

Z-COM Inc.

Handbook for the 2024 Annual Meeting of Shareholders

Convening method : Entity shareholders meeting

Meeting time : May 24, 2024

Place : 2F., No. 2, Zhanye 1st Rd., Hsinchu Science Park,

Hsinchu City

(The Allied Association for Science Park Industries

Room 201)

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I . Z-COM Inc. Procedure for the 2024 Annual Meeting of Shareholders

- (I) Call the Meeting to Order
- (II) Chairperson Remarks
- (III) Management Presentation (Company Reports)
- (IV) Proposals
- (V) Discussion
- (VI) Questions and Motions
- (VII) Adjournment

II . Z-COM, Inc. Agenda of the 2024Annual Meeting of Shareholders

Time: 9:00 a.m. on Weekday, May 24, 2024

Place: 2F., No. 2, Zhanye 1st Rd., Hsinchu Science Park, Hsinchu City(The Allied Association for Science Park Industries Room 201)

(I) Call the Meeting to Order

(II) Chairperson Remarks

(III) Management Presentation (Company Reports)

A. 2023 Business Report

B. Audit Committee’s Review Report on the 2023 Financial Statements

C. Amendment to the Rules of Procedure for the Board of Directors

D. Amendment to the Sustainable Development Best Practice Principles

(IV) Proposals

A. Adoption of the 2023 Business Report and Financial Statements

B. Adoption of the Proposal for 2023 Deficit Compensation

(V) Discussion

A. Amendment to the Rules of Procedure for Shareholder Meetings

B. Amendment to the Management for Loans of Funds to Others

(VI) Questions and Motions

(VII) Adjournment

(III) Management Presentations (Company Reports)

Report No. 1

2023 Business Report

Explanation: The 2023 Business Report is attached as Annex (I)

Report No. 2

Audit Committee's Review Report on the 2023 Financial Statements

Explanation: The 2023 Audit Committee's Review Report is attached as Annex (II).

Report No. 3

Amendment to the Rules of Procedure for the Board of Directors

Explanation:

1. According to the letter No. 11203839965 of the Taiwan Securities OTC Trading Center of the Republic of China on January 11,2024, it is proposed to amend some provisions of the company's the Rules of Procedure for the Board of Directors.
2. For the comparison table before and after the amendments, please refer to Annex (III).

Report No. 4

Amendment to the Sustainable Development Best Practice Principles

Explanation:

1. According to the letter No. 11100730372 of the Taiwan Securities OTC Trading Center of the Republic of China on December 28,2022, it is proposed to amend some provisions of the company's the the Sustainable Development Best Practice Principles.
2. For the comparison table before and after the amendments, please refer to Annex (IV).

(IV) Proposals

Proposal 1:(Proposed by the Board)

Adoption of the 2023 Business Report and Financial Report

Explanation:

1. Z-COM, Inc. Company's Financial Statements were audited by independent auditors, LIU, JUNG-CHIN and CHANG, CHENG-TAO of Taiwan Ernst & Young Private Limited Firm. Also Business Report and Financial Statements have been approved by the Board and examined by the audit committee of Z-COM, Inc.
2. The 2023 Business Report, independent auditors' audit report, and the above-mentioned Financial Statements are attached in the Meeting Agenda, Annex (I), and Annex(V)-(VI).

Resolution:

Proposal 2:(Proposed by the Board)

Adoption of the Proposal for 2023 Deficit Compensation

Explanation:

1. In accordance with Article 27 of the company's articles of association, the company shall distribute employee remuneration based on 10% to 15% of the current year's profit status and shall distribute director's remuneration no more than 3% of the current year's profit status. However, if the company still has accumulated losses, it should be made up.
2. The net profit after tax for the year 2023 was NTD 5,763,103, with the subtract of the accumulated deficit at the beginning of the year of NTD 201,177,868, resulting in an accumulated deficit of NTD 195,414,765 at the end of the year. If there is net income in the future fiscal years, the deficit will be compensated first according to Article 28 of the company's articles of association.
3. The Deficit Compensation Statement for 2023 has been approved by the Board of Directors and submitted for audit by the Audit Committee, please refer to Annex (VII).

Resolution:

(V) Discussion

1 Proposal (Proposed by the Board)

Amendment to the Rules of Procedure for Shareholder Meetings.

Explanation:

1. According to the letter No. 11200552441 of the Republic of China Securities OTC Trading Center on March 23, 2023, it is proposed to amend some provisions of the

company's "Rules of Procedure for the Shareholders' Meeting".

2. For the comparison table before and after the amendments, please refer to Annex (VIII) of this handbook.

Resolution:

2 Proposal (Proposed by the Board)

Amendment to the Management for Loans of Funds to Others

Explanation:

1. Accordance with Article 3, Paragraph 1 of the "Regulations Governing Loaning of Funds and Endorsement/Guarantee by Public Companies," certain articles have been amended to revise the provisions concerning the calculation of the lending limit based on the net value of the enterprise.
2. For the comparison table before and after the amendments, please refer to Annex (IX) of this handbook.

Resolution:

(VI) Questions and Motions

(VII) Adjournment

III. Annex

(I) 2023 Business Report

Dear Shareholders,

We would like to express our gratitude for your care and support towards Z-COM. Below is a summary report on the business performance for 2023 and an outline of the business plan for 2024.

As the threat of COVID-19 gradually subsided in 2023, various industries began to recover. However, the ongoing escalation of the Russia-Ukraine conflict has led to global economic instability, with widespread declines in demand. With the war now lasting over two years, there is a prevailing sense of pessimism internationally. Additionally, the Israel-Hamas conflict in Gaza-Israel border since October last year has expanded to threaten Red Sea shipping, further impacting the economy negatively. Furthermore, the isolationist rhetoric of the Trump administration in the United States election this year is deepening the uncertainty in the international economy.

Although we received many new orders from existing customers last year, the downturn in the European economy resulted in reduced shipping demand from our clients. Consequently, our performance growth was limited. However, we managed to turn losses into profits, successfully weathering the storm and awaiting a rebound in the market.

We have been implementing the pre-6G technology development project from the Ministry of Economic Affairs to enrich zMEC functionalities. This includes integrating cybersecurity features and enhancing AI/ML algorithm capabilities. Additionally, we are utilizing the newly approved Ministry of Transportation project "5G-Driven Smart Transportation Technology and Service Innovation and Industry Development Subsidy Program" to introduce 5G Wi-Fi heterogeneous network products such as Car Specification/Track Specification GTW through Point of Sale (PoS) deployment in the Taoyuan Airport MRT Company's Danhai Light Rail. We also plan to introduce new communication technologies to improve domestic light rail (MRT) operational performance, which will contribute to brand promotion and vertical application opportunities. We will gradually introduce new products for domestic rail transit systems for AIoT applications.

I. Financial performance of 2023 :

- i. Operating Results: The individual financial statement for 2023 of the Republic of China

showed operating income of NT\$387 million, although still sluggish, it has grown compared to the previous year. The gross profit margin was 24%, operating net loss was NT\$14,620 thousand, and after-tax net profit was only NT\$5,763 thousand, with earnings per share of NT\$0.08. Consolidated operating income was NT\$432 million, with a gross profit margin of 34%, operating net loss of NT\$14,276 thousand, and consolidated after-tax net profit of NT\$4,715 thousand.

- ii. Budget Execution Status: The company did not publicly forecast financial performance for 2023.
- iii. Analysis of financial revenue and expenditure and profitability: The company's consolidated operating income for 2023 was NT\$432 million, up more than 30% from the previous year, with a gross profit margin of 34%, slightly higher than the previous year's 28%. Consolidated after-tax net profit was NT\$4,715 thousand, and after-tax net profit attributable to the parent company was NT\$5,763 thousand, with earnings per share of NT\$0.08.
- iv. Technological Developments:
 - a) Utilizing the Ministry of Economic Affairs subsidy project to upgrade zMEC with time-sensitive networking (TSN) and cybersecurity firewall functionalities to serve as a 5G-Wi-Fi private network AIoT application platform. We are also deploying cybersecurity functions UTM on GTW to facilitate AIoT promotion. This system can integrate and manage 5G and Wi-Fi 6 heterogeneous networks, enhancing vertical application capabilities.
 - b) Promoting system applications in ESG new energy fields, including energy generation, storage, consumption monitoring, energy conservation, and smart rail applications, using IoT technology to enter new fields of energy conservation and carbon reduction.
 - c) Introducing Wi-Fi 6E to achieve speeds of up to 10 Gbps, and establishing outdoor and industrial-grade smart boxes, smart poles, and other IoT AI applications.

II. Summary of 2024 Operational Plan and Future Development Strategy for the Company:

- i. Enterprise network systems and outdoor application systems have been listed for sale by major domestic manufacturers, aiming to expand business opportunities and increase brand visibility. In the future, we will promote vertical application networks to Southeast Asia and India.
- ii. Utilizing scientific projects to enhance cooperation with Yang Ming Chiao Tung University and Industrial Technology Research Institute, and industry partners. Providing high-performance, high-quality products and services to domestic enterprise customers, strengthening strategic partnerships to jointly develop new markets.
- iii. Marketing Policy: Continuing to strengthen OEM customer base and deepen brand layout and

vertical application successful stories to increase cooperation opportunities with SI strategically at home and abroad.

- iv. Product Development: In addition to mass-producing Wi-Fi 6E for industrial users, we will also launch 5G Wi-Fi gateways for rail use. We will also introduce Wi-Fi 7 TSN product lines and continue to enhance Wi-Fi 6+ 5G/AIoT IoT application solutions. In addition to integrating the 5G Gateway product line into zMEC edge servers, we plan to establish a cybersecurity protection mechanism (UTM) to effectively manage critical devices and promote the application opportunities for 5G Wi-Fi private networks and AIoT.
- v. Lean production, flexible manufacturing, and fast delivery: Enhancing logistics capabilities to reduce raw material risks.

III. The impact of external competitive environment and overall business environment on the company:

- i. In the post-pandemic era, digitization, cybersecurity requirements, remote monitoring, and effective use of AI/ML and other AI generation tools are becoming prevalent in new applications.
- ii. Promotion of renewable energy policies: Seizing opportunities in environmental sustainable ESG and new energy.
- iii. Overall economic environment: International economic growth momentum is slowing down, moving towards a slow recovery phase.
- iv. External competitive environment: Adjusting profit models dynamically in response to changes in market business models.

IV. Conclusion: Thank you for the support of our shareholders. The management team and all employees will work tirelessly to utilize new technologies to bring profits to our shareholders and fulfill our corporate social responsibility.

Wish all shareholders good health and success in all endeavors.

Chairman, Fan En Technology Co., Ltd.
Legal representative, John S. Shieh

CEO: WU CHIA-FANG

Accounting Officer: CHUANG, HUI-HUA

(II) Audit Committee Report

The Board of Directors has submitted the annual business report, financial statements, and proposal for handling losses for the fiscal year of our company. The financial statements have been audited by Ernst & Young and their audit report has been issued. The aforementioned business report, financial statements, and proposal for handling losses have been reviewed by our Audit Committee, and no issues were found to be in violation. Therefore, we report the above in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please review the information accordingly.

Sincerely,

2024 Annual General Shareholders Meeting of ZCOM

Z-COM,INC

Chairman of the Audit Committee: CHOU, YIH-HENG

March 06th, 2024

(III) The comparison table before and after the amendments of the Rules of Procedures for the board of directors.

