
Increase in guarantee deposits received	6(30)	574,350	1,049,028
Decrease in guarantee deposits received	6(30)	(751,161)	(55,627)
Payments of principal portion of lease liabilities	6(30)	(224,859)	(90,592)
Repayments of bonds	6(30)	(2,300,000)	-
Cash dividends paid	6(19)	(1,472,126)	(1,158,191)
Net cash flows (used in) from financing activities		(3,364,966)	1,264,162
Effect of exchange rate changes		247,995	(77,585)
Net (decrease) increase in cash and cash equivalents		(525,097)	808,056
Cash and cash equivalents at beginning of year		8,830,912	8,022,856
Cash and cash equivalents at end of year		<u>\$ 8,305,815</u>	<u>\$ 8,830,912</u>

INDEPENDENT AUDITORS' REPORT

PWCR24000536

To the Board of Directors and Shareholders of Sercomm Corporation

Opinion

We have audited the accompanying parent company only balance sheets of Sercomm Corporation (the "Company") as at December 31, 2024 and 2023, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2024 and 2023, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for 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, we do not provide a separate opinion on these matters.

Key audit matters for the Company's parent company only financial statements for the year ended December 31, 2024 are stated as follows:

Timing of revenue recognition from hub sales

Description

For the accounting policies of revenue recognition, please refer to Note 4(33); and for the details of revenue, please refer to Note 6(21).

The Company is mainly engaged in sales of global network communication software and equipment activities, and its sales types are mainly divided into shipped directly from factories and goods picked up from hubs. For pick-ups from hub, the Company recognises sales revenue when their customers pick up the goods (satisfies the performance obligation) from hubs. The Company recognises sales revenue based on movements of inventories contained in the statements or other information provided by the hub custodians. As the hubs are located around the world with numerous custodians, the frequency and contents of statements provided by custodians vary, and the process of revenue recognition involves numerous manual procedures, these factors may potentially result in inaccurate timing of sales revenue recognition and discrepancy between physical inventory quantities in the hubs and quantities as reflected in the accounting records. As the transaction amounts from hubs prior to and after the balance sheet date are significant to the financial statements, we consider the timing of revenue recognition from hub sales as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Assessed and tested the appropriateness of internal controls over hub sales revenue, including understanding and testing the statements between the Company and hub custodians periodically.

2. Obtained the stock details of each hub at the balance sheet date and agreed to respective supporting documents provided by hub custodians.
3. Confirmed inventory quantities held at hubs and agreed to accounting records to validate the revenue recognition in proper period.

Valuation of inventory

Description

For the accounting policies of inventory, please refer to Note 4(13); and for the accounting estimates of valuation of inventory and assumption uncertainty, please refer to Note 5. For details on loss on inventory valuation, please refer to Note 6(7). As of December 31, 2024, the cost of inventory and loss on inventory valuation are \$5,194,357 thousand and \$496,658 thousand, respectively.

Due to rapid technological innovations and intense competition in the telecom market, there is a higher risk of inventory losses due to market value decline or obsolescence. The Company recognises inventories at the lower of cost and net realisable value, and the net realisable value is estimated based on historical experience, such as inventories aged over a certain period of time or individually identified as obsolete.

Since the industry which the Company is engaged in rapidly changes, the estimate of net realizable value for obsolete inventory is subject to management's judgment, and the aforementioned matters also exist in the Company's subsidiaries (shown as investments accounted for using the equity method), we consider valuation of inventory as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Assessed the reasonableness of accounting policies and procedures in relation to inventory valuation, including the classification of aged, damaged and obsolete inventory.
2. Reviewed the Company's annual counting plan and conducted their physical counts on inventories to evaluate the control effectiveness on inventory classification.
3. Validated the inventory classification and the amount of net realisable value, recalculated the loss of inventory and further evaluated the rationality.

Responsibilities of management and those charged with governance for the parent company only financial statements

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the parent company only financial statements

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities controlled by the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

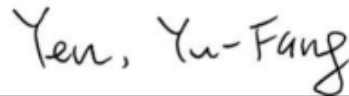
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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



Wen, Ya-Fang



Yen, Yu-Fang

For and on behalf of PricewaterhouseCoopers, Taiwan

February 27, 2025

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

SERCOMM CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 5,679,509	16	\$ 6,151,094	14
1110	Financial assets at fair value through profit or loss, current	6(2)	13,384	-	1,189,969	3
1139	Financial assets for hedging, current	6(4)	20,425	-	998	-
1170	Accounts receivable, net	6(5)	6,274,745	17	8,649,455	20
1180	Accounts receivable due from related parties, net	7	6,330,157	17	5,236,857	12
1200	Other receivables	6(6)	742,322	2	232,370	1
1210	Other receivables due from related parties	7	26,329	-	37,018	-
1220	Current income tax assets		28,738	-	-	-
130X	Inventories	6(7)	4,697,699	13	10,306,857	23
1410	Prepayments	7	349,000	1	441,418	1
1470	Other current assets		11,223	-	11,352	-
11XX	Current assets		<u>24,173,531</u>	<u>66</u>	<u>32,257,388</u>	<u>74</u>
Non-current assets						
1510	Financial assets at fair value through profit or loss, non-current	6(2)	-	-	4,616	-
1517	Financial assets at fair value through other comprehensive income, non-current	6(3)	294,453	1	-	-
1535	Financial assets at amortised cost, non-current	8 and 9	110,440	-	109,154	-
1550	Investments accounted for using equity method	6(8)	7,434,144	20	6,986,115	16
1600	Property, plant and equipment	6(9) and 8	2,815,196	8	2,789,324	6
1755	Right-of-use assets	6(10)	197,378	1	172,341	-
1780	Intangible assets	6(11)	288,464	1	368,291	1
1840	Deferred income tax assets	6(27)	674,446	2	743,252	2
1915	Prepayments for business facilities	6(29)	92,111	-	87,575	-
1920	Guarantee deposits paid	9	119,466	-	111,903	-
1960	Prepayments for investments, non-current		240,000	1	240,000	1
15XX	Non-current assets		<u>12,266,098</u>	<u>34</u>	<u>11,612,571</u>	<u>26</u>
1XXX	Total assets		<u>\$ 36,439,629</u>	<u>100</u>	<u>\$ 43,869,959</u>	<u>100</u>

(Continued)