Amendment article	Existing article	Explanation
<p>Article 12 When the meeting time is due and one-half all board directors are not present, the meeting chair may announce that the meeting time will be postponed <u>on the same day</u>, provided that no more than two postponements are made. If the quorum is still not met after two postponements, the chair may re-convene the meeting following the procedures provided in Article 3, paragraph 2. The term "all board directors " as used in the preceding paragraph and in Article 17, paragraph 2, subparagraph 2 shall be calculated as the number of directors then in office.</p>	<p>Article 12 When the meeting time is due and one-half all board directors are not present, the meeting chair may announce that the meeting time will be postponed, provided that no more than two postponements are made. If the quorum is still not met after two postponements, the chair may re-convene the meeting following the procedures provided in Article 3, paragraph 2. The term "all board directors " as used in the preceding paragraph and in Article 17, paragraph 2, subparagraph 2 shall be calculated as the number of directors then in office.</p>	<p>In accordance with the letter No. 11203839965 issued by the Financial Supervisory Commission on January 11th,2024, the procedures are to be followed. This amendment aims to</p>
<p>Article 13 A board of directors meeting shall be conducted in accordance with the order of business on the agenda as specified in the meeting notice. However, the order may be changed with the approval of a majority of directors present at the meeting. The meeting chair may not declare the meeting closed without the approval of a majority of directors present at the meeting. If at any time during the proceedings of a board of directors meeting the directors sitting at the meeting are not more than half of the directors present at the meeting, then upon motion by the directors sitting at the meeting, the chair shall declare a suspension of the meeting, in which case paragraph 1 of the preceding article shall apply mutatis mutandis. <u>During the proceedings of a board meeting, if the chair is unable to chair the meeting or fails to declare the</u></p>	<p>Article 13 A board of directors meeting shall be conducted in accordance with the order of business on the agenda as specified in the meeting notice. However, the order may be changed with the approval of a majority of directors present at the meeting. The meeting chair may not declare the meeting closed without the approval of a majority of directors present at the meeting. If at any time during the proceedings of a board of directors meeting the directors sitting at the meeting are not more than half of the directors present at the meeting, then upon motion by the directors sitting at the meeting, the chair shall declare a suspension of the meeting, in which case paragraph 1 of the preceding article shall apply mutatis mutandis.</p>	<p>complete the procedures of the board of directors' meetings, strengthen corporate governance, and thus these Regulations are amended, with two articles revised this time."</p>

Amendment article	Existing article	Explanation
<u>meeting closed as provided in paragraph 2, the provisions of Article 10, paragraph 3 shall apply mutatis mutandis to the selection of the deputy to act in place thereof.</u>		

(IV) Comparison table before and after the revised provisions of the Code of Practice on Sustainable Development.

Amendment article	Existing article	Explanation
<p>Article 27-1 This Corporation shall adopt donation, sponsorship, investment, procurement, strategic cooperation, corporate volunteer technical services or other support modes to continue to invest resources in cultural and artistic activities or cultural and creative industries to promote cultural development.</p>	<p>Newly added to this article</p>	<p>In accordance with the letter No. 11100730372 of the Securities Over-the-Counter Trading Center on December 28, 2022, Article 27-1 is added accordingly. It is mainly to encourage enterprises to support cultural and artistic activities and promote sustainable cultural development, so it has been updated.</p>

(V) Independent Auditors' Report and Consolidated Financial Statements for 2023

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Z-Com, Inc.

Opinion

We have audited the accompanying consolidated balance sheets of Z-Com, Inc. (the “Company”) and its subsidiaries (collectively, the “Group”) as at December 31, 2023 and 2022, 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 the summary of material accounting policies (together “the consolidated financial statements”).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group and its subsidiaries as of December 31, 2023 and 2022, and their consolidated financial performance and cash flows for the years ended December 31, 2023 and 2022, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits, 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 judgement, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, 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, 2023 are stated as follows:

Evaluation of inventories

The Group is engaged in the manufacturing and selling of products related to wireless data network systems. Its inventories were measured at the lower of cost and net realisable value. The Group's inventories were significant to the consolidated financial statements and the determination of net realizable value for the inventories involves subjective judgement. Therefore, the evaluation of inventories was identified as a key audit matter.

Our audit procedures including (but are not limited to) assessing the appropriateness of the management's accounting policy for inventory evaluation; evaluating and testing the effectiveness of relevant internal control; sampling and testing the entry timing in the inventory aging report and checking accuracy of inventory aging calculation; assessed the reasonableness of provision on inventory allowance through testing the determination of net realisable values; notice if any obsolete and damaged inventories while stock-taking.

Please refer to Notes 6(5) of the consolidated financial statements for the accounting policies on inventories, critical accounting estimation uncertainty and the details of inventories, respectively.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 Standard 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 Standard 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 internal control of the Company and its subsidiaries.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company and its subsidiaries. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Other

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

Liu, Jung Chin
Chang, Cheng-Tao

Ernst & Young, Taiwan
March 6, 2024

Notice to Readers

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

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

Z-COM, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars)

ASSETS	Notes	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
CURRENT ASSETS					
Cash and cash equivalents	6(1)	\$214,912	30	\$223,595	29
Financial assets measured at amortised cost, current	6(3) and 8	10,126	1	2,770	0
Notes receivable, net	6(4)	25,631	4	29,449	4
Accounts receivable, net	5 and 6(4)	37,348	5	25,804	3
Other receivables		153	0	48	0
Current tax assets		215	0	104	0
Inventories, net	5 and 6(5)	157,373	22	202,938	26
Prepayments and other current assets		38,995	5	29,586	4
Total Current Assets		<u>484,753</u>	<u>67</u>	<u>514,294</u>	<u>66</u>
NON-CURRENT ASSETS					
Financial assets at fair value through other comprehensive income, noncurrent	6(2)	733	0	1,200	0
Financial assets measured at amortised cost, noncurrent	6(3) and 8	11,302	2	7,302	1
Investments accounted for under the equity method	6(6)	9,326	1	15,000	2
Property, plant and equipment	6(7)	120,465	17	135,208	18
Right-of-use assets	6(9)	52,580	7	57,301	7
Investment property, net	6(8)	4,861	1	5,730	1
Intangible assets		477	0	785	0
Deferred tax assets	6(17)	35,091	5	36,314	5
Prepayment for equipment		2,763	0	463	0
Refundable deposits		841	0	850	0
Total Non-current Assets		<u>238,439</u>	<u>33</u>	<u>260,153</u>	<u>34</u>
TOTAL ASSETS		<u>\$723,192</u>	<u>100</u>	<u>\$774,447</u>	<u>100</u>
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Short-term loans	6(10)	\$100,000	14	\$100,000	13
Contract liabilities, current	6(14)	15,594	2	1,311	0
Accounts payable		33,657	5	64,742	8
Other payables	6(11)	27,280	4	61,619	8
Lease liabilities, current	6(9)	3,082	0	3,014	1
Other current liabilities		1,245	0	695	0
Total Current Liabilities		<u>180,858</u>	<u>25</u>	<u>231,381</u>	<u>30</u>
NON-CURRENT LIABILITIES					
Lease liabilities, noncurrent	6(9)	11,170	2	14,136	2
Other noncurrent liabilities	6(12)	13,941	2	12,170	1
Total Non-current Liabilities		<u>25,111</u>	<u>4</u>	<u>26,306</u>	<u>3</u>
TOTAL LIABILITIES		<u>205,969</u>	<u>29</u>	<u>257,687</u>	<u>33</u>
EQUITY					
Share capital - common stock	6(13)	717,010	99	717,010	93
Capital surplus	6(13)	489	0	33	0
Retained earnings	6(13)				
Special reserve		37,884	5	37,884	5
Accumulated deficit		(195,416)	(27)	(201,179)	(26)
Other equity		(29,961)	(4)	(24,731)	(3)
Treasury stocks	6(13)	(26,512)	(4)	(27,210)	(4)
Equity attributable to owners of the parent		<u>503,494</u>	<u>69</u>	<u>501,807</u>	<u>65</u>
Non-controlling interests		13,729	2	14,953	2
TOTAL EQUITY		<u>517,223</u>	<u>71</u>	<u>516,760</u>	<u>67</u>
TOTAL LIABILITIES AND EQUITY		<u>\$723,192</u>	<u>100</u>	<u>\$774,447</u>	<u>100</u>

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

Z-COM, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the Years Ended December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars)

	Notes	For the Year Ended December 31, 2023		For the Year Ended December 31, 2022	
		Amount	%	Amount	%
Operating revenue	6(14)	\$431,940	100	\$326,030	100
Operating costs	6(5) and 6(16)	(286,493)	(66)	(233,282)	(72)
Operating margin		145,447	34	92,748	28
Operating expenses	6(15)				
Sales and marketing expenses		(15,396)	(4)	(25,238)	(8)
General and administrative expenses		(61,666)	(14)	(52,731)	(16)
Research and development expenses		(81,713)	(19)	(68,015)	(21)
Expected credit impairment losses	12(4)	(172)	(0)	(21,194)	(6)
Total operating expenses		(158,947)	(37)	(167,178)	(51)
Net other (expenses) income	6(8)	(776)	(0)	(780)	(0)
Operating loss		(14,276)	(3)	(75,210)	(23)
Non-operating income and expenses					
Share of profit or loss of associates		(5,674)	(1)	-	-
Interest income	6(16)	2,277	1	1,641	1
Other income	6(16)	25,596	6	5,861	2
Other gains and losses	6(16)	2,000	0	10,193	3
Finance costs	6(16)	(2,764)	(1)	(1,848)	(1)
Total non-operating income and expenses		21,435	5	15,847	5
Net income (loss) before income tax	6(17)	7,159	2	(59,363)	(18)
Income tax expense		(2,444)	(1)	(5,307)	(2)
Net income (loss)		4,715	1	(64,670)	(20)
Other comprehensive income (loss)					
Items that will not be reclassified subsequently to profit or loss:					
Unrealized losses from equity instrument investments measured at fair value through other comprehensive income		(467)	(0)	(700)	(0)
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations		(7,390)	(2)	9,267	3
Income tax related to items that may be reclassified subsequently	6(17)	1,240	0	(2,521)	(1)
Total other comprehensive income (loss)		(6,617)	(2)	6,046	2
Total comprehensive income (loss)		\$(1,902)	(1)	\$(58,624)	(18)
Net income (loss) attributable to:					
Shareholders of the parent		\$5,763	1	\$(64,854)	(20)
Non-controlling interests		(1,048)	(0)	184	0
		\$4,715	1	\$(64,670)	(20)
Total comprehensive income (loss) attributable to:					
Shareholders of the parent		\$533	0	\$(53,516)	(16)
Non-controlling interests		(2,435)	(1)	(5,108)	(2)
		\$(1,902)	(1)	\$(58,624)	(18)
Earnings per share (NTD)					
Earnings per share-basic	6(18)	\$0.08		\$(0.94)	
Earnings per share-diluted	6(18)	\$0.08		\$(0.94)	

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

Z-COM, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Years Ended December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars)

Equity attributable to owners of the parent

Items	Retained Earnings					Other equity			Total	Non-controlling interests	Total equity
	Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Accumulated deficit	Financial statements translation differences of foreign operations	Unrealized loss on financial assets at fair value through other comprehensive income	Treasury stocks			
Balance as of January 1, 2022	\$725,000	\$2,577	\$10,264	\$37,884	\$(148,696)	\$(36,069)	\$-	\$(35,901)	\$555,059	\$51,069	\$606,128
Cover the deficit of 2021	-	(2,107)	(10,264)	-	12,371	-	-	-	-	-	-
Legal reserve and capital surplus cover the deficit	-	-	-	-	(64,854)	-	-	-	(64,854)	184	(64,670)
Net loss for the year ended December 31, 2022	-	-	-	-	-	11,679	(341)	-	11,338	(5,292)	6,046
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	(64,854)	11,679	(341)	-	(53,516)	(5,108)	(58,624)
Total comprehensive income (loss)	-	-	-	-	-	-	-	-	264	277	541
Treasury stocks transaction	(7,990)	(470)	-	-	-	-	-	8,460	-	-	-
Treasury stocks cancellation	-	-	-	-	-	-	-	-	-	(31,285)	(31,285)
Capital reduction by cash-non-controlling interests	-	-	-	-	-	-	-	-	-	-	-
Balance as of December 31, 2022	717,010	33	-	37,884	(201,179)	(24,390)	(341)	(27,210)	501,807	14,953	516,760
Net income for the year ended December 31, 2023	-	-	-	-	5,763	-	-	-	5,763	(1,048)	4,715
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	(5,002)	(228)	-	(5,230)	(1,387)	(6,617)
Total comprehensive income (loss)	-	-	-	-	5,763	(5,002)	(228)	-	533	(2,435)	(1,902)
Treasury stocks transaction	-	456	-	-	-	-	-	698	1,154	1,211	2,365
Balance as of December 31, 2023	\$717,010	\$489	\$-	\$37,884	\$(195,416)	\$(29,392)	\$(569)	\$(26,512)	\$503,494	\$13,729	\$517,223

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

Z-COM, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2023 and 2022
(Expressed in thousands of New Taiwan Dollars)

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss) before income tax	\$7,159	\$(59,363)
Adjustments to reconcile net income before tax to net cash provided by operating activities:		
Depreciation	21,340	21,288
Amortization	298	313
Expected credit impairment losses	172	21,194
Net gains on financial assets and liabilities at fair value through profit or loss	-	(2)
Interest expenses	2,764	1,848
Interest income	(2,277)	(1,641)
Loss on disposal of property, plant and equipment	8	4,542
Property, plant, and equipment transfer to expenses	110	-
Share of loss (profit) of associates	5,674	-
Changes in operating assets and liabilities:		
Contract assets	-	2,010
Notes receivable	3,818	(22,596)
Accounts receivable	(11,716)	(458)
Other receivables	(248)	1,065
Inventories, net	45,565	(35,058)
Prepayments and other current assets	(9,409)	(7,315)
Contract liabilities	14,283	(8,264)
Accounts payable	(31,085)	21,951
Other payables	(10,307)	7,006
Other current liabilities	550	123
Other liabilities, noncurrent	1,771	363
Cash flows provided by (used in) operating activities	<u>38,470</u>	<u>(52,994)</u>
Interest received	2,277	1,641
Interest paid	(2,764)	(1,848)
Income taxes refunded	19	57
Net cash provided by (used in) operating activities	<u>38,002</u>	<u>(53,144)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	111
Acquisition of financial assets measured at amortized cost	(11,356)	39,499
(Acquisitions of) decrease in investment accounted for under the equity method	-	(15,000)
Acquisitions of property, plant and equipment	(3,024)	(4,493)
Proceeds from disposal of property, plant and equipment	-	80
Decrease (increase) in refundable deposits	9	(453)
Increase in prepaid equipment	(2,763)	(463)
Net cash (used in) provided by investing activities	<u>(17,134)</u>	<u>19,281</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase in short-term loans	335,000	340,000
Decrease in short-term loans	(335,000)	(265,000)
Cash payments for the principal portion of the lease liabilities	(3,335)	(2,715)
Price of treasury stock disposal	2,365	541
Acquisitions of ownership interests in subsidiaries	-	(4,348)
Change in non-controlling interests	(23,569)	(7,275)
Net cash (used in) provided by financing activities	<u>(24,539)</u>	<u>61,203</u>
EFFECT OF EXCHANGE RATES CHANGES ON CASH AND CASH EQUIVALENT	<u>(5,012)</u>	<u>6,975</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	<u>(8,683)</u>	<u>34,315</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>223,595</u>	<u>189,280</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$214,912</u>	<u>\$223,595</u>

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

(VI) Independent Auditors' Report and Unconsolidated Financial Statements for 2023

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Z-Com, Inc.

Opinion

We have audited the accompanying parent company only balance sheets of Z-Com, Inc. (the "Company") as of December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and notes to the parent company only financial statements, including the summary of material accounting policies (together "the parent company only financial statements").

In our opinion, the accompanying parent company only financial statements referred to above present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2023 and 2022, and their parent company only financial performance and cash flows for the years ended December 31, 2023 and 2022, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits, 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 judgement, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, 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, 2023 are stated as follows:

Evaluation of inventories

The Company is engaged in the manufacturing and selling of products related to wireless data network systems. Its inventories were measured at the lower of cost and net realisable value. The Company's inventories were significant to the parent company only financial statements and the determination of net realizable value for the inventories involves subjective judgement. Therefore, the evaluation of inventories was identified as a key audit matter.

Our audit procedures including (but are not limited to) assessing the appropriateness of the management's accounting policy for inventory evaluation; evaluating and testing the effectiveness of relevant internal control; sampling and testing the entry timing in the inventory aging report and checking accuracy of inventory aging calculation; assessed the reasonableness of provision on inventory allowance through testing the determination of net realisable values; notice if any obsolete and damaged inventories while stock-taking.

Please refer to Notes 6(4) of the parent company only financial statements for the accounting policies on inventories, critical accounting estimation uncertainty and the details of inventories, respectively.

Responsibilities of Management for the Financial Statements

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

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

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

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

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and 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 auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the accompanying notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Liu, Jung Chin
Chang, Cheng-Tao

Ernst & Young, Taiwan
March 6, 2024

Notice to Readers

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

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

Z-COM, INC.**BALANCE SHEETS****December 31, 2023 and 2022**

(Expressed in thousands of New Taiwan Dollars)

Assets	Notes	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
CURRENT ASSETS					
Cash and cash equivalents	6(1)	\$126,789	19	\$124,289	19
Financial assets at measured amortised cost, current	6(2) and 8	7,367	1	-	-
Accounts receivable, net	5 and 6(3)	31,617	5	18,949	3
Accounts receivable-related parties		2,121	0	-	-
Other receivables		7	0	31	0
Current tax assets		150	0	7	0
Inventories, net	5 and 6(4)	15,426	3	43,032	6
Prepayments and other current assets		19,758	3	19,572	3
Total Current Assets		<u>203,235</u>	<u>31</u>	<u>205,880</u>	<u>31</u>
NON-CURRENT ASSETS					
Financial assets at measured amortised cost, noncurrent	6(2) and 8	7,302	1	7,302	1
Investments accounted for under the equity method	6(5)	359,525	55	369,252	55
Property, plant and equipment	6(6) and 8	40,165	6	43,758	6
Right-of-use assets	6(7)	10,937	2	11,593	2
Deferred tax assets	6(15)	35,091	5	36,314	5
Refundable deposits		126	0	126	0
Total Non-current Assets		<u>453,146</u>	<u>69</u>	<u>468,345</u>	<u>69</u>
TOTAL ASSETS		<u>\$656,381</u>	<u>100</u>	<u>\$674,225</u>	<u>100</u>
Liabilities and Equity					
CURRENT LIABILITIES					
Short-term loans	6(8)	\$100,000	15	\$100,000	15
Contract liabilities, current	6(12)	9,953	2	630	0
Accounts payable		1,122	0	2,563	0
Accounts payable-related parties	7	-	-	21,123	3
Other payables	6(9)	15,817	3	23,462	4
Lease liabilities, current	6(7)	588	0	577	0
Other current liabilities		694	0	533	0
Total Current Liabilities		<u>128,174</u>	<u>20</u>	<u>148,888</u>	<u>22</u>
NON-CURRENT LIABILITIES					
Lease liabilities, noncurrent	6(7)	10,772	2	11,360	2
Other non-current liabilities	6(10)	13,941	2	12,170	2
Total Non-current Liabilities		<u>24,713</u>	<u>4</u>	<u>23,530</u>	<u>4</u>
TOTAL LIABILITIES		<u>152,887</u>	<u>24</u>	<u>172,418</u>	<u>26</u>
EQUITY					
Share capital - common stock	6(11)	717,010	109	717,010	106
Capital surplus	6(11)	489	0	33	0
Retained earnings	6(11)				
Special reserve		37,884	6	37,884	6
Accumulated deficit		(195,416)	(30)	(201,179)	(30)
Other equity		(29,961)	(5)	(24,731)	(4)
Treasury stocks	6(11)	(26,512)	(4)	(27,210)	(4)
TOTAL EQUITY		<u>503,494</u>	<u>76</u>	<u>501,807</u>	<u>74</u>
TOTAL LIABILITIES AND EQUITY		<u>\$656,381</u>	<u>100</u>	<u>\$674,225</u>	<u>100</u>

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

Z-COM, INC.

STATEMENTS OF COMPREHENSIVE INCOME

For the Years Ended December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars)

	Notes	For the Years Ended December 31, 2023		For the Years Ended December 31, 2022	
		Amount	%	Amount	%
Operating revenue	6(12) and 7	\$386,693	100	\$270,871	100
Operating costs	6(4) and 7	(295,051)	(76)	(205,442)	(76)
Operating margin		91,642	24	65,429	24
Operating expenses	6(13)				
Sales and marketing expenses		(12,843)	(3)	(20,688)	(8)
General and administrative expenses		(34,440)	(9)	(28,249)	(10)
Research and development expenses	7	(58,807)	(15)	(33,248)	(12)
Expected credit impairment losses	12(4)	(172)	(0)	(20,296)	(8)
Total operating expenses		(106,262)	(27)	(102,481)	(38)
Operating loss		(14,620)	(3)	(37,052)	(14)
Non-operating income and expenses					
Interest income	6(14)	1,652	0	179	0
Other income	6(14)	28,373	7	3,383	1
Other gains and losses	6(14)	(204)	(0)	6,457	2
Finance costs	6(14)	(2,583)	(1)	(1,454)	(0)
Share of profit or loss of subsidiaries and associates accounted	6(5)	(4,411)	(1)	(31,060)	(11)
Total non-operating income and expenses		22,827	5	(22,495)	(8)
Net income (loss) before income tax		8,207	2	(59,547)	(22)
Income tax expense	6(15)	(2,444)	(1)	(5,307)	(2)
Net income (loss)		5,763	1	(64,854)	(24)
Other comprehensive income (loss)					
Items that will not be reclassified subsequently to profit or loss:					
Unrealized losses from equity instrument investments measured at fair value through other comprehensive income		(228)	(0)	(341)	(0)
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations		(6,242)	(2)	14,200	5
Income tax related to items that may be reclassified subsequently	6(15)	1,240	0	(2,521)	(1)
Total other comprehensive income (loss)		(5,230)	(2)	11,338	4
Total comprehensive income (loss)		\$533	(1)	\$(53,516)	(20)
Earnings per share (NTD)					
Earnings per share-basic	6(16)	\$0.08		\$(0.94)	
Earnings per share-diluted	6(16)	\$0.08		\$(0.94)	

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

STATEMENTS OF CHANGES IN EQUITY
For the Years Ended December 31, 2023 and 2022
(Expressed in thousands of New Taiwan Dollars)

Items	Equity attributable to owners of the parent								Total
	Share capital - common stock	Retained Earnings				Other equity			
		Capital surplus	Legal reserve	Special reserve	Accumulated deficit	Financial statements translation differences of foreign operations	Share of loss of associates and joint ventures accounted for using equity method	Treasury stocks	
Balance as of January 1, 2022	\$725,000	\$2,577	\$10,264	\$37,884	\$(148,696)	\$(36,069)	\$-	\$(35,901)	\$555,059
Cover the deficit of 2021	-	(2,107)	(10,264)	-	12,371	-	-	-	-
Legal reserve and capital surplus cover the deficit	-	-	-	-	-	-	-	-	-
Net loss for the year ended December 31, 2022	-	-	-	-	(64,854)	-	-	-	(64,854)
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	11,679	(341)	-	11,338
Total comprehensive income (loss)	-	-	-	-	(64,854)	11,679	(341)	-	(53,516)
Treasury stocks transaction	-	33	-	-	-	-	-	231	264
Treasury stocks cancellation	(7,990)	(470)	-	-	-	-	-	8,460	-
Balance as of December 31, 2022	717,010	33	-	37,884	(201,179)	(24,390)	(341)	(27,210)	501,807
Net income for the year ended December 31, 2023	-	-	-	-	5,763	-	-	-	5,763
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	(5,002)	(228)	-	(5,230)
Total comprehensive income (loss)	-	-	-	-	5,763	(5,002)	(228)	-	533
Treasury stocks transaction	-	456	-	-	-	-	-	698	1,154
Balance as of December 31, 2023	\$717,010	\$486	\$-	\$37,884	\$(195,416)	\$(29,392)	\$(569)	\$(26,512)	\$503,494

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

Z-COM, INC.**STATEMENTS OF CASH FLOWS****For the Years Ended December 31, 2023 and 2022**

(Expressed in thousands of New Taiwan Dollars)

	For the Years Ended December 31, 2023	For the Years Ended December 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss) before income tax	\$8,207	\$(59,547)
Adjustments to reconcile net income before tax to net cash provided by operating activities:		
Depreciation	4,249	3,514
Expected credit impairment losses	172	20,296
Interest expense	2,583	1,454
Interest income	(1,652)	(179)
Share of profit and loss (profit) of subsidiaries and associates accounted	4,411	31,060
Changes in operating assets and liabilities:		
Accounts receivable	(12,840)	1,585
Accounts receivable-related parties	(2,121)	-
Other receivables	(119)	33
Inventories, net	27,606	(14,370)
Prepayments and other current assets	(186)	(1,210)
Contract liabilities, current	9,323	(4,111)
Accounts payable	(1,441)	1,915
Accounts payable-related parties	(21,123)	(30,910)
Other payables	(7,645)	6,163
Other current liabilities	161	(39)
Net defined benefit liabilities	1,771	363
Cash flows provided by (used in) operating activities	<u>11,356</u>	<u>(43,983)</u>
Interest received	1,652	179
Interest paid	(2,583)	(1,454)
Income taxes refunded	19	58
Net cash flows provided by (used in) operating activities	<u>10,444</u>	<u>(45,200)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
(Acquisitions of) decrease in financial assets measured at amortised cost	(7,367)	24,912
Capital reduction from investee accounted for under the equity method	-	51,566
Acquisitions of investment accounted for under the equity method	-	(15,000)
Acquisitions of property, plant and equipment	-	(1,632)
Decrease in refundable deposits	-	(7)
Net cash flows (used in) provided by investing activities	<u>(7,367)</u>	<u>59,839</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase in short-term loans	335,000	340,000
Decrease in short-term loans	(335,000)	(265,000)
Cash payment for the principal portion of the lease liabilities	(577)	(567)
Net cash flows (used in) provided by financing activities	<u>(577)</u>	<u>74,433</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,500	89,072
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	124,289	35,217
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$126,789</u>	<u>\$124,289</u>

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

(VII) Deficit Compensation Statement

Z-COM, Inc.
Deficit Compensation Statement for 2023

Items	Unit: NTDS
	Total
Deficit yet to be compensated – at the beginning of 2023	(201,177,868)
+ : net profit after tax for 2023	5,763,103
Deficit yet to be compensated – at the end of 2023	(195,414,765)

(Note) According to Article 28 of the Articles of Association, if there is a surplus in the annual financial statements, the deficit should be compensated first.