SERCOMM CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2024		December 31, 2023	
		AMOUNT	%	AMOUNT	%
Current liabilities					
2100 Short-term borrowings	6(12)	\$ 1,016,211	3	\$ 169,900	-
2120 Financial liabilities at fair value through profit or loss, current	6(2)	39,583	-	1,097	-
2126 Financial liabilities for hedging, current	6(4)	-	-	32,490	-
2130 Contract liabilities, current	6(21)	752,213	2	723,761	2
2170 Accounts payable		3,911,472	11	6,472,361	15
2180 Accounts payable to related parties	7	3,656,226	10	7,106,715	16
2200 Other payables		2,960,157	8	3,651,408	8
2220 Other payables to related parties	7	973,760	3	1,202,205	3
2230 Current income tax liabilities		117,769	-	724,228	2
2250 Provisions for liabilities, current	6(16)	945,961	3	650,112	1
2280 Current lease liabilities		51,553	-	40,681	-
2320 Long-term liabilities, current portion	6(13)	1,400,000	4	2,300,000	5
2365 Current refund liabilities	6(21)	114,168	-	369,661	1
2399 Other current liabilities, others	9	921,366	2	1,103,435	3
21XX Current liabilities		<u>16,860,439</u>	<u>46</u>	<u>24,548,054</u>	<u>56</u>
Non-current liabilities					
2500 Financial liabilities at fair value through profit or loss, non-current	6(2)	18,600	-	17,400	-
2511 Financial liabilities for hedging, non-current	6(4)	-	-	3,757	-
2530 Bonds payable	6(13)	2,798,505	8	5,669,790	13
2570 Deferred income tax liabilities	6(27)	249,750	1	210,437	1
2580 Non-current lease liabilities		143,851	-	128,916	-
2640 Net defined benefit liability, non-current	6(14)	22,092	-	43,452	-
2645 Guarantee deposits received		-	-	234	-
2650 Credit balance of investments accounted for using equity method	6(8)	18,030	-	20,407	-
25XX Non-current liabilities		<u>3,250,828</u>	<u>9</u>	<u>6,094,393</u>	<u>14</u>
2XXX Total liabilities		<u>20,111,267</u>	<u>55</u>	<u>30,642,447</u>	<u>70</u>
Equity					
Share capital					
3110 Common stock	6(17)	3,000,496	8	2,685,781	6
3140 Advance receipts for share capital	6(13)	-	-	105,989	-
Capital surplus					
3200 Capital surplus	6(18)	6,354,493	17	4,608,355	10
Retained earnings					
3310 Legal reserve	6(19)	1,814,255	5	1,572,874	4
3320 Special reserve		689,875	2	653,337	1
3350 Undistributed retained earnings		4,944,900	14	4,410,572	10
Other equity interest					
3400 Other equity interest	6(20)	(356,140)	(1)	(689,879)	(1)
3500 Treasury stocks	6(17)	(119,517)	-	(119,517)	-
3XXX Total equity		<u>16,328,362</u>	<u>45</u>	<u>13,227,512</u>	<u>30</u>
Significant contingent liabilities and unrecognised contract commitments					
Significant subsequent events					
3X2X Total liabilities and equity		<u>\$ 36,439,629</u>	<u>100</u>	<u>\$ 43,869,959</u>	<u>100</u>

SERCOMM CORPORATION
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except earnings per share)

Items	Notes	Year ended December 31				
		2024		2023		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(21) and 7	\$ 52,499,922	100	\$ 56,357,193	100
5000	Operating costs	6(7) and 7	(44,677,639)	(85)	(48,569,227)	(86)
5900	Gross profit		7,822,283	15	7,787,966	14
5910	Unrealized loss from sales		-	-	14,196	-
5920	Realized profit from sales		2,131	-	1,597	-
5950	Gross profit from operations		7,824,414	15	7,803,759	14
	Operating expenses					
6100	Selling expenses	7	(2,242,979)	(4)	(2,348,466)	(4)
6200	General and administrative expenses	7	(782,965)	(2)	(884,271)	(2)
6300	Research and development expenses	7	(1,833,336)	(3)	(1,785,235)	(3)
6450	Expected credit impairment gain (loss)	12(2)	8,358	-	(31,072)	-
6000	Total operating expenses		(4,850,922)	(9)	(5,049,044)	(9)
6900	Operating profit		2,973,492	6	2,754,715	5
	Non-operating income and expenses					
7100	Interest income		114,023	-	43,826	-
7010	Other income	6(22)	9,456	-	7,483	-
7020	Other gains and losses	6(23) and 7	55,697	-	15,315	-
7050	Finance costs	6(24)	(277,573)	(1)	(283,252)	(1)
7070	Share of (loss) profit of associates and joint ventures accounted for using equity method	6(8)	(98,919)	-	360,844	1
7000	Total non-operating income and expenses		(197,316)	(1)	144,216	-
7900	Profit before income tax		2,776,176	5	2,898,931	5
7950	Income tax expense	6(27)	(505,170)	(1)	(512,626)	(1)
8200	Profit for the year		\$ 2,271,006	4	\$ 2,386,305	4
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Gains (losses) on remeasurements of defined benefit plans	6(14)	\$ 16,709	-	(\$ 1,903)	-
8316	Unrealised gains from investments in equity instruments measured at fair value through other comprehensive income	6(3)(20)	-	-	13,799	-
8317	Gains (losses) on hedging instrument	6(20)	52,904	-	(3,262)	-
8330	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(20)	5,166	-	559	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(27)	(13,924)	-	1,033	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		60,855	-	10,226	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation of foreign financial statements	6(20)	284,032	1	(98,279)	-
8368	Gains on hedging instrument	6(20)	29,445	-	3,767	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(27)	(5,889)	-	(753)	-
8360	Components of other comprehensive income that will be reclassified to profit or loss		307,588	1	(95,265)	-
8300	Other comprehensive income (loss) (net)		\$ 368,443	1	(\$ 85,039)	-
8500	Total comprehensive income for the year		\$ 2,639,449	5	\$ 2,301,266	4
9750	Basic earnings per share	6(28)	\$ 7.74		\$ 9.17	
9850	Diluted earnings per share	6(28)	\$ 7.49		\$ 8.80	

SERCOMM CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Notes	Share capital		Retained earnings				Other equity interest				Treasury stocks	Total equity
	Common stock	Advance receipts for share capital	Capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) on financial assets at fair value through other comprehensive income	Gains (losses) on hedging instruments	Other equity interest		
	\$ 2,587,958	\$ -	\$ 2,706,600	\$ 1,386,585	\$ 669,519	\$ 3,325,056	\$ (531,189)	\$ (17,537)	\$ 104,611	\$ -	\$ (207,165)	\$ 9,815,216
6(20)	-	-	-	-	-	2,386,305	-	-	-	-	-	2,386,305
	-	-	-	-	-	(1,522)	(98,279)	14,358	404	-	-	(85,039)
	-	-	-	-	-	2,384,783	(98,279)	14,358	404	-	-	2,301,266
6(19)	-	-	-	186,289	-	(186,289)	-	-	-	-	-	-
	-	-	-	-	(16,182)	16,182	-	-	-	-	-	-
	-	-	-	-	(1,158,191)	1,158,191	-	-	-	-	-	(1,158,191)
6(15)	-	-	69,220	-	-	-	-	-	-	-	-	69,220
6(17)(18)	29,600	-	49,248	-	-	-	-	-	-	-	-	78,848
	-	-	140,184	-	-	-	-	-	-	-	-	140,184
	25,960	-	129,800	-	-	-	-	-	-	-	87,648	155,760
	-	-	(2,167)	-	-	-	-	-	-	-	-	85,481
6(4)	-	-	-	-	-	-	-	-	65,223	-	-	65,223
6(4)	-	-	-	-	-	-	-	-	10,783	-	-	10,783
6(3)	-	-	-	-	-	29,031	-	(29,031)	-	-	-	-
6(13)	-	-	322,500	-	-	-	-	-	-	-	-	322,500
	42,263	105,989	1,192,970	-	-	-	-	-	-	-	-	1,341,222
	\$ 2,685,781	\$ 105,989	\$ 4,608,355	\$ 1,572,874	\$ 653,337	\$ 4,410,572	\$ (629,468)	\$ (32,210)	\$ (28,201)	\$ -	\$ (119,517)	\$ 13,227,512
	\$ 2,685,781	\$ 105,989	\$ 4,608,355	\$ 1,572,874	\$ 653,337	\$ 4,410,572	\$ (629,468)	\$ (32,210)	\$ (28,201)	\$ -	\$ (119,517)	\$ 13,227,512
6(20)	-	-	-	-	-	2,271,006	-	-	-	-	-	2,271,006
	-	-	-	-	-	13,367	284,032	5,166	65,878	-	-	368,443
	-	-	-	-	-	2,284,373	284,032	5,166	65,878	-	-	2,639,449
6(19)	-	-	-	241,381	-	(241,381)	-	-	-	-	-	-
	-	-	-	-	36,538	(36,538)	-	-	-	-	-	-
	-	-	-	-	(1,472,126)	1,472,126	-	-	-	-	-	(1,472,126)
6(15)	-	-	49,311	-	-	-	-	-	-	-	-	49,311
6(15)	-	-	-	-	-	-	-	-	168,498	-	-	168,498
6(17)(18)	7,150	-	11,154	-	-	-	-	-	-	-	-	18,304
6(17)(18)	34,040	-	338,698	-	-	-	-	-	-	-	-	204,240
6(4)	-	-	-	-	-	-	-	-	(168,498)	-	-	(168,498)
6(4)	-	-	-	-	-	-	-	-	(25,407)	-	-	(25,407)
6(4)	-	-	1,346,975	-	-	-	-	-	4,070	-	-	1,351,045
6(13)(18)	273,525	(105,989)	-	-	-	-	-	-	-	-	-	1,514,511
	\$ 3,000,496	\$ -	\$ 6,354,493	\$ 1,814,255	\$ 689,875	\$ 4,944,900	\$ (345,436)	\$ (27,044)	\$ 16,340	\$ -	\$ (119,517)	\$ 16,328,362