Chairman : Fan En Technology. Co., Ltd.

Legal representative, John S. Shieh

CEO : WU CHIA-FANG

Accounting Officer: CHUANG, HUI-HUA

(VIII) Comparison table before and after the amendments to the "Rules of Procedure for the Shareholders' Meeting"

Amendment article	Existing article	Explanation
<p>2. Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors. <u>This Corporation convenes a shareholders' meeting via video conference, unless otherwise stipulated by the standards for handling stock affairs of publicly traded companies, it should be specified in the articles of incorporation and resolved by the Board of Directors. Moreover, the video conference shareholders' meeting should be conducted with a resolution agreed upon by at least two-thirds of the directors present and a majority of the attending directors.</u> Changes to how this Corporation convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice. The following is omitted.</p>	<p>2. Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.</p> <p>Changes to how this Corporation convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice. The following is omitted.</p>	<p>In accordance with the letter numbered 11200552441 dated March 23, 2023 from Republic of China Securities Over-the-Counter Trading Center, the revision of Article (which includes new regulations regarding the convening of video conference shareholders' meetings) has been carried out.</p>
<p>5. The above is omitted. To convene a virtual shareholders meeting, this Corporation shall include the follow particulars in the shareholders meeting notice: 1) omitted. 2) omitted. 3) To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified. <u>Except as provided by Article 44-9, Paragraph 6 of the Regulations Governing the Administration of</u></p>	<p>5. The above is omitted. To convene a virtual shareholders meeting, this Corporation shall include the follow particulars in the shareholders meeting notice: 1) omitted. 2) omitted. 3) To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.</p>	<p>In accordance with the letter numbered 11200552441 dated March 23, 2023 from Republic of China Securities Over-the-Counter Trading Center, the revision of Article (which includes new regulations regarding the convening of video conference</p>

Amendment article	Existing article	Explanation
<p><u>Share Affairs of Public Companies, the company shall at least provide shareholders with the necessary connection equipment and assistance. It should also specify the period during which shareholders can apply to the company and other related matters that require attention.</u></p>		<p>shareholders' meetings) has been carried out.</p>
<p>21. When convening a virtual-only shareholders meeting, this Corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online. <u>Except as provided by Article 44-9, Paragraph 6 of the Regulations Governing the Administration of Share Affairs of Public Companies, the company shall at least provide shareholders with the necessary connection equipment and assistance. It should also specify the period during which shareholders can apply to the company and other related matters that require attention.</u></p>	<p>21. When convening a virtual-only shareholders meeting, this Corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.</p>	<p>In accordance with the letter numbered 11200552441 dated March 23, 2023 from Republic of China Securities Over-the-Counter Trading Center, the revision of Article (which includes new regulations regarding the convening of video conference shareholders' meetings) has been carried out.</p>

(IX) Comparison table before and after the amendments to the "Management of Loans to Others"

Amendment article	Existing article	Explanation
<p>Article 3 Loading limits and authorizations</p> <p>The a, b and c items are summarized.</p> <p>d) Companies abroad that are directly and indirectly wholly owned by this Corporation and engage in loading funds to each other, or foreign companies that are directly and indirectly wholly owned by this Corporation and load funds to this Corporation, <u>if there is a necessity for short-term financing, the amount may exceed the limit of 40% of the net value of the enterprise to which funds are loaned. However, in accordance with the "Regulations Governing Loaning of Funds and Endorsement/Guarantee by Public Companies," the total amount of funds loaned and the limit for individual recipients should be established in the internal operational procedures, and the loan period should be clearly defined.</u></p> <p>The e and f items are summarized.</p>	<p>Article 3 Loading limits and authorizations</p> <p>The a, b and c items are summarized.</p> <p>d) Companies abroad that are directly and indirectly wholly owned by this Corporation and engage in loading funds to each other, or foreign companies that are directly and indirectly wholly owned by this Corporation and load funds to this Corporation, shall have their total loading amount not exceed 40% of the net value stated in the company's most recent financial statement. The individual loading limit shall not exceed 5% of the net value stated in the company's most recent financial statement. The loan period shall be handled in accordance with Article 4 of these procedures.</p> <p>The e and f items are summarized.</p>	<p>In accordance with Article 3, Paragraph 1 of the "Regulations Governing Loaning of Funds and Endorsement/Guarantee by Public Companies," the content of Paragraph 4 has been revised to modify the provisions for calculating the lending limit based on the net value of the enterprise.</p>
<p>Article 14 Control procedures for loaning funds of subsidiaries to others</p> <p>b) <u>It is necessary to obtain the subsidiary's detailed statement of funds loaned to others for the previous month and submit it to this Corporation for review before the 7th of each month.</u></p>	<p>Article 14 Control procedures for loaning funds of subsidiaries to others</p> <p>b) Subsidiaries shall <u>compile</u> a detailed statement of funds loan to others for the previous month and submit it to this Corporation for review before the 7th of each month.</p>	<p>Edit the text as appropriate</p>
<p>Article 17</p> <p>This operating procedure was established on March 8, 2002.</p> <p>First revised on March 20, 2003.</p> <p>Second revised on June 29,2006.</p> <p>Third revised on May 22, 2009.</p> <p>Fourth revised on May 17, 2010.</p> <p>Fifth revised on May 31, 2013.</p> <p>Sixth revised on May 29, 2015.</p> <p>Seventh revised on May 31, 2019.</p> <p>Eighth revised on May 24, 2024.</p>	<p>Article 17</p> <p>This operating procedure was established on March 8, 2002.</p> <p>First revised on March 20, 2003.</p> <p>Second revised on June 29,2006.</p> <p>Third revised on May 22, 2009.</p> <p>Fourth revised on May 17, 2010.</p> <p>Fifth revised on May 31, 2013.</p> <p>Sixth revised on May 29, 2015.</p> <p>Seventh revised on May 31, 2019.</p>	

IV. Appendix

Appendix (I): Article of Incorporation

Z-COM,INC.

Article of Incorporation

Chapter 1 General Provisions

Article 1: This company is organized in accordance with the regulations of the Company Law for Limited Liability Companies, and is named "智捷科技股份有限公司" in Chinese and "Z-COM, INC." in English.

Article 2: The business scope of the Company is as follows:
F401021 Import of Telecommunications Regulatory RF Equipment
CC01101 Manufacture of Telecommunications Regulatory RF Equipment
1. Research, development, production, manufacturing, and sales of the following products:
(1) Fixed-point wireless data network systems including fixed-point data communication machines, network communication software, and network management software.
(2) Mobile data communication machines.
(3) Digital cellular mobile communication systems.
(4) Spread spectrum wireless data communication systems.
(5) Digital subscriber loop systems.
2. Related system integration and consulting services for the above products.
3. Concurrently engaged in import and export trading business related to the Company's business.

Article 3: The company has its headquarters located in the Hsinchu Science Park, Taiwan, and may establish branch offices domestically or internationally with the approval of the board of directors and relevant authorities if necessary.

Article 4: The company's total investment in subsidiary companies is not subject to the limitation of 40% of the paid-in capital as stipulated in Article 13 of the Company Act.

Article 4-1: The company may provide endorsement guarantees to external parties, and such operations shall be carried out in accordance with the company's endorsement guarantee operation procedures.

Chapter 2 Shares

Article 5: The authorized capital of the Company is NT\$1 billion divided into 100 million shares (including 10 million shares of employee stock option certificates) with a par value of NT\$10 per share. The unissued shares may be issued by the Board of Directors in several tranches.

The transferees of treasury shares acquired by the Company may include employees of the Company's subsidiaries or affiliates who meet certain conditions.

The recipients of employee stock option certificates may include employees of the Company's subsidiaries or affiliates who meet certain conditions.

The employees who subscribe for newly issued shares may include employees of the Company's subsidiaries or affiliates who meet certain conditions.

The recipients of restricted stock awards issued to employees may include employees of the Company's subsidiaries or affiliates who meet certain conditions.

Article 6: The stocks of this company are registered and should be numbered, signed or stamped by the directors representing the company, and then certified by the competent authority or the registration institution approved by it before being issued. This company may also choose to issue stocks in an electronic form.

Article 7: Shareholders of this company may conduct stock affairs such as transfer, pledge, loss report, inheritance, gift, seal loss or change, or address change, except for those otherwise stipulated by laws and securities regulations, in accordance with the regulations of the "Regulations Governing the Handling of Shareholder Services of Public Companies Issuing Stocks".

Article 8: Deleted

Chapter 3 Shareholder's Meeting

Article 9: The transfer of shares shall be suspended within 60 days before each annual shareholders' meeting, 30 days before any special shareholders' meeting, or 5 days before the record date for distribution of dividends or other benefits as determined by the Company.

Article 10: The shareholder meetings of the Company shall be classified into the following two types:

1. Annual General Meeting: It shall be convened by the Board of Directors within six months after the end of each fiscal year.

2. Extraordinary General Meeting: It shall be convened when necessary.

Article 11: The notice of calling a regular shareholders' meeting shall be given to all shareholders at least thirty days in advance, and the notice of calling a special shareholders' meeting shall be given at least fifteen days in advance, specifying the date, time, place, and purpose of the meeting.

Article 11-1: The method of convening our company's shareholders' meeting has been decided by the board of directors to allow for physical shareholders' meetings with video assistance, virtual shareholders' meetings, or other methods announced by the competent authority. The company shall comply with the conditions, operating procedures, and other applicable matters as required by the securities regulatory authority.

Article 12: Shareholders of our company may exercise their voting rights in writing or electronically during the shareholders' meeting.

Article 13: In case a shareholder is unable to attend the shareholders' meeting due to

unforeseen circumstances, they may issue a power of attorney issued by the company to authorize a proxy to attend on their behalf. The procedures for shareholders to authorize attendance by proxy shall comply with the "Rules Governing the Use of Powers of Attorney for Attendance at Shareholders' Meetings of Public Companies" promulgated by the competent authority, unless otherwise provided by laws and regulations.

Article 14: Each share held by a shareholder of the corporation carries one voting right, except in cases where the provisions of Article 179 of the Company Act Apply and the shareholder is not entitled to exercise their voting right.

Article 15: Resolutions at a shareholders' meeting shall, unless otherwise provided for in this Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares. A company whose shareholders may exercise their voting power in writing or by way of electronic transmission in a shareholders' meeting shall describe in the shareholders' meeting notice the method of exercising their voting power.

Article 15-1: When the corporation plans to delist its publicly issued stocks, it must obtain a resolution from a shareholders' meeting, and the delisting plan shall not be altered during the period when the stocks are listed on the Emerging Stock Market or the Over-the-Counter Market, as applicable.

Chapter 4 Directors, Audit Committee, and Management

Article 16: The company shall have a board of directors consisting of seven to ten members. The number of directors shall be determined by the board of directors and shall follow the system of nomination of candidates. Among the above-mentioned director seats, at least two independent directors shall be appointed, and the number of independent directors shall not be less than one-fifth of the total number of directors. If the chairman of the board and the general manager or equivalent positions are the same person, or if they are spouses or relatives within the first degree, the number of independent directors shall not be less than four. During director elections, the provisions of Article 198 of the Company Act shall be followed, and independent directors and non-independent directors shall be elected together, with separate calculations for the number of elected positions. The candidate with the most votes shall be elected as an independent director or non-independent director, respectively.

The company has established an "Audit Committee" in accordance with the law, and matters related to the number of committee members, term, duties, and rules of procedure shall be governed by the "Regulations Governing the Exercise of Powers by Audit Committees of Public Companies". The organization regulations for the Audit Committee shall be separately formulated. The term of office for directors shall be three years, and they shall be appointed by the shareholders' meeting from among individuals with legal capacity, and may be re-elected consecutively.

The total shareholding of the registered shares of the company held by all

directors shall be determined in accordance with the standards set forth in the "Regulations Governing the Shareholding Percentage of Directors and Supervisors and the Implementation of Audit for Public Companies" promulgated by the Financial Supervisory Commission of the Executive Yuan.

The company may purchase liability insurance during the directors' term of office to cover the compensation liability they should bear for their scope of business in accordance with the law.

Article 17: The Board of Directors is organized by the directors and has the following authorities:

1. To prepare the business plan.
2. To propose the distribution of profits or the appropriation of losses.
3. To propose capital increases or decreases.
4. To draft important regulations and contracts.
5. To appoint and dismiss the General Manager and Deputy General Manager of the company.
6. To establish and dissolve branch offices.
7. To formulate budgets and final accounts.
8. To approve the sale and purchase of real estate and investments in other businesses.
9. Other authorities granted by the Company Act or resolutions of the shareholders' meeting.

Article 18: The Board of Directors shall be attended by more than two-thirds of the directors, and with the consent of a majority of the attending directors, one person shall be elected as the Chairman of the Board, and another person may be elected as Vice Chairman of the Board in the same manner.
formal and in the law perspective.

Article 19: The Board of Directors shall be convened by the Chairman of the Board, except as otherwise provided by the Company Law, and shall be held at least once every three months. The resolution of the Board of Directors shall be passed by the affirmative vote of a majority of the attending directors, provided that the attendance of a majority of the directors is required, except as otherwise provided by the Company Law.

Directors shall personally attend the Board of Directors meetings. In case a director is unable to attend due to unavoidable circumstances, he or she may authorize another director to attend on his or her behalf, but the authorized director shall be limited to one person.

The Board of Directors may conduct meetings via video conference, and a director who attends the meeting via video conference shall be deemed to have participated in person.

Article 20: The Chairman of the Board is the President of the Board of Directors. When the Chairman of the Board is absent or unable to perform his duties due to reasons, his representative shall handle the matter in accordance with Article 208 of the Company Law.

Article 21: Deleted

Article 22: In accordance with Article 29 of the Company Act, the appointment, dismissal, and remuneration of the General Manager and several Deputy

- General Managers shall be handled by the corporation.
- Article 23: The General Manager shall be responsible for the management of the company's business in accordance with the resolutions of the Board of Directors.
- Article 24: The remuneration of all directors, regardless of profit or loss, may be authorized by the Board of Directors at a level consistent with industry standards. For independent directors, reasonable remuneration may be set differently from that of ordinary directors, with authorization from the Board of Directors.

Chapter 5 Accounting

- Article 25: The fiscal year of the company shall be from January 1 to December 31. An annual settlement shall be conducted at the end of each fiscal year.
- Article 26: The company shall prepare the following documents in accordance with Article 228 of the Company Law and submit them to the regular shareholders' meeting for approval at the end of each fiscal year:
1. Business report
 2. Financial statements
 3. Proposal for profit distribution or deficit offset
- Article 27: The company shall distribute employee compensation at a rate of 10% to 15% of the profits of the current fiscal year, and shall distribute director compensation at a rate not exceeding 3% of the profits of the current fiscal year. However, if the company has accumulated losses, they shall be compensated first.
- Employee compensation may be in the form of stocks or cash, and recipients of stocks or cash may include employees of controlling or subsidiary companies who meet certain conditions.
- The profits of the current fiscal year referred to in the first paragraph mean the pre-tax profit for the current fiscal year before deducting employee and director compensation.
- The distribution of employee and director compensation shall be approved by a resolution of the board of directors with the attendance of at least two-thirds of the directors and the agreement of a majority of the attending directors, and shall be reported to the shareholders' meeting.
- Article 28: If there is a surplus in the annual settlement of this company, after paying taxes and donations in accordance with the law and making up for accumulated losses, 10% of the surplus shall be set aside as legal surplus reserves. However, if the legal surplus reserves have reached the actual paid-in capital of this company, no further provision shall be made. The remaining surplus shall be provisioned or converted into special surplus reserves in accordance with relevant laws and regulations. If there is still a balance, the board of directors shall prepare a surplus distribution proposal and submit it to the shareholders' meeting for approval of dividend distribution to shareholders.
- The dividend distribution policy of this company shall take into account the

current and future investment environment, capital needs, domestic and international competitive situation, and capital budgeting, and shall balance the interests of shareholders and the company's long-term financial planning. The dividend payable to shareholders shall be provisioned from the accumulated distributable surplus, of which no less than 50% of the distributable surplus for the current year shall be used, and the proportion of cash dividends shall not be less than 10% of the total dividends.

Article 28-1: The board of directors of the Company is authorized to distribute dividends or allocate the whole or a portion of legal or capital reserves in the form of cash by a resolution passed by at least two-thirds of the directors present at a meeting where a quorum is met and more than half of the attending directors vote in favor. Such resolution shall be reported to the shareholders' meeting and shall not be subject to the provisions related to shareholders' meeting resolutions under this article.

Chapter 6 Supplementary Provisions

Article 29: Separate organizational rules and operational procedures for the company will be established.

Article 30: Any matters not covered by these Articles of Incorporation shall be handled in accordance with the regulations stipulated by the Company Law.

Article 31: This Articles of Incorporation were established by the initiators' meeting and agreed upon by all initiators on February 23, 1995. It shall take effect from the date of approval and registration by the competent authority.

The Articles of Incorporation were first revised on September 2, 1995.

The Articles of Incorporation were second revised on May 20, 1996.

The Articles of Incorporation were third revised on May 26, 1997.

The Articles of Incorporation were fourth revised on June 6, 1998.

The Articles of Incorporation were fifth revised on May 26, 2000.

The Articles of Incorporation were sixth revised on August 8, 2000.

The Articles of Incorporation were seventh revised on May 29, 2001.

The Articles of Incorporation were eighth revised on May 10, 2002.

The Articles of Incorporation were ninth revised on June 1, 2004.

The Articles of Incorporation were tenth revised on June 29, 2006.

The Articles of Incorporation were eleventh revised on May 25, 2012.

The Articles of Incorporation were twelfth revised on May 31, 2013.

The Articles of Incorporation were thirteenth revised on June 6, 2014.

The Articles of Incorporation were fourteenth revised on May 27, 2016.

The Articles of Incorporation were fifteenth revised on May 31, 2018.

The Articles of Incorporation were sixteenth revised on May 31, 2019.

The Articles of Incorporation were seventeenth revised on May 26, 2022.

Appendix (II): Rules of Procedure for Board of the Directors Meeting.

Z-COM,INC. Rules of Procedure for Board of the Directors Meeting.

Date of establishment: April 11, 2006

Revised on: August 29, 2012

Revised on: November 9, 2017

Revised on: May 31, 2018

Revised on: April 16, 2019

Revised on: March 10, 2020

Revised on: August 11, 2020

Revised on: November 9, 2022

Revised on: March 6, 2024

Article 1 To establish a strong governance system and sound supervisory capabilities for this Corporation's board of directors and to strengthen management capabilities, these Rules are adopted pursuant to Article 2 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.

Article 2 With respect to the board of directors meetings ("board meetings") of this Corporation, unless otherwise provided by law or regulation, shall be as provided in these rules.

Article 3 The board of directors shall meet at least quarterly, which shall be set out in the rules of procedure.

The reasons for calling a board of directors meeting shall be notified to each director and supervisor at least seven days in advance. In emergency circumstances, however, a meeting may be called on shorter notice.

The notice set forth in the preceding paragraph may be effected by means of electronic transmission, after obtaining prior consent from the recipients thereof..

All matters set out in the subparagraphs of Article 7, paragraph 1, shall be specified in the notice of the reasons for calling a board of directors meeting; none of them may be raised by an extraordinary motion.

Article 4 The convening of a board meeting shall take place at the registered office of the Company during regular business hours. In cases where it is necessary for business

purposes, the meeting may be held at an alternative location and time that is convenient for all directors to attend and is appropriate for the conduct of board business.

Article 5 The board of directors or its authorized committee responsible for board meetings shall draft agenda items and provide comprehensive meeting materials. These documents shall be delivered along with the notice of the meeting when the corporation convenes a board meeting. A director who is of the opinion that the meeting materials provided are insufficient may request their supplementation by the unit responsible for board meetings. If a director is of the opinion that materials concerning any proposal are insufficient, the deliberation of such proposal may be postponed by a resolution of the board of directors.

Article 6 Agenda items for regular board meetings of this Corporation shall include at least the following:

1. Matters to be reported:
 - (1) Minutes of the last meeting and action taken.
 - (2) Important financial and business matters.
 - (3) Internal audit activities.
 - (4) Other important matters to be reported.
2. Matters for discussion:
 - (1) Items for continued discussion from the last meeting.
 - (2) Items for discussion at this meeting.
3. Extraordinary motions.

Article 7 The matters listed below as they relate to this Corporation shall be raised for discussion at a board meeting:

1. The Corporation's business plan.
2. Annual and semi-annual financial reports, with the exception of semi-annual financial reports which, under relevant laws and regulations, need not be audited and attested by a certified public accountant (CPA).
3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act and assessment of the effectiveness of the internal control system.

4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others.
5. The offering, issuance, or private placement of equity-type securities.
6. If the board of directors does not have managing directors, the election or discharge of the chairman of the board of directors.
7. The appointment or discharge of a financial, accounting, or internal audit officer.
8. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.
9. Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw, must be approved by resolution at a shareholders meeting or board meeting, or any material matter as may be prescribed by the competent authority.

The term "related party" in subparagraph 8 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.

The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.

In the case of a foreign issuer whose shares have no par value or a par value other than NT\$10, 2.5 percent of shareholders' equity shall be substituted for the calculation of the amount equal to 5 percent of paid-in capital required under paragraph 2.

At least one independent director of this Corporation shall attend the meeting in person. With respect to the matters which must be approved by resolutions at a board meeting as

provided in the first paragraph, any and all independent directors shall attend the meeting. Where an independent director is unable to attend the meeting, that independent director shall appoint another independent director to attend the meeting as proxy. If an independent director objects to or expresses reservations about such a matter, it shall be recorded in the board meeting minutes; if an independent director intends to express an objection or reservation but is unable to attend the meeting in person, then unless there is a legitimate reason to do otherwise, that director shall issue a written opinion in advance, which shall be recorded in the board meeting minutes.

Article 8 Apart from matters referred to in paragraph 1 of the preceding article, which are required to be submitted for discussion by the board of directors, when the board of directors delegates any exercise of its powers pursuant to laws or regulations or the company's articles of incorporation, matters such as the level and substance of the delegation shall be concretely and specifically set out.

Article 9 When a meeting of the board of directors is held, an attendance book shall be made ready for signature by directors attending the meeting and thereafter made available for future reference.

All board directors shall attend board meetings in person; if attendance in person is not possible, they may, pursuant to the company's articles of incorporation, appoint another director to attend as their proxy. Attendance via tele- or video-conference is deemed as attendance in person.

A director appointing another director to attend a board meeting in his or her place shall in each case give to that director a written proxy stating the scope of authorization with respect to the reasons for meeting.

A proxy under paragraph 2 may accept a proxy from one person only.

Article 10 Board meetings shall be convened and chaired by the chairperson of the board.

However, with respect to the first meeting of each newly elected board of directors, it shall be called and chaired by the director that received votes representing the largest portion of voting rights at the shareholders meeting in which the directors were elected; if two or more directors are so entitled to convene the meeting, they shall select from among themselves one director to serve as chair.