Year 2023

Balance at January 1, 2023

Profit for the year

Other comprehensive income (loss) for the year

Total comprehensive income (loss)

Appropriation and distribution of retained earnings:

Legal reserve appropriated

Reversal of special reserve

Cash dividends of ordinary share

Compensation cost of employees stock options

Exercise of employees share options

Compensation costs of employees restricted stocks

Employee restricted stocks vested

Transfer of treasury shares

Removal of hedging reserve

Reclassification of ineffective hedging reserve

Disposal of equity instruments at fair value through other comprehensive profit or loss

Issuance of convertible corporate bonds-options

Conversion of convertible bonds

Balance at December 31, 2023

Year 2024

Balance at January 1, 2024

Profit for the year

Other comprehensive income for the year

Total comprehensive income

Appropriation and distribution of retained earnings:

Legal reserve appropriated

Special reserve appropriated

Cash dividends of ordinary share

Compensation cost of employees stock options

Compensation costs of employee restricted stocks

Exercise of employees share options

Issuance of employee restricted stock

Removal of hedging reserve

Reclassification of ineffective hedging reserve

Conversion of convertible bonds

Balance at December 31, 2024

SERCOMM CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars,)

	Notes	Year ended December 31	
		2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 2,776,176	\$ 2,898,931
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(25)	372,023	329,565
Amortization expense	6(25)	151,907	196,296
Expected credit impairment (gain) loss	12(2)	(8,358)	31,072
Impairment loss on performance guarantee		14,750	-
Net loss on financial assets and liabilities at fair value through profit or loss	6(23)	163,425	12,345
Interest expense	6(24)	277,573	283,252
Interest income		(114,023)	(43,826)
Dividend income	6(22)	-	(4,800)
Compensation cost of share-based payments	6(15)	217,809	209,404
Share of loss (profit) of associates accounted for using equity method	6(8)	98,919	(360,844)
(Gains) loss on disposal of property, plant and equipment	6(23)	(3,748)	206
Unrealised profit from inter-company transactions		(2,131)	(15,794)
Losses arising from lease modifications	6(23)	192	540
Loss on disposal of investments accounted for using equity method	6(23)	199	-
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets and liabilities at fair value through profit or loss, current		(100,786)	(83,133)
Accounts receivable		2,088,615	325,468
Accounts receivable due from related parties, net		(1,093,300)	(2,867,997)
Other receivables		(526,184)	260,910
Other receivables due from related parties		37,018	1,234
Inventories		5,609,158	(1,605,758)
Prepayments		92,418	40,023
Other current assets		129	19,219
Changes in operating liabilities			
Contract liabilities, current		28,452	56,868
Accounts payable		(2,560,889)	2,568,023
Accounts payable to related parties		(3,450,489)	(1,004,437)
Other payables		(589,619)	898,837
Other payables to related parties		(228,445)	1,110,923
Provisions for liabilities, current		295,849	168,806
Current refund liabilities		(255,493)	43,701
Other current liabilities		12,038	(9,566)
Net defined benefit liabilities		(4,650)	(5,330)
Cash inflow generated from operations		3,298,535	3,454,138
Interest received		103,926	38,105
Interest paid		(280,736)	(283,282)
Payments of income tax		(1,046,725)	(470,441)
Net cash flows from operating activities		2,075,000	2,738,520

(Continued)

SERCOMM CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars,)

	Notes	Year ended December 31	
		2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	6(29)	(\$ 411,381)	(\$ 318,054)
Proceeds from disposal of property, plant and equipment		9,951	5,826
Acquisition of intangible assets	6(29)	(69,135)	(103,881)
Acquisition of financial assets at fair value through profit or loss		(2,800,000)	(1,750,000)
Proceeds from disposal of financial assets at fair value through profit or loss		3,950,000	600,000
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(3)	-	154,026
Acquisition of investments accounted for using equity method	6(8)	(501,140)	(602,993)
Proceeds from disposal of investments accounted for using equity method		1,173	-
Proceeds from capital reduction of investments accounted for using equity method	6(8)	241,770	914,400
Increase in guarantee deposit paid		(22,313)	(1,007)
Increase in current financial assets at amortised cost		(1,286)	(11,185)
Dividends received	6(22)	-	4,800
Net cash flows from (used in) investing activities		397,639	(1,108,068)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term debts	6(30)	21,737,491	7,583,239
Payments of short-term debts	6(30)	(20,891,180)	(9,053,334)
Proceeds from long-term debts	6(30)	-	1,278,376
Payments of long-term debts	6(30)	-	(1,965,496)
Proceeds from issuing bonds	6(30)	-	3,090,000
Proceeds from transfer of treasury shares	6(17)	-	85,481
Exercise of employee share options	6(17)	18,304	78,848
Proceeds from issuance of employee restricted stock	6(15)	204,240	155,760
Increase in guarantee deposits received	6(30)	518,606	998,089
Decrease in guarantee deposits received	6(30)	(712,945)	-
Payments of principal portion of lease liabilities	6(30)	(46,614)	(39,487)
Repayments of bonds	6(30)	(2,300,000)	-
Cash dividends paid	6(19)	(1,472,126)	(1,158,191)
Net cash flows (used in) from financing activities		(2,944,224)	1,053,285
Net (decrease) increase in cash and cash equivalents		(471,585)	2,683,737
Cash and cash equivalents at beginning of year		6,151,094	3,467,357
Cash and cash equivalents at end of year		\$ 5,679,509	\$ 6,151,094

2024 Earning Distribution Table

Unit: NT\$

Items	Amount	
	Subtotal	Total
Unappropriated retained earnings at beginning of the year		2,660,524,365
Other comprehensive income—actuarial gains and losses on defined benefit plans	13,368,271	
Net income attributable to owners of the parent for the year	2,271,006,222	
Net income attributable to owners of the parent plus other items included in unappropriated retained earnings for the year		2,284,374,493
Appropriation of 10% legal reserve		(228,437,449)
Reversal of special reserve in accordance with regulations		333,735,748
Distributable earnings		5,050,197,157
Appropriation items:		
Dividends to shareholders		
Cash dividends (NT\$4.6 per share)	(1,373,327,894)	
Unappropriated retained earnings at end of the year		3,676,869,263

Note: The amount distributed for this earnings distribution prioritizes the profits from the fiscal year 2024.

Chairman: James Wang

President: Ben Lin

Accounting Officer: Max Cheng

**Before and After Amendment Comparison Table
of the “Articles of Incorporation”**

Article	Before Amendment	After Amendment	Explanation
Article 29	<p>If the Company reports a profit for a given fiscal year, 12% to 18% of such profit shall be appropriated as employees’ remuneration. The recipients may include employees of the controlling or subsidiary companies who meet certain criteria, with such criteria and distribution method to be determined by the Board of Directors. The total remuneration to Directors shall not exceed 2.5% of the profit for the period. However, if the Company has accumulated losses, a sufficient amount shall first be reserved to offset such losses. Independent Directors shall not participate in the aforementioned distribution of remuneration to Directors. <i>(Remainder omitted)</i></p>	<p>If the Company reports a profit for a given fiscal year, 12% to 18% of such profit shall be appropriated as employees’ remuneration, <u>including 1% to 3% of the net earnings specifically allocated to non-executive employees</u>. The recipients may include employees of the controlling or subsidiary companies who meet certain criteria, with such criteria and distribution method to be determined by the Board of Directors. The total remuneration to Directors shall not exceed 2.5% of the profit for the period. However, if the Company has accumulated losses, a sufficient amount shall first be reserved to offset such losses. Independent Directors shall not participate in the aforementioned distribution of remuneration to Directors. <i>(Remainder omitted)</i></p>	<p>To allocate a certain percentage of profits as remuneration to non-executive employees in accordance with legal requirements.</p>
Article 35	<p><i>(Preceding content omitted)</i> The 28th Amendment was approved by the shareholders’ meeting on June 13, 2023.</p>	<p><i>(Preceding content omitted)</i> The 28th Amendment was approved by the shareholders’ meeting on June 13, 2023. <u>The 29th Amendment was approved by the shareholders’ meeting on May 29, 2025.</u></p>	<p>To add the amendment date</p>

Method and Terms of the Private Placement of Securities

I. Private Placement of Common Shares

- A. The basis and reasonableness of the private placement pricing
 - (1) The issue price of the private placement common shares may not be lower than 85 percent of the price calculated in the following two items, whichever of the two is higher.
 - a. The simple average closing price of the common shares of the Company for either the 1, 3, or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction.
 - b. The simple average closing price of the common shares of the Company for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.
 - (2) The Company proposes to the shareholders' meeting to authorize the Board of Directors to determine the actual private placement price based on the above-mentioned pricing principles, specific persons, and market conditions within the range not lower than the resolution of the shareholders' meeting.
 - (3) In addition to considering the three-year transfer restriction of private placement securities imposed by the Securities and Exchange Act, the pricing of this private placement is determined by referring to relevant laws and regulations and the closing price of common shares. It should be reasonable and shall not have a major impact on shareholders' equity.
- B. The method for selecting the specific persons:

The selection is performed in accordance with the relevant provisions of Article 43-6 of the Securities and Exchange Act, and it is limited to strategic investors. Individuals or legal persons who will help the Company expand its business and product, strengthen customer relationships, enhance product development integration, or improve technology, will be selected, leveraging their advantages in experience, product technology, knowledge, brand reputation and distribution channel. Through strategic collaboration, joint product development, market integration or cooperative business development, it is expected the Company can reduce the production costs, improve product technology, increase market shares for an improvement in the Company's future operating performance.
- C. The reasons for the necessity for conducting the private placement:

The Company proposes to raise capitals through private placement with the considerations in factors such as capital market conditions, issuance costs, timeliness of financing, and equity stability. When introducing strategic investors in the private placement, consideration should be given to the transfer restriction of private placement securities to ensure a long-term relationship between the Company and strategic investors, and in view of the fact that the use of private placement capital is to meet the needs of the Company's operation and development, the private placement is beneficial to the stability of the Company's operation and shareholders' equity.
- D. Except for the transfer restrictions stipulated in Article 43-8 of the Securities and Exchange Act, the rights and obligations in this private placement are the same as those of common shares issued by the Company.

II. Private Placement of Domestic or Overseas Convertible Corporate Bonds

- A. Period: Less than 5 years from the date of issuance.
- B. Coupon rate: The Board of Directors is authorized to determine it according to market conditions.
- C. The basis and reasonableness of the private placement pricing
 - (1) The issue price of the private placement convertible corporate bonds may not be lower than 85 percent of the theoretical price and the conversion price may not be lower than 85 percent of the price calculated in the following two items, whichever of the two is higher.
 - a. The simple average closing price of the common shares of the Company for either the 1, 3, or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction.
 - b. The simple average closing price of the common shares of the Company for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.
 - (2) The Company proposes to the shareholders' meeting to authorize the Board of Directors to determine the actual private placement price based on the above-mentioned pricing principles, specific persons, and market conditions within the range not lower than the

resolution of the shareholders' meeting.

(3) In addition to considering the three-year transfer restriction of private placement securities imposed by the Securities and Exchange Act, the pricing of this private placement is determined by referring to relevant laws and regulations and the closing price of common shares. It should be reasonable and shall not have a major impact on shareholders' equity.

D. The method for selecting the specific persons:

The selection is performed in accordance with the relevant provisions of Article 43-6 of the Securities and Exchange Act, and it is limited to strategic investors. Individuals or legal persons who will help the Company expand its business and product, strengthen customer relationships, enhance product development integration, or improve technology, will be selected, leveraging their advantages in experience, product technology, knowledge, brand reputation and distribution channel. Through strategic collaboration, joint product development, market integration or cooperative business development, it is expected the Company can reduce the production costs, improve product technology, increase market shares for an improvement in the Company's future operating performance.

E. The reasons for the necessity for conducting the private placement:

The Company proposes to raise capitals through private placement with the considerations in factors such as capital market conditions, issuance costs, timeliness of financing, and equity stability. When introducing strategic investors in the private placement, consideration should be given to the transfer restriction of private placement securities to ensure a long-term relationship between the Company and strategic investors, and in view of the fact that the use of private placement capital is to meet the needs of the Company's operation and development, the private placement is beneficial to the stability of the Company's operation and shareholders' equity.

F. The transfer restrictions of the private placement convertible corporate bonds are handled in accordance with Article 43-8 of the Securities and Exchange Act.

III. It is proposed to authorize the Chairman or his designate to represent the Company in handling all matters related to the private placement of common stocks or domestic or overseas convertible corporate bonds, and to sign related contracts and documents.

Employee Restricted Stock Awards Issuance Rules for the Year 2025

- Article 1. Purpose of Issuance
Sercomm Corporation (hereinafter referred to as the "Company") has formulated these "Employee Restricted Stock Awards Issuance Rules for the Year 2025" (hereinafter referred to as the "Rules") in accordance with Article 267 of the Company Act and the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers" (hereinafter referred to as the "Regulations") promulgated by the Financial Supervisory Commission (FSC). The purpose of issuance is to attract and retain necessary talents, motivate employees, enhance cohesion, align the interests of employees with those of shareholders, and jointly create value for the Company and its shareholders.
- Article 2. Reporting and Issuance Period
The issuance shall be reported once or in multiple tranches within one year from the date of the shareholders' meeting resolution. Upon receiving approval from the FSC, the Company may issue the shares once or in multiple tranches within two years based on actual needs. The specific issuance date and related operational matters shall be determined by the Chairman of the Board as authorized by the Board of Directors.
- Article 3. Qualification Criteria for Employees and Allocation
1. The issuance is limited to full-time employees of the Company and its domestic or foreign subsidiaries where the Company directly or indirectly holds more than 99% of the voting rights, and who are employed before the grant date.
 2. The actual allocation of Employee Restricted Stock Awards (RSAs) shall be determined based on factors such as seniority, job level, work performance, overall contribution, special achievements, and other managerial considerations, while taking into account the Company's operational needs and business development strategy. The allocation standards shall be formulated and approved by the Chairman of the Board. If the recipient is a managerial officer, the allocation must first be reviewed by the Compensation Committee. If the recipient is a non-managerial officer, the allocation must first be reviewed by the Audit Committee before being submitted to the Board of Directors for approval.
 3. Pursuant to Article 60-9 of the Regulations, the total number of shares issued under employee stock options plus the number of restricted stock awards granted to a single employee shall not exceed 0.3% of the Company's total outstanding shares. The total number of stock options and RSAs granted to a single employee shall not exceed 1% of the Company's total outstanding shares, unless approved by the competent authority.
- Article 4. Total Issuance Amount and Share Type
The total issuance amount under these Rules is NT\$50,000,000, with a par value of NT\$10 per share, totaling 5,000,000 common shares. The issue price per share is NT\$80.
- Article 5. Vesting Conditions
1. Employees who are granted RSAs must remain employed as of the vesting date(s) following the record date of the capital increase. Additionally, they must meet the following conditions: The Company's EPS, as audited or reviewed in the most recent four quarters' consolidated financial statements, must meet the ranking criteria among peer companies in the networking industry; the employee's most recent annual performance evaluation must be P2 or above; and the employee must adhere to the Company's Code of Conduct, without violating the labor contract, work rules, non-compete agreement, confidentiality agreement, Employee Code of Ethics, or any other agreements with the Company.
 2. The peer companies in the networking industry include a total of 15 companies: MTI, D-Link, Accton, Hitron, Zinwell, Cybertan, Alpha, Senao Networks, Arcadyan, Azurewave, Zyxel Group, Gemtek, Prime, WNC, and Sercomm. The ranking criteria among these peers are as follows:
If ranked in the top 1/3 (inclusive), 100% of the shares vest.
If ranked below the top 1/3 but within the top 2/3 (inclusive), 50% of the shares vest.
If ranked below the top 2/3, 0% of the shares vest.
 3. Vesting Date: October 6 of the issuance year – 100% vesting. If the vesting date falls on a holiday, it will be deferred to the next business day.
- Article 6. Restrictions Before Vesting
1. Before the vesting conditions are met, employees may not sell, pledge, transfer, gift, create an