When the chairperson of the board is on leave or for any reason unable to exercise the

powers of chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson is also on leave or for any reason unable to exercise the powers of vice chairperson, the chairperson shall appoint one of the managing directors to act, or, if there are no managing directors, one of the directors shall be appointed to act as chair. If no such designation is made by the chairperson, the managing directors or directors shall select one person from among themselves to serve as chair.

Article 11 When holding a meeting of the board of directors, a company may, as necessary for the agenda items of the meeting, notify personnel of relevant departments or subsidiaries to attend the meeting as nonvoting participants.

When necessary, the company may also invite certificated public accounts, attorneys, or other professionals to attend as nonvoting participants and to make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place.

Article 12 When the meeting time is due and one-half all board directors are not present, the meeting chair may announce that the meeting time will be postponed on the same day, provided that no more than two postponements are made. If the quorum is still not met after two postponements, the chair may re-convene the meeting following the procedures provided in Article 3, paragraph 2.

The term "all board directors " as used in the preceding paragraph and in Article 17, paragraph 2, subparagraph 2 shall be calculated as the number of directors then in office.

Article 13 A board of directors meeting shall be conducted in accordance with the order of business on the agenda as specified in the meeting notice. However, the order may be changed with the approval of a majority of directors present at the meeting.

The meeting chair may not declare the meeting closed without the approval of a majority of directors present at the meeting.

If at any time during the proceedings of a board of directors meeting the directors sitting at the meeting are not more than half of the directors present at the meeting, then upon motion by the directors sitting at the meeting, the chair shall declare a suspension of the meeting, in which case paragraph 1 of the preceding article shall

apply mutatis mutandis.

During the proceedings of a board meeting, if the chair is unable to chair the meeting or fails to declare the meeting closed as provided in paragraph 2, the provisions of Article 10, paragraph 3 shall apply mutatis mutandis to the selection of the deputy to act in place thereof.

Article 14 When the chair at a board meeting is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call a vote.

When a proposal comes to a vote at a board meeting, if no attending director voices an objection following an inquiry by the chair, the proposal will be deemed approved. If there is an objection following an inquiry by the chair, the proposal shall be brought to a vote.

One voting method for proposals at a board meeting shall be selected by the chair from among those below, provided that when an attending director has an objection, the chair shall seek the opinion of the majority to make a decision:

1. A show of hands or a vote by voting machine.
2. A roll call vote.
3. A vote by ballot.
4. A vote by a method selected at this Corporation's discretion.

"Attending directors," as used in the preceding two paragraphs, does not include directors that may not exercise voting rights pursuant to Article 15, paragraph 1.

Article 15 Except where otherwise provided by the Securities and Exchange Act and the Company Act, the passage of a proposal at a board meeting shall require the approval of a majority of the directors in attendance at a board of directors meeting attended by a majority of all directors.

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

If a vote on a proposal requires monitoring and counting personnel, the chair shall appoint such personnel, providing that all monitoring personnel shall be directors.

Voting results shall be made known on-site immediately and recorded in writing.

Article 16 If a director or a juristic person that the director represents is an interested party in relation to an agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interest of this Corporation, that director may not participate in discussion or voting on that agenda item and shall recuse himself or herself from the discussion or the voting on the item, and may not exercise voting rights as proxy for another director.

Where a director is prohibited by the preceding paragraph from exercising voting rights with respect to a resolution at a board meeting, the provisions of Article 180, paragraph 2 of the Company Act apply mutatis mutandis in accordance with Article 206, paragraph 3 of the same Act.

Article 17 Discussions at a board meeting shall be recorded in the meeting minutes, and the minutes shall fully and accurately state the matters listed below:

1. The meeting session (or year) and the time and place of the meeting.
2. The name of the chair.
3. The directors' attendance at the meeting, including the names and the number of directors in attendance, excused, and absent.
4. The names and titles of those attending the meeting as non-voting participants.
5. The name of the minute taker.
6. The matters reported at the meeting.
7. Agenda items: the method of resolution and the result for each proposal; a summary of the comments made by directors, supervisors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal,

and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director pursuant to Article 12, paragraph 4.

8. Extraordinary motions: The name of the mover, the method of resolution and the result, a summary of the comments of any director, supervisor, expert, or other person; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; and their objections or reservations and any recorded or written statements.

9. Other matters required to be recorded.

The occurrence of any of the following circumstances, with respect to a resolution passed at a board meeting, shall be stated in the meeting minutes and shall be publicly announced and filed on the website of the Market Observation Post System designated by the Financial Supervisory Commission, within 2 days from the date of the meeting:

(1) Any objection or expression of reservations by an independent director expresses of which there is a record or written statement.

(2) A resolution is adopted with the approval of two-thirds or more of all directors, without having been passed by the audit committee of this Corporation.

The attendance book constitutes part of the minutes for each board meeting and shall be retained for the duration of the existence of this Corporation.

The minutes of a board meeting shall bear the signature or seal of both the chair and the minute taker, and a copy of the minutes shall be distributed to each director and supervisor within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of this Corporation.

The meeting minutes of paragraph 1 may produced and distributed in electronic form.

Article 18 A company shall record on audio or video tape the entire proceedings of a board of directors meeting, and preserve the recordings for at least five years, in electronic form or otherwise.

If before the end of the preservation period referred to in the preceding paragraph any litigation arises in connection with a resolution of a board of directors meeting, the relevant audio or video recordings shall continue to be preserved until the litigation is concluded.

Where a board of directors meeting is held via tele- or video conferencing, the audio and visual documentation of the meeting form a part of the meeting minutes and shall be well preserved during the existence of the company.

Article 19 If the board of directors has managing directors, the provisions of Article 2, paragraph 2 of Article 3, Articles 4 to 6, Article 9, and Articles 11 to the preceding article shall apply mutatis mutandis to the procedure for meetings of the managing directors and the provisions of paragraph 4 of Article 3 shall apply mutatis mutandis to the election or discharge of the chairman of the board of directors. However, if a meeting of managing directors is scheduled to be convened within seven days, the notice to each managing director may be made two days in advance.

Article 20 These Rules of Procedure shall be adopted by the approval of meeting of the board of directors and shall be reported to the shareholders meeting. The board of directors may be authorized to adopt, by resolution, any future amendments to these Rules.

Appendix (III): Sustainable Development Best Practice Principles.

Z-COM,INC. Sustainable Development Best Practice Principles

Date of establishment: November 20, 2012
Revised on: May 13, 2019
Revised on: May 29, 2020
Revised on: March 08, 2022
Revised on: August 08, 2023

Chapter 1 General Principles

Article 1 This Corporation to fulfill corporate social responsibility initiatives and to promote economic, environmental, and social advancement for purposes of sustainable development, hereby jointly adopt the Principles to be followed.

Article 2 The Principles includes the overall operating activities of the company and the group companies.

This Corporation to actively fulfill sustainable development in the course of their business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on sustainable development.

Article 3 In promoting sustainable development initiatives, this Corporation shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance.

This Corporation shall in accordance with the materiality principle, conduct risk assessments of environmental, social and corporate governance issues pertaining to company operations and establish the relevant risk management policy or strategy.

Article 4 To implement sustainable development initiatives, this Corporation follows the principles below:

- a) Exercise corporate governance.
- b) Foster a sustainable environment.
- c) Preserve public welfare.
- d) Enhance disclosure of corporate sustainable development information.

Article 5 This Corporation shall comply with the laws and regulations, as well as the articles of incorporation, and take into consideration the correlation between the development of domestic and international sustainable development issues and corporate core business operations, and the effect of the operation of individual companies and of their respective business groups as a whole on stakeholders, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for sustainable development programs, which shall be approved by the board of directors and then reported to the shareholders meeting.

When a shareholder proposes a motion involving sustainable development, the company's board of directors is advised to review and consider including it in the shareholders meeting agenda.

Chapter 2 Exercising Corporate Governance

Article 6 This Corporation shall to follow the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the Code of Ethical Conduct for TWSE/TPEX Listed Companies to establish effective corporate governance frameworks and relevant ethical standards so as to enhance corporate governance.

Article 7 The directors of this Corporation shall exercise the due care of good administrators to urge the company to perform its sustainable development initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its sustainable development policies.

The board of directors of this Corporation is give full consideration to the interests of stakeholders, including the following matters, in the company's furtherance of its sustainable development objectives:

- a) Identifying the company's sustainable development mission or vision, and declaring its sustainable development policy, systems or relevant management guidelines.
- b) Making sustainable development the guiding principle of the company's operations and development, and ratifying concrete promotional plans for sustainable development initiatives.
- c) Enhancing the timeliness and accuracy of the disclosure of sustainable development information.

The board of directors shall appoint executive-level positions with responsibility for economic, environmental, and social issues resulting from the business operations of this

Corporation, and to report the status of the handling to the board of directors. The handling procedures and the responsible person for each relevant issue shall be concrete and clear.

Article 8 This Corporation shall on a regular basis, organize education and training on the promotion of sustainable development initiatives, including promotion of the matters prescribed in paragraph 2 of the preceding article.

Article 9 For the purpose of managing sustainable development initiatives, This Corporation shall to create a governance structure for promotion of sustainable development, and establish an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the sustainable development policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the board of directors on a periodic basis.

This Corporation shall to adopt reasonable remuneration policies, to ensure that remuneration arrangements support the strategic aims of the organization, and align with the interests of stakeholders.

It is advised that the employee performance evaluation system be combined with sustainable development policies, and that a clear and effective incentive and discipline system be established.

Article 10 This Corporation shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the company, and establish a designated section for stakeholders on the company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important sustainable development issues which they are concerned about.

Chapter 3 Fostering a Sustainable Environment

Article 11 This Corporation shall follow relevant environmental laws, regulations and international standards to properly protect the environment and shall endeavor to promote a sustainable environment when engaging in business operations and internal management.

Article 12 This Corporation shall to endeavor to utilize energy more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.

Article 13 This Corporation shall to establish proper environment management systems based on the characteristics of their industries. Such systems shall include the following tasks:

a) Collecting sufficient and up-to-date information to evaluate the impact of the

company's business operations on the natural environment.

- b) Establishing measurable goals for environmental sustainability, and examining whether the development of such goals should be maintained and whether it is still relevant on a regular basis.
- c) Adopting enforcement measures such as concrete plans or action plans, and examining the results of their operation on a regular basis.

Article 14 This Corporation shall to establish a dedicated unit or assign dedicated personnel for drafting, promoting, and maintaining relevant environment management systems and concrete action plans, and should hold environment education courses for their managerial officers and other employees on a periodic basis.

Article 15 This Corporation shall to take into account the effect of business operations on ecological efficiency, promote and advocate the concept of sustainable consumption, and conduct research and development, procurement, production, operations, and services in accordance with the following principles to reduce the impact on the natural environment and human beings from their business operations:

- a) Reduce resource and energy consumption of their products and services.
- b) Reduce emission of pollutants, toxins and waste, and dispose of waste properly.
- c) Improve recyclability and reusability of raw materials or products.
- d) Maximize the sustainability of renewable resources.
- e) Enhance the durability of products.
- f) Improve efficiency of products and services.

Article 16 To improve water use efficiency, this Corporation shall properly and sustainably use water resources and establish relevant management measures.

This Corporation shall construct and improve environmental protection treatment facilities to avoid polluting water, air and land, and use their best efforts to reduce adverse impact on human health and the environment by adopting the best practical pollution prevention and control measures.

Article 17 This Corporation shall to assess the current and future potential risks and opportunities that climate change may present to enterprises and to adopt related measures.

This Corporation shall to adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following:

- a) Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the company.

- b) Indirect greenhouse gas emissions: emissions resulting from the utilization of energy such as imported electricity, heating, or steam.
- c) Other indirect emissions: emissions resulting from corporate activities that are not indirect emissions from energy, but are from other sources of emissions owned or controlled by the company.

This Corporation shall to compile statistics on greenhouse gas emissions, volume of water consumption and total weight of waste and to establish policies for energy conservation, carbon and greenhouse gas reduction, reduction of water consumption or management of other wastes. The companies' carbon reduction strategies should include obtaining carbon credits and be promoted accordingly to minimize the impact of their business operations on climate change.

Chapter 4 Preserving Public Welfare

Article 18 This Corporation shall comply with relevant laws and regulations, and the International Bill of Human Rights, with respect to rights such as gender equality, the right to work, and prohibition of discrimination.