encumbrance, or otherwise dispose of RSAs.

2. Before vesting, employees shall have the same rights as common shareholders regarding attendance, proposal rights, speech rights, voting rights, and election rights at shareholders' meetings, subject to the trust custody agreement.
3. Employees are entitled to receive all dividends, bonuses, capital reserve distributions, and subscription rights in cash capital increases during the vesting period.
4. In the event of a capital reduction (other than a statutory reduction), the RSAs shall be canceled proportionally. If the capital reduction is in cash, the refunded cash shall be held in trust and shall be distributed to the employees only after the vesting conditions are met. If the vesting conditions are not met by the deadline, the Company shall reclaim the refunded cash.

Article 7. Measures for Failure to Meet Vesting Conditions

If an employee fails to meet the vesting conditions due to resignation, dismissal, or violation of Company policies, the Company shall buy back unvested shares at the original issue price and cancel them.

Article 8. Special Circumstances

1. Voluntary resignation, dismissal, or termination: Unvested shares shall be bought back by the Company at the original issue price and canceled.
2. Leave without pay: The employee's rights and obligations remain unaffected, but if they are still on unpaid leave on the vesting date, their unvested shares shall be bought back at the original issue price and canceled.
3. Retirement: If an employee retires before meeting the vesting conditions, the Company shall buy back unvested shares at the original issue price and cancel them.
4. Occupational disability or death: If an employee is unable to continue employment due to an occupational injury leading to disability or death, all unvested shares shall immediately vest. In the event of death, the legal heirs may apply to receive the shares.
5. General death: If an employee passes away before meeting the vesting conditions, the Company shall buy back unvested shares at the original issue price and cancel them.

Article 9. Trust Custody

1. After issuance, all RSAs must be placed in trust, and employees may not request a refund under any circumstances before vesting conditions are met.
2. The Company or a designated representative shall act as the agent for employees in all trust-related matters.

Article 10. Confidentiality Agreement

Employees receiving RSAs must comply with the Company's confidentiality policy and may not disclose or inquire about allocation details. Any violation deemed serious by the Company may result in buyback and cancellation of unvested shares at the original issue price.

Article 11. Taxation

The taxation of RSAs and any related obligations shall be handled in accordance with the tax laws of the employee's respective jurisdiction.

Article 12. Other Important Provisions

1. These Rules shall be effective upon approval by at least two-thirds of the Board of Directors and subsequent approval by the competent authority. If any amendments are required during the regulatory review process, the Chairman is authorized to revise these Rules, subject to Board ratification before issuance.
2. Any matters not covered in these Rules shall be handled in accordance with applicable laws and regulations, with full authorization granted to the Board of Directors or its designated representative.

**Details on the Waiver of Non-Compete
Restrictions for Newly Elected Directors
and Their Representatives**

Title	Name	Current Position (Note)
Director	Chao Yue Investment Co., Ltd. Representative: Mr. James Wang	<ul style="list-style-type: none"> - Independent Director, Formosa International Hotels Corporation (*) - Chairman, Chao Yue Investment Co., Ltd. - Chairman, Yun Zhou Investment Co., Ltd. - Chairman, Yun Li Co., Ltd. - Director, Sercomm Philippine Inc.
Director	Pacific Venture Partners Co. Ltd. Representative: Mr. Paul Wang	<ul style="list-style-type: none"> - Director, Prosperity Dielectrics Co., Ltd. (*) - Director, Taiwan Cement Co., Ltd. (*)
Director	Zhuo Jian Investment Co., Ltd. Representative: Mr. Ben Lin	<ul style="list-style-type: none"> - Chairman, Zhuo Jian Investment Co., Ltd. - Supervisor, Yun Zhou Investment Co., Ltd.
Director	Yun Zhou Investment Co., Ltd. Representative: Ms. Nicola Palmer	<ul style="list-style-type: none"> - Director, nVent Electric plc (*) - Director, NextNav, Inc. (*) - Director, Zayo Group Holdings, Inc. - Director, Astound Broadband, LLC - Director, Boldyn Networks
Independent Director	Ms. Rose Tsou	<ul style="list-style-type: none"> - Independent Director, Delta Electronics, Inc. (*) - Independent Director, Giant Manufacturing Co., Ltd. (*) - Chairman, FN Capital Co., Ltd. - Director, Easycard Corporation - Director, Hong Kong Television Entertainment Company Limited - Supervisor, Taiwan Women on Boards Association
Independent Director	Mr. Paul Yang	<ul style="list-style-type: none"> - Chairman, KGI Bank Co., Ltd. - Director, President and CEO, KGI Financial Holding Co., Ltd. (*) - Director, KGI Life Insurance Co., Ltd. - Vice Chairman, CDIB Capital International (Hong Kong) Corporation Limited - Vice Chairman, CDIB Capital International Corporation - Director, KGI Hong Kong Limited - Director, Asian Equity Limited - Director, DHC One Dalton (HK) Limited - Director, Carlton Holdings (Cayman) Limited - Director, Henwell Limited - Director, Henning Limited - Director, Harvard Club of Republic of China Scholarship Foundation
Independent Director	Mr. Hilo Chen	<ul style="list-style-type: none"> - Independent Director, TTFB Company Limited (*) - Independent Director, Cenra Inc. (*) - Chairman, OneAD Inc. - Chairman, Guo Guo Capital CO., Ltd. - Chairman, ViaPoint Inc. - Chairman, Maxi Inc. - Director, 12cm Taiwan Co., Ltd.
Independent Director	Mr. Feng Zhu	<ul style="list-style-type: none"> - Professor, Business Administration, Harvard University - President, FZConsulting Inc.

Notes: (*) Indicates that the company is a publicly listed entity, either domestically or internationally.