This Corporation to fulfill its responsibility to protect human rights, shall adopt relevant management policies and processes, including:

- a) Presenting a corporate policy or statement on human rights.
- b) Evaluating the impact of the company's business operations and internal management on human rights, and adopting corresponding handling processes.
- c) Reviewing on a regular basis the effectiveness of the corporate policy or statement on human rights.
- d) In the event of any infringement of human rights, the company shall disclose the processes for handling of the matter with respect to the stakeholders involved.

This Corporation shall comply with the internationally recognized human rights of labor, including the freedom of association, the right of collective bargaining, caring for vulnerable groups, prohibiting the use of child labor, eliminating all forms of forced labor, eliminating recruitment and employment discrimination, and shall ensure that their human resource policies do not contain differential treatments based on gender, race, socioeconomic status, age, or marital and family status, so as to achieve equality and fairness in employment, hiring conditions, remuneration, benefits, training, evaluation, and promotion opportunities.

This Corporation shall provide an effective and appropriate grievance mechanism with

respect to matters adversely impacting the rights and interests of the labor force, in order to ensure equality and transparency of the grievance process. Channels through which a grievance may be raised shall be clear, convenient, and unobstructed. A company shall respond to any employee's grievance in an appropriate manner.

Article 19 This Corporation shall provide information for their employees so that the employees have knowledge of the labor laws and the rights they enjoy in the countries where the companies have business operations.

Article 20 This Corporation shall to provide safe and healthful work environments for their employees, including necessary health and first-aid facilities and shall endeavor to curb dangers to employees' safety and health and to prevent occupational accidents. This Corporation shall to organize training on safety and health for their employees on a regular basis.

Article 21 This Corporation shall to create an environment conducive to the development of their employees' careers and establish effective training programs to foster career skills. This Corporation shall establish and implement reasonable employee welfare measures (including remuneration, leave and other welfare etc.) and appropriately reflect the business performance or achievements in the employee remuneration, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.

Article 22 This Corporation shall establish a platform to facilitate regular two-way communication between the management and the employees for the employees to obtain relevant information on and express their opinions on the company's operations, management and decisions.

This Corporation shall respect the employee representatives' rights to bargain for the working conditions, and shall provide the employees with necessary information and hardware equipment, in order to improve the negotiation and cooperation among employers, employees and employee representatives.

This Corporation shall, by reasonable means, inform employees of operation changes that might have material impacts.

Article 22-1 This Corporation shall treat customers or consumers of its products or services in a fair and reasonable manner, including according to the following principles: fairness and good faith in contracting, duty of care and fiduciary duty, truthfulness in advertising and soliciting, fitness of products or services, notification and disclosure, commensuration between compensation and performance, protection of the right to complain,

professionalism of salespersons etc. Said company shall also develop the relevant strategies and specific measures for implementation.

Article 23 This Corporation shall take responsibility for their products and services, and take marketing ethics seriously. In the process of research and development, procurement, production, operations, and services, the company shall ensure the transparency and safety of their products and services. They further shall establish and disclose policies on consumer rights and interests, and enforce them in the course of business operations, in order to prevent the products or services from adversely impacting the rights, interests, health, or safety of consumers.

Article 24 This Corporation shall ensure the quality of their products and services by following the laws and regulations of the government and relevant standards of their industries. This Corporation shall follow relevant laws, regulations and international guidelines in regard to customer health and safety and customer privacy involved in, and marketing and labeling of, their products and services and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.

Article 25 This Corporation shall to evaluate and manage all types of risks that could cause interruptions in operations, so as to reduce the impact on consumers and society. This Corporation shall to provide a clear and effective procedure for accepting consumer complaints to fairly and timely handle consumer complaints, shall comply with laws and regulations related to the Personal Information Protection Act for respecting consumers' rights of privacy and shall protect personal data provided by consumers.

Article 26 This Corporation shall to assess the impact their procurement has on society as well as the environment of the community that they are procuring from, and shall cooperate with their suppliers to jointly implement the corporate social responsibility initiative. This Corporation shall to establish supplier management policies and request suppliers to comply with rules governing issues such as environmental protection, occupational safety and health or labor rights. Prior to engaging in commercial dealings, to assess whether there is any record of a supplier's impact on the environment and society, and avoid conducting transactions with those against corporate social responsibility policy. When this Corporation enter into a contract with any of their major suppliers, the content should include terms stipulating mutual compliance with corporate social responsibility policy, and that the contract may be terminated or rescinded any time if the supplier has violated such policy and has caused significant negative impact on the environment and

society of the community of the supply source.

Article 27 This Corporation shall evaluate the impact of their business operations on the community, and adequately employ personnel from the location of the business operations, to enhance community acceptance.

This Corporation shall through equity investment, commercial activities, endowments, volunteering service or other charitable professional services etc., dedicate resources to organizations that commercially resolve social or environmental issues, participate in events held by citizen organizations, charities and local government agencies relating to community development and community education to promote community development.

Article 27-1 This Corporation shall adopt donation, sponsorship, investment, procurement, strategic cooperation, corporate volunteer technical services or other support modes to continue to invest resources in cultural and artistic activities or cultural and creative industries to promote cultural development.

Chapter 5 Enhancing Disclosure of Sustainable Development Information

Article 28 This Corporation shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for TWSE/TPEX listed Companies and shall fully disclose relevant and reliable information relating to their sustainable development initiatives to improve information transparency.

Relevant information relating to sustainable development which this Corporation shall disclose includes:

- a) The policy, systems or relevant management guidelines, and concrete promotion plans for sustainable development initiatives, as resolved by the board of directors.
- b) The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare.
- c) Goals and measures for promoting the sustainable development initiatives established by the companies, and performance in implementation.
- d) Major stakeholders and their concerns.
- e) Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues.
- f) Other information relating to sustainable development initiatives.

Article 29 This Corporation shall adopt internationally widely recognized standards or guidelines when producing sustainability reports, to disclose the status of their implementation of

the sustainable development policy. It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports. The reports are advised to include:

- a) The policy, system, or relevant management guidelines and concrete promotion plans for implementing sustainable development initiatives.
- b) Major stakeholders and their concerns.
- c) Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development.
- d) Future improvements and goals.

Chapter 6 Supplementary Provisions

Article 30 This Corporation shall at all times monitor the development of domestic and foreign sustainable development standards and the change of business environment so as to examine and improve their established sustainable development framework and to obtain better results from the promotion of the sustainable development policy.

Article 31 This Principle is implemented following approval by the Board of Directors, and the same applies to any amendments.

Appendix (IV): Rules of Procedure for Shareholders' Meeting.

Z-COM,INC.

Rules of Procedure for Shareholders' Meeting

First Amendment: June 6, 1998
Second Amendment: May 26, 2000
Third Amendment: May 10, 2002
Fourth Amendment: June 29, 2006
Fifth Amendment: May 25, 2012
Sixth Amendment: May 29, 2015
Seventh Amendment: May 31, 2019
Eighth Amendment: May 29, 2020
Ninth Amendment: July 26, 2021
Tenth Amendment: May 24, 2023

1. Except as otherwise provided by law and regulation, the company's shareholders' meeting shall be conducted by these rules.

2. Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.

Changes to how this Corporation convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice. This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. If, however, this Corporation has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders meeting.

In addition, before 15 days before the date of the shareholders meeting, this Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby.

This Corporation shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:

- a) For physical shareholders meetings, to be distributed on-site at the meeting.
- b) For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
- c) For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting

platform.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to this Corporation a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, this Corporation shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

3. For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this Corporation before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

If, after a proxy form is delivered to this Corporation, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to this Corporation two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

4. The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

The restrictions on the place of the meeting shall not apply when this Corporation convenes a virtual-only shareholders meeting.

5. This Corporation shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.

Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with this Corporation two days before the meeting date.

In the event of a virtual shareholders meeting, this Corporation shall upload the meeting agenda

book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

To convene a virtual shareholders meeting, this Corporation shall include the following particulars in the shareholders meeting notice:

- 1) How shareholders attend the virtual meeting and exercise their rights.
 - 2) Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
 - a) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
 - b) Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.
 - c) In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.
 - d) Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.
 - 3) To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.
6. If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.
- It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors.
- If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.
- This Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.
7. This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings

of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Where a shareholders meeting is held online, this Corporation shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by this Corporation, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by this Corporation during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

In case of a virtual shareholders meeting, this Corporation is advised to audio and video record the back-end operation interface of the virtual meeting platform.

8. Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, this Corporation shall also declare the meeting adjourned at the virtual meeting platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, 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; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to this Corporation in accordance with Article 6.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

9. If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting

convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

10. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.
A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.
Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.
When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.
When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.
After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.
When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.
After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.
Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.
As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

11. Voting at a shareholders meeting shall be calculated based the number of shares.
With respect to resolutions of shareholders meetings, the number of shares held by a

shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

12. A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When this Corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that this Corporation avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

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

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

When this Corporation convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

When this Corporation convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

13. The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected, and the names of directors and supervisors not elected and number of votes they received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

14. Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of this Corporation.

Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in

the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.

When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, this Corporation shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online

15. On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, this Corporation shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

During this Corporation's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange Market) regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.

16. Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

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

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by this Corporation, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

17. When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

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

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

18. In the event of a virtual shareholders meeting, this Corporation shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting

platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

19. When this Corporation convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.

20. In the event of a virtual shareholders meeting, this Corporation may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.

In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.

When this Corporation convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

When postponing or resuming a meeting according to the second paragraph, this Corporation shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, this Corporations hall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.

21. When convening a virtual-only shareholders meeting, this Corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.
22. These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

Appendix (V): Management for Loans of Funds to Others

Z-COM,INC.

Management for Loans of Funds to Others

Article 1 Legal basis and definition

a) These Regulations are promulgated pursuant to Article 36-1 of the Securities and Exchange Act.

This Corporation shall comply with these Regulations when making loans to others, where other laws or regulations provide otherwise, such provisions shall govern.

b) "Subsidiary" as referred to in these Regulations shall be as determined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

"Net worth" in these Regulations means the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

c) The term "announce and report" as used in these Regulations means the process of entering data to the information reporting website designated by the Financial Supervisory Commission.

d) "Date of occurrence" in these Regulations means the date of contract signing, date of payment, dates of boards of directors resolutions, or other date that can confirm the counterparty and monetary amount of the loan of funds, whichever date is earlier.

Article 2 Loan object

Under Article 15 of the Company Act, this Corporation shall not loan funds to any of its shareholders or any other person except under the following circumstances:

a) Where an inter-company or inter-firm business transaction calls for a loan arrangement.

The aforementioned "business transactions" refer to entities that have purchasing or sales activities with our company.

b) Where an inter-company or inter-firm short-term financing facility is necessary.

The term "short-term" as used in the preceding paragraph means one year, or where the company's operating cycle exceeds one year, one operating cycle.

The term "financing amount" as used of this Article means the cumulative balance of this Corporation short-term financing.

Article 2-1 This Corporation, due to business transactions with other companies or firms, engages in loans of funds and shall do so in accordance with the stipulated operating procedures. Loans of funds for the necessity of short-term financing shall be limited to the following circumstances:

- a) Within the scope of corporate entities related to our company's business, collateral may be requested when necessary.
- b) A company in which this Corporation directly and indirectly holds more than 50 percent of the voting shares.
- c) A company that directly and indirectly holds more than 50 percent of the voting shares in this Corporation.

Article 3 Loading limits and authorizations

- a) The total amount of loans extended by the company shall not exceed 40% of the net value of this Corporation's most recent financial statement.
- b) Where an inter-company or inter-firm short-term financing facility is necessary, the individual loading limit for funds shall not exceed 5% of the net value of this Corporation's most recent financial statement.
- c) Where an inter-company or inter-firm business transaction calls for a loan arrangement, the individual loading amount shall be limited to no more than the amount of business transactions between the two parties in the most recent fiscal year. The term 'business transaction amount' refers to the higher amount of either purchases or sales between the two parties.
- d) Companies abroad that are directly and indirectly wholly owned by this Corporation and engage in loading funds to each other, or foreign companies that are directly and indirectly wholly owned by this Corporation and load funds to this Corporation, shall have their total loading amount not exceed 40% of the net value stated in the company's most recent financial statement. The individual loading limit shall not exceed 5% of the net value stated in the company's most recent financial statement. The loan period shall be handled in accordance with Article 4 of these procedures.
- e) Before making a loan of funds to others, this Corporation shall carefully evaluate whether the loan is in compliance with these Regulations. This Corporation may implement only after the evaluation results have been submitted to and resolved upon by the board of directors. The company shall not empower any other person to make such decision.

f) Loans of funds between this Corporation and its subsidiaries, or between its subsidiaries, shall be submitted for a resolution by the board of directors pursuant to the preceding paragraph, and the chairperson may be authorized, for a specific borrowing counterparty, within the net cumulative amount in NTD shall not exceed ten million, or 10% of the net value of the loan company most recent financial statement, or 5% of the net value of this Corporation most recent financial statement, whichever is lower, and within a period not to exceed one year, to give loans in installments or to make a revolving credit line available for the counterparty to draw down.