Sercomm Corporation Rules for Shareholders Meetings Procedure

- Article 1. The rules of procedures for Sercomm's (the Company's) shareholders meetings shall be carried out in accordance with these Rules unless otherwise prescribed in laws and regulations.
- Article 2. The attendance of a shareholder meeting is recorded according to the sign-in card on the date of a shareholder meeting. The Company shall furnish attending shareholders with the meeting agenda handbook, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of Directors, pre-printed ballots shall also be furnished.
- Article 3. The voting at the shareholders' meeting shall be based on the number of owned shares.
- Article 4. A shareholders' meeting shall be convened in a location where Sercomm is located or a location appropriate for the shareholders' meeting. A shareholders' meeting shall be duly convened not earlier than 9:00 a.m. nor later than 3:00 p.m.
- Article 5. A shareholders' meeting shall be chaired by the Chairman of the Board if convened by the Board of Directors. During the absence or unavailability of the Chairman of the Board, he/she shall, in advance, appoint the Vice Chairman to act on behalf of him/her. If there is no Vice Chairman or if the Vice Chairman is unavailable as well, the Chairman of the Board shall appoint the executive Director to act on behalf of him/her. In the event that the Chairman of the Board does not appoint a substitute, who shall be elected from either the executive Director or among those Directors who are present.
- If a shareholders' meeting is convened by a person beyond the Board of Directors, he/she shall preside as a Chairman of a shareholders' meeting.
- Article 6. The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholder meeting in a non-voting capacity. The personnel in charge of the shareholders' meeting affairs shall wear the required identity certificates or arm-bands.
- Article 7. The entire process of a shareholders' meeting shall be videotaped or audiotaped and shall be archived for a minimum of one year.
- Article 8. The Chairman shall call the meeting to order at the time scheduled for the meeting. In the event that the meeting is attended by shareholders who represent less than a majority of the total outstanding shares at the time scheduled for the meeting, the Chairman may announce postponement of the meeting. The total number of postponements shall not exceed the maximum of twice and the total time accumulated for the postponement shall not exceed an hour. If the quorum is not met after two postponements, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act.
- When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the Chairman may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.
- Article 9. Where a shareholders' meeting is convened by the Board of Directors, the agenda shall be fixed by the Board of Directors. The meeting shall be handled based on the scheduled agenda which shall not be changed unless resolved by the shareholders' meeting.
- The provision set forth in the preceding paragraph is applicable mutatis mutandis to a shareholders' meeting which is convened by a person beyond the Board of Directors.
- The Chairman shall not announce adjournment of the meeting until the contents set forth in the agenda mentioned in two preceding paragraphs and the occasional (extemporaneous) motions are concluded in the meeting. After the announcement of adjournment of the meeting, the shareholders shall not appoint another Chairman and continue the meeting either at the current or a different venue.
- Article 10. In a shareholders' meeting, a shareholder who intends to present a speech shall fill out a slip, specifying the major points of his/her speech, account number of shareholder (or the serial number of his/her attendance card) in advance. The Chairman shall determine his/her order of giving a speech. A shareholder who has submitted the slip but does not speak up is deemed as not having the given right to give a speech. In the case of a discrepancy found between the slip of presentation and content of actual speech, the content of actual speech shall prevail. In the case that a shareholder gives his/her speech, other shareholders shall not interrupt unless agreed by the Chairman and the speaking shareholder. Otherwise, the Chairman shall stop such violating behaviors.
- Article 11. Each shareholder shall not have two attempts on the same issue unless permitted by the

Chairman. Each speech shall not exceed five minutes. Where a shareholder speaks against the rules or beyond the scope of the subject issue, the Chairman may stop his/her speech.

- Article 12. In the case that the corporate shareholders are appointed to attend a shareholders' meeting, only one person may represent and attend the meeting. In the case that the corporate shareholder appoints two or more representatives to attend a shareholders' meeting, only one representative may have the right to speak for the same issue.
- Article 13. After a shareholder has given his/her speech, the Chairman may reply in person or by appointing a relevant person to reply.
- Article 14. When the Chairman considers the discussion of a certain issue has reached the extent for making a resolution, he/she may announce discontinuance of the discussion and submit the motion for resolution.
- Article 15. The persons for supervising the casting of votes and the counting thereof for resolutions shall be designated by the Chairman; however, the person supervising the casting of votes shall be a shareholder.
The Chairman shall publicly announce the results of the resolution in the meeting and the results shall be recorded in the minutes.
- Article 16. During a shareholders' meeting, the Chairman may consider the schedule and adequately announce a break. In case that force majeure occurs, the Chairman may decide to suspend the progress and for announce the time for resumption of the meeting depending on the circumstances.
In the event that the site of the shareholders' meeting cannot be continually used before the issues set forth in the agenda (including extempore motions) are concluded, the shareholders may arrange a new venue to continue the meeting.
- Article 17. Unless otherwise provided in laws or the Articles of Incorporation of the Company, matters in the shareholders' meeting shall be resolved by a majority vote at a meeting attended by the shareholders.
During voting, if the committee chair solicits and receives no dissents, the motion is deemed passed, with equivalent force as a resolution by vote.
- Article 18. In the case that there is an amendment or alternative for a motion, the Chairman shall combine them along with the original motion and determine their orders for resolution. Once one of them is resolved, the remaining shall be deemed as rejected and no further resolution shall be required.
- Article 19. The Chairman may direct the guards (or security personnel) to help maintain the order of the shareholders' meeting. If a shareholder breaches the rules of the meeting and defies the rectification from the Chairman against the progress of the meeting, the Chairman may request the guards (or security personnel) to assist the person to leave the meeting.
- Article 20. These rules and amendment hereof come into force after being ratified in the shareholders' meeting.

Sercomm Corporation Rules for the Election of Directors

- Article 1 The election of directors of the Company shall be conducted in accordance with these Rules.
- Article 2 In the election of directors, each share carries voting rights equivalent to the number of directors to be elected. The voting rights may be concentrated on a single candidate or distributed among multiple candidates.
- Article 3 The Board of Directors shall prepare ballots corresponding to the number of directors to be elected, indicating the number of votes each shareholder is entitled to cast, and distribute them to shareholders attending the shareholders' meeting.
- Article 4 Prior to the commencement of voting, the chairperson shall appoint a number of scrutineers and vote counters to perform the relevant duties.
- Article 5 The Board of Directors shall set up a ballot box, which shall be publicly inspected by the scrutineers before voting begins.
- Article 6 If a candidate is a shareholder, the voter must specify the candidate's account name and shareholder account number in the "Candidate" field of the ballot. If the candidate is not a shareholder, the voter must indicate the candidate's full name and National Identification Number. In the case of a candidate representing a government entity or a corporate shareholder, the ballot should state the name of the government entity or corporation; it may also include the name of the representative. If there are multiple representatives, each must be listed separately.
- Article 7 Votes for independent and non-independent directors shall be counted separately, and the candidates shall be elected accordingly.
- Article 8 A ballot shall be deemed invalid in any of the following circumstances:
1. The ballot is not in the format prescribed by these Rules.
 2. A blank ballot is cast into the ballot box.
 3. The ballot lists more than one candidate.
 4. If the candidate is a shareholder, the shareholder account number or name does not match the shareholder register; if the candidate is not a shareholder, the name or National Identification Number is incorrect.
 5. The shareholder account number (or National Identification Number) or name of the candidate is not provided.
 6. The handwriting is illegible or the ballot has been altered.
 7. Any additional information is written on the ballot aside from the candidate's shareholder account number (or National Identification Number), name, and the number of votes allocated.
- Article 9 Directors shall be elected from legally competent individuals at the shareholders' meeting. Based on the Company's Articles of Incorporation and the ballot counting results, candidates receiving the highest number of votes shall be elected as independent or non-independent directors, respectively. If two or more candidates receive the same number of votes and the total exceeds the number of positions available, the tie shall be resolved by drawing lots. If an absent candidate is required to draw lots, the chairperson shall draw on their behalf.
- Article 10 Upon completion of voting, the ballots shall be counted immediately, and the results shall be announced on-site by the chairperson.
- Article 11 The Board of Directors shall issue election notifications to the elected directors.
- Article 12 Any matters not stipulated in these Rules shall be handled in accordance with the Company Act, the Company's Articles of Association, and relevant laws and rules.
- Article 13 These Rules shall take effect upon approval by the shareholders' meeting. Any amendments shall be subject to the same procedure.