Article 4 Duration of loans and calculation of interest

- a) The duration of each fund loan by this Corporation shall not exceed one year or one business cycle, whichever is longer.
- b) The interest rate for the funds lent by this Corporation shall not be lower than the highest interest rate for short-term loans from financial institutions to the company, and the interest shall be calculated monthly.

To calculate interest on a daily basis: Multiply the sum of the daily loan balances by the annual interest rate, then divide by 365 (for currencies other than New Taiwan Dollar, divide by 360) to obtain the amount of interest.

Payment of interest and penalty fees: In accordance with the terms of the loan agreement.

Article 5 The loan process

a) Application Procedures

- I) Borrowers shall provide basic and financial information, fill out an application form detailing the purpose of the funds, the loan period, and the amount, and then submit it to this Corporation finance department.
- II) If engaging in loading due to business transactions, the handling staff at this Corporation's finance department should assess whether the amount lent is commensurate with the amount of business transactions. If it is necessary to provide short-term financing, the reasons and circumstances for the loan must be listed, and according to Article 5, Section 2 of the regulations, an examination must be conducted. The relevant information and proposed loading conditions shall be reported to the head of the finance department and the general manager, then shall be submitted to the board of directors for a resolution. The decision cannot be delegated to others.

- III) When this Corporation has appointed independent directors, in the event of loading funds to others, the opinions of each independent director shall be fully considered, and the explicit consent or objection, along with the reasons for any objection, shall be recorded in the minutes of the board meeting.
- b) Review procedure
 - I) For first-time borrowers, the borrower shall provide basic and financial information for credit investigation.
 - II) If the borrower is continuing the loan, it is a principle to conduct a new credit investigation when proposing a renewal. In the case of significant or urgent events, shall be carried out at any time as needed.
 - III) When this Corporation conducts a review of the borrower, it shall also assess the necessity and rationality of loading funds to others, the credit and risk evaluation of the loading target, the impact on this Corporation's operational risk, financial condition, and shareholders' equity, as well as whether collateral shall be obtained and the assessed value of the collateral.

Article 6 Loan approval

- a) After the credit investigation and assessment, if the board of directors decides not to approve the loan, the handling staff shall promptly respond to the borrower with the reasons for the refusal.
- b) After the credit investigation and evaluation, if the board of directors resolves to approve the loan, the handling staff shall promptly inform the borrower in writing, detailing this Corporation's lding conditions, including the amount, term, interest rate, collateral, and guarantors, etc., and request the borrower to complete the signing procedures within the specified period.

Article 7 Contract guarantee

- a) In loan cases, the terms of the contract shall be drafted by the handling staff, reviewed by the supervisory personnel, and then submitted to the legal advisor for verification before proceeding with the signing procedures.
- b) The content of the contract shall be consistent with the approved loan conditions. After the borrower and the co-signer have signed the contract, the handling staff shall properly complete the counter-guarantee procedures.

Article 8 Collateral rights setting

In cases where a loan requires the declaration of collateral, the borrower must provide such collateral and complete the procedures for establishing a pledge or mortgage right. This Corporation must also assess the value of the collateral to mitigate the risk of non-recovery of the loan and to secure the company's creditor rights.

Article 9 Insurance

- a) Besides land and securities, all collateral shall be insured for fire and related insurance. The insurance amount shall be no less than the pledge value of the collateral. The insurance policy shall specify this Corporation as the beneficiary.
- b) The handling staff shall ensure that the borrower is notified to renew the insurance before the expiration of the insurance term.

Article 10 Appropriation

Once the loan conditions have been approved and the borrower has duly signed the contract, and all procedures such as the registration of the collateral pledge (mortgage) have been properly handled and verified to be correct, the funds can then be disbursed.

Article 11 Keep Accounts

When the loan disbursement process for each case is completed, the finance department shall record the collateral or credit guarantee category provided by each borrower in the appropriate ledger.

Article 12 Repayment

- a) After the loan disbursement, it shall be to regularly monitor the financial, business, and credit status of the borrower and guarantor. If collateral has been provided, one should also pay attention to any changes in its guarantee value. One month before the loan matures, the borrower shall be notified to repay the principal and interest by the due date.
- b) When repaying the loan at maturity, the borrower should first calculate the interest due. After settling both the interest and principal, the promissory notes, IOUs, and other debt repayment vouchers can be canceled and returned to the borrower.
- c) The borrower shall immediately repay the principal and interest upon the loan's maturity. If they are unable to repay upon maturity, this Corporation has the right to legally dispose of the provided collateral or pursue compensation from the guarantor.

Article 12-1 Follow-up control measures for loans and amounts

- a) When this Corporation handles matters related to fund lending, a reference book should be established. It should detail the subjects of the fund lending, the amount, the date of board approval, the date of fund disbursement, and the matters that should be carefully evaluated according to Article 5, Section 2, Subsection 3.
- b) After the loan has been disbursed, the handling staff responsible for the case should organize the contract, promissory notes, and other debt certificates, as well as collateral documents, insurance policies, and correspondence. These items should be placed in a safekeeping bag, labeled with the contents and the client's name. The bag should then be presented to the head of the finance department for inspection. Once verified to be correct, it should be sealed. Both parties will then sign or stamp the safekeeping register for storage.
- c) This Corporation's internal auditors should audit the procedures and execution of funds lent to others at least quarterly and make a written record. If any significant violations are discovered, they should immediately notify the members of the audit committee in writing.
- d) Due to changes in circumstances, if the lending party does not match with this Regulation or if the balance exceeds the limit, the audit unit should urge the finance department to develop an improvement plan. The relevant improvement plan should be submitted to each member of the audit committee and improvements should be completed according to the planned schedule.
- e) The handling staff shall prepare a detailed statement of funds lent to other companies for the previous month before the 7th of each month, and submit it for review at each level.

Article 13 Information disclosure

- a) This Corporation shall announce and report the balance of funds lent to other companies and subsidiaries for the previous month before the 10th of each month.
- b) When the balance of funds lent by this Corporation and subsidiaries reaches one of the following standards, an announcement and report should be made within two days from the date of occurrence:
 - I) The balance of funds loan to others by this Corporation and subsidiaries exceeds 20% the net value reported in this Corporation's most recent financial statement.

- II) The balance of funds loan by this Corporation and subsidiaries to a single enterprise exceeds 10% of the net value reported in this Corporation's most recent financial statement.
- III) When this Corporation or subsidiaries extend new loans amounting to over ten million NTD and exceeding 2% of the net value reported in this Corporation's most recent financial statement.
- c) If a subsidiary of this Corporation is not a publicly listed company in the country, any matters that shall be announced and reported according to the third provision of the previous paragraph shall be done by this Corporation.
- d) This Corporation shall assess the situation of funds loan and make adequate provisions for bad debt. It shall also disclose relevant information in the financial reports and provide necessary data to the certified public accountant for the required audit procedures.

Article 14 Control procedures for loaning funds of subsidiaries to others

- a) If a subsidiary of this Corporation plans to loan funds to others, it shall also establish a set of operating procedures for loans to others and proceed according to the established procedures; however, the net value shall be calculated based on the net value of the subsidiary.
- b) Subsidiaries shall compile a detailed statement of funds loan to others for the previous month and submit it to this Corporation for review before the 7th of each month.
- c) Subsidiary internal auditors shall also audit the procedures and execution of funds loan to others at least quarterly, and document it in writing. If any significant violations are discovered, they shall immediately notify this Corporation's audit unit in writing. This Corporation's audit unit shall then submit the written documentation to each member of the audit committee.
- d) When this Corporation's audit personnel conduct inspections at subsidiaries according to the annual audit plan, they shall also understand the execution of the subsidiaries' fund loan procedures to others. If any deficiencies are discovered, they shall continuously track the improvement status and prepare a tracking report to present to the general manager.

Article 15 Penalties

When the managers and responsible personnel of this Corporation violate these operational procedures, they shall be reported for evaluation according to this Corporation's personnel

management methods and employee handbook, and punished according to the severity of the circumstances.

Article 16 Implementation and revision

This operational procedure shall be agreed upon by the Audit Committee, then passed by a resolution of the Board of Directors, and submitted for approval at the General Shareholders' Meeting. If any director expresses an objection and there is a record or written statement, this Corporation shall send their objections to each Audit Committee and submit them for discussion at the General Shareholders' Meeting. The same applies to amendments.

When this Corporation submits this operational procedure to the Board of Directors for discussion, in accordance with the provisions of the preceding paragraph, it shall fully consider the opinions of each independent director. If any independent director has an opposing or reserved opinion, it shall be recorded in the minutes of the Board of Directors' meeting.

When this Corporation amends the procedures for loans funds to others, it shall be with the consent of more than half of all members of the Audit Committee, and a resolution shall be proposed to the Board of Directors. If the amendment does not receive the consent of more than half of all members of the Audit Committee, it can be enacted with the agreement of two-thirds of all directors, and the resolution of the Audit Committee should be recorded in the minutes of the Board of Directors' meeting.

Article 17 This operating procedure was established on March 8, 2002.

First revised on March 20, 2003.

Second revised on June 29, 2006.

Third revised on May 22, 2009.

Fourth revised on May 17, 2010.

Fifth revised on May 31, 2013.

Sixth revised on May 29, 2015.

Seventh revised on May 31, 2019.

Appendix (VI): Total Shares Held and Minimum Shares Required to be Held by Directors and Independent Directors

- (I) The total number of shares issued by the Corporation is 71,701,000 shares. According to Article 26 of the Securities and Exchange Act and the Regulations Governing Shareholdings of Directors and Supervisors of Public Companies, the minimum number of shares that all directors of the Corporation should hold is 7,170,000 shares (10%). As the Corporation has appointed three independent directors, the percentage of shareholding required by all directors (excluding independent directors) is reduced to 80%, so the minimum number of shares required to be held by all directors (excluding independent directors) is 5,736,080 shares.
- (II) As the Corporation has established an audit committee, the Regulations Governing Shareholdings of Supervisors do not apply.

Record Date for Share Transfer: March 26, 2024.

Title	Name	Numbers of share helds	Percentage of share helds
Chairman	Fan En Technology Co., Ltd. Legal Representative Director John S. Shieh	3,618,909	5.05%
Director	Ying Hong Commercial Co., Ltd. Legal Representative Director : WU, TZY-HSIN	521,276	0.73%
Director	CHEN, YU AN	894,935	1.25%
Director	WU CHIA-FANG	907,027	1.27%
Independent Director	CHOU, YIH-HENG	0	0%
Independent Director	HUANG · TAI-SHENG	0	0%
Independent Director	Yuan-liang Su	0	0%
Total Number of Shares Held by All Directors		5,942,147	8.3%
Minimum Number of Shares Each Director Should Hold		5,736,080	8.00%

Appendix (VII): Acceptance of Shareholder Proposals at the Annual Shareholders' Meeting

- (I) Pursuant to Article 172-1 of the Company Law, shareholders holding more than one percent of the total issued shares may submit a written proposal to the corporation for consideration at the annual shareholders' meeting. Each proposal is limited to one item and shall not exceed 300 words (including words and punctuation). Any proposal exceeding this limit shall not be included in the agenda. The proposing shareholder shall attend the meeting in person or authorize another person to attend and participate in the discussion of the proposal.
- (II) For the 2024 annual shareholders' meeting, the acceptance period for shareholder proposals was from March 15, 2024 to March 26, 2024, and was duly announced on the Public Information Observation System in accordance with the law.
- (III) During the aforementioned acceptance period, the corporation did not receive any shareholder proposals.