Sercomm Corporation Articles of Incorporation (Before Amendment)

Chapter 1 General Provisions

- Article 1. The Company shall be incorporated, as a Company limited by shares, under the Company Act of the Republic of China, and its name shall be 中磊電子股份有限公司 in Chinese. The Company's name shall be Sercomm Corporation in English.
- Article 2. The scope of business of the Company shall be as follows:
1. CC01050 Data Storage and Processing Equipment Manufacturing
 2. CC01080 Electronic Parts and Components Manufacturing
 3. F119010 Wholesale of Electronic Materials
 4. F401010 International Trade
 5. I301010 Software Design Services
 6. F401021 Restrained Telecom Radio Frequency Equipments and Materials Import
 7. CC01101 Restrained Telecom Radio Frequency Equipments and Materials Manufacturing
 8. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3. The Company shall have its head office in Taipei City, the Republic of China, and may, pursuant to a resolution adopted by the Board of Directors and upon approval of the competent authorities, set up branch or representative offices within or outside the territory of the Republic of China whenever the Company deems it necessary.
- Article 4. Public announcements of the Company shall be made according to Article 28 of the Company Act.

Chapter 2 Capital Stock

- Article 5. The total capital of the Company is 5,000,000,000 New Taiwan Dollars, divided into 500,000,000 common shares, at ten New Taiwan Dollars each. The Board of Directors is authorized to issue the unissued shares in installments and at a premium. Board of Directors is authorized to buy back shares of the Company if permitted by laws and regulations. The Company may reserve and issue employee stock options in the amount of 368,000,000 New Taiwan Dollars from the total capital mentioned in the Paragraph 1, divided into 36,800,000 shares, at ten New Taiwan Dollars each. The Board of Directors is authorized to issue these options in installments.
- Article 6. The total amount of the Company's reinvestment shall not be subject to the restriction of not more than forty percent of the Company's paid-up capital as provided in Article 13 of the Company Act.
- Article 7. The Company may issue shares without printing share certificates. If the Company decides to print name-bearing share certificates for shares issued, the share certificates shall be affixed with numbers together with signatures and seals by at least three Board Members and subsequently be certified by the competent authority or its approved issuance registration entity before the shares are issued.
- Article 8. In the event of transfer of shares, the transferor and transferee shall both fill in the application form affixed with their names and seals and subsequently make application for transfer to the Company. Before the completion of the transfer procedures, the ownership remains with the transferor.
- Article 9. Loss of or damage to share certificates shall be governed by the Company Act and the "Guidelines for Stock Operations for Public Companies".
- Article 10. Transfer of shares and change to shareholders roster shall be suspended within 60 days immediately before the date of a regular meeting of shareholders, and within 30 days immediately before the date of a special meeting of shareholders, or within 5 days before the day on which dividend, bonus, or any other benefit is scheduled to be paid by the Company.

Chapter 3 Shareholders' Meeting

- Article 11. Shareholders meetings of the Company are of two types:
1. Regular meeting shall be convened by the Board of Directors within six months after the close of each fiscal year;
 2. Special meeting shall be convened as the Board of Directors deems necessary. The shareholders' meetings of the Company may be held via videoconference or other methods announced by the Ministry of Economic Affairs.

- Article 12. The shareholders' meeting shall be presided over by the Chairman of the Board of Directors of the Company. In the event that the Chairman is absent or cannot exercise his/her duties and power for any reason, a Director shall be designated by the Chairman to act on his/her behalf. If no Director is designated by the Chairman, the Directors shall elect from among themselves an acting Chairman.
- Article 13. The notices of meeting date, place and purposes for convening regular meetings of shareholders shall be sent to all shareholders at least 30 days in advance, and at least 15 days in advance in the case of special meetings.
- Article 14. In the event that a shareholder is unable to attend a meeting of shareholders, the shareholder may appoint a proxy to attend the meeting by submitting the proxy form issued by the Company which clearly specifies the scope of proxy.
- Article 15. A shareholder shall have one voting power in respect of each share in his/her/its possession. Notwithstanding, the aforementioned voting power may not apply if the share is restricted share or the share has no voting power as per paragraph two of Article 179 of the Company Act.
- Article 16. Except as otherwise stipulated in the Company Act, a resolution shall be adopted by the majority of shareholders present in the meeting who represent half or more of the total number of the Company's outstanding shares.
- Article 17. The Company is permitted to issue employee stock option certificates at a price lower than the closing price of the Company's share on the issue date and transfer shares to employees at a price lower than the average share buyback price with the consent of two-thirds or more of shareholders present in the meeting who represent half or more of the total number of the Company's outstanding shares.
- Article 17-1 The shares bought back by the Company may be transferred to employees of the controlling Company or its subsidiary who meet certain criteria. The criteria and distribution of the said shares shall be determined by the Board of Directors.
The employee stock option certificates may be issued to employees of the controlling Company or its subsidiary who meet certain criteria. The criteria and distribution of the said certificates shall be determined by the Board of Directors.
The new shares may be subscribed by employees of the controlling Company or its subsidiary who meet certain criteria. The criteria and distribution of the said new shares shall be determined by the Board of Directors.
The restricted stock awards may be issued to employees of the controlling Company or its subsidiary who meet certain criteria. The criteria and distribution of the said awards shall be determined by the Board of Directors.
- Chapter 4 Board Members and Audit Committee**
- Article 18. The Company shall have seven to nine Board Members with the term of office of three years. Board Members are elected and appointed from candidates by the shareholders' meeting in accordance with the candidate nomination system specified in Article 192-1 of the Company Law. Pursuant to Article 14-2 of the Securities and Exchange Act, the Company's Board of Directors shall include at least two Independent Directors.
- Article 18-1 The Company may establish an Audit Committee in accordance with Articles 14-4 of the Securities and Exchange Act, which shall consist of all Independent Directors, one of whom shall be the convener and at least one of whom shall have accounting or financial expertise.
- Article 19. The Board of Directors shall be composed of Directors with the following duties and power:
1. Prepare the business plan;
 2. Propose distribution of earnings or covering of losses;
 3. Propose increase or decrease of Company capital;
 4. Formulate important articles and Company organizational structures;
 5. Commission and decommission of the Company's President/Chief Executive Officer, Vice Presidents and Directors;
 6. Setup and dissolution of branch offices;
 7. Propose annual budget plan;
 8. Schedule foreign investments;
 9. Undertake external endorsements and guarantees;
 10. Other duties and power pursuant to the Company Act or resolution adopted by the Shareholders' meeting.
- Article 19-1 The Board of Directors may establish Compensation Committee or other functional committees wherever and whenever the Company deems it necessary to carry out any or all of its activities
- Article 19-2 Independent Directors shall be compensated for their exercise of duties and power regardless whether the Company reports net earnings or not. The Board of Directors is authorized to

determine the compensation to Independent Directors by taking into account the extent and value of the services provided for the management of the Company and the standards in the industry.

Article 20. The Board Members shall elect from among themselves a Chairman of the Board of Directors, and may elect a Vice Chairman of the Board of Directors by a majority in a meeting attended by over two-thirds of the Board Members. The Chairman of the Board of Directors shall have the authority to represent the Company. The Company is authorized to purchase liability insurance for Board Members.

Article 21. Unless otherwise stipulated in the Company Act, meetings of the Board of Directors shall be convened by the Chairman of the Board of Directors. Resolutions of the Board of Directors shall be adopted by a majority of the Board Members present in the meeting attended by half or more of the total number of Board Members.

Article 21-1 Meetings of the Board of Directors shall be convened once per quarter. The convening notice shall specify the purposes of the meeting and be delivered to each Board Member no later than seven days prior to the scheduled meeting date. Notwithstanding, in the case of emergency, the meeting may be convened at any time.

The aforementioned convening notice shall specify the purposes of the meeting and be delivered by mail, email or facsimile.

Article 22. 1. The meeting of Board of Directors shall be presided over by the Chairman of the Board of Directors of the Company. In the event that the Chairman is absent or cannot exercise his/her duties and power for any reason, a Director shall be designated to act on his/her behalf. If no Director is so designated, the Directors shall elect from among themselves an acting Chairman. The Board Members should attend the board meeting in person. If a Director is unable to attend the board meeting, he/she may appoint another Director as proxy to attend the meeting by submitting the proxy form which clearly specifies the scope of proxy.

2. No Director may act as proxy for more than one other Director.

3. Any Director participating in the meeting via video conference shall be deemed to attend the meeting in person.

Article 23. Duties and power and matters related to the Audit Committee shall be governed in accordance with the related laws and regulations. The Charter of Audit Committee will be prescribed by the Board of Directors.

Chapter 5 Manager

Article 24. The Company may appoint one President/Chief Executive Officer, several Vice Presidents and Directors. Commission and decommission of President/Chief Executive Officer shall be decided by a general resolution adopted by the Board of Directors. Commission and decommission of Vice President and Director shall be proposed by President/Chief Executive Officer and subsequently decided by a general resolution adopted by the Board of Directors.

Article 25. President/Chief Executive Officer shall supervise the operation of the Company in accordance with resolutions of the Board of Directors.

Chapter 6 Financial Reports

Article 26. The fiscal year for the Company shall be from January 1 of each year to December 31 of the same year. After the close of each fiscal year, the Company shall comply with annual closing procedures.

Article 27. After the close of each fiscal year, the following reports shall be prepared by the Board of Directors in accordance with Article 228 of Company Act and submitted to the regular shareholders' meeting for acceptance:

1. Business report;

2. Financial statements;

3. Proposal Concerning the Distribution of Earnings or Covering of Losses.

Article 28. The distribution of dividends and bonuses shall be made in proportion to the number of shares held by each shareholder. The Company shall not pay dividends or bonuses if there is no earnings.

Article 29. If the Company reports a profit for a given fiscal year, 12% to 18% of such profit shall be appropriated as employees' remuneration. The recipients may include employees of the controlling or subsidiary companies who meet certain criteria, with such criteria and distribution method to be determined by the Board of Directors. The total remuneration to Directors shall not exceed 2.5% of the profit for the period. However, if the Company has accumulated losses, a sufficient amount shall first be reserved to offset such losses. Independent Directors shall not participate in the aforementioned distribution of remuneration to Directors.

If the Company records a surplus in its annual final accounts, such surplus shall first be used to

pay taxes and offset accumulated losses. Thereafter, 10% shall be appropriated as legal reserve; provided, however, that no further appropriation is required once the legal reserve equals the Company's paid-in capital. The remaining balance, together with the unappropriated earnings at the beginning of the year, adjustments to the current year's unappropriated earnings, and any special reserve appropriated or reversed in accordance with applicable laws, shall constitute distributable earnings, for which an earnings distribution plan shall be proposed. Any distribution of dividends, in whole or in part, by issuing new shares shall be subject to a resolution of the Shareholders' Meeting; any distribution in cash shall be resolved by the Board of Directors and reported to the Shareholders' Meeting.

When there is no loss, the portion of legal reserve exceeding 25% of the paid-in capital and the capital reserve that is eligible for distribution under the Company Act may, in whole or in part, be distributed in cash to shareholders in proportion to their shareholding. Such distribution shall be resolved by the Board of Directors and reported to the Shareholders' Meeting.

The Company's dividend distribution shall be based on the profit of the current year, and the principle of dividend stability shall be upheld. To support stable and sustainable business growth, the Company shall consider factors including its current and future investment environment, capital needs, domestic and international competitiveness, and capital expenditure plans. The Company shall balance the interests of shareholders and its long-term financial planning in determining the amount of dividends. Dividends may be distributed in the form of cash or stock, provided that cash dividends shall account for no less than 10% of the total dividends distributed for the year.

Article 30. The distribution is limited to shareholders listed in the shareholders roster within 5 days prior to the target date for the distribution of dividends or bonus.

Chapter 7 Supplementary Provisions

Article 31. The Company shall act as a guarantor as required in its operation.

Article 32. If the Company elects to delist its shares from the exchange, it shall be decided in a resolution adopted by the shareholders' meeting.

Article 33. The Chart of the Company and the detailed procedures of business operation shall be determined by the Board of Directors.

Article 34. Any matter which is not provided for in these Articles of Incorporation shall be governed by the Company Act of the Republic of China and other relevant laws and regulations.

Article 35. These Articles of Incorporation are agreed to and signed on June 22, 1992 by all the promoters of the Company.

The 1st Amendment was approved by the shareholders' meeting on November 3, 1992.

The 2nd Amendment was approved by the shareholders' meeting on October 20, 1993.

The 3rd Amendment was approved by the shareholders' meeting on February 27, 1995.

The 4th Amendment was approved by the shareholders' meeting on July 29, 1995.

The 5th Amendment was approved by the shareholders' meeting on June 1, 1996.

The 6th Amendment was approved by the shareholders' meeting on May 3, 1997.

The 7th Amendment was approved by the shareholders' meeting on March 27, 1998.

The 8th Amendment was approved by the shareholders' meeting on May 30, 2000.

The 9th Amendment was approved by the shareholders' meeting on May 28, 2001.

The 10th Amendment was approved by the shareholders' meeting on December 13, 2001.

The 11th Amendment was approved by the shareholders' meeting on May 28, 2002.

The 12th Amendment was approved by the shareholders' meeting on April 22, 2003.

The 13th Amendment was approved by the shareholders' meeting on June 11, 2004.

The 14th Amendment was approved by the shareholders' meeting on June 14, 2005.

The 15th Amendment was approved by the shareholders' meeting on June 21, 2006.

The 16th Amendment was approved by the shareholders' meeting on June 15, 2007.

The 17th Amendment was approved by the shareholders' meeting on June 13, 2008.

The 18th Amendment was approved by the shareholders' meeting on June 16, 2009.

The 19th Amendment was approved by the shareholders' meeting on June 23, 2010.

The 20th Amendment was approved by the shareholders' meeting on June 27, 2012.

The 21st Amendment was approved by the shareholders' meeting on June 20, 2013.

The 22nd Amendment was approved by the shareholders' meeting on June 17, 2014.

The 23rd Amendment was approved by the shareholders' meeting on May 28, 2015.

The 24th Amendment was approved by the shareholders' meeting on June 15, 2016.

The 25th Amendment was approved by the shareholders' meeting on June 22, 2017.

The 26th Amendment was approved by the shareholders' meeting on June 12, 2019.

The 27th Amendment was approved by the shareholders' meeting on July 1, 2021.

The 28th Amendment was approved by the shareholders' meeting on June 13, 2023.

Sercomm Corporation Shareholding Status of Directors

Book closure start date: March 31, 2025

Title	Name	Shares Held
Chairman	Zhuo Jian Investment Co., Ltd. Representative: James Wang	4,197,094
Director	Pacific Venture Partners Co. Ltd. Representative: Paul Wang	3,671,926
Director	Zhen Bang Investment Co., Ltd. Representative: Ben Lin	1,826,000
Director	Yun Zhou Investment Co., Ltd. Representative: Charles Chu	3,090,000
Independent Director	Chin-Tay Shih	0
Independent Director	Steve K. Chen	0
Independent Director	Rose Tsou	0
Independent Director	Paul Yang	0
Total		12,785,020

Notes:

1. Total shares issued as of March 31, 2025: 300,049,542 shares
2. Under the relevant regulations of the R.O.C., Sercomm's Directors are required to hold, in aggregate, not less than 12,001,981 shares. As of March 31, 2025, the Company's Directors totally held 12,785,020 shares.
3. As the Company has established the Audit Committee, the minimum shareholding requirements for supervisors do not apply.
4. Pursuant to Article 2 of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies", in cases where more than two independent directors are elected, the equity stake held by all directors and supervisors other than independent directors is calculated to be reduced to 80%